

O/0616/24

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. UK00003614231

BY SPEYSIDE DISTILLERS COMPANY LIMITED

FOR THE TRADE MARK:



IN CLASS 33

AND

IN THE MATTER OF OPPOSITION THERETO

UNDER NO. 427425

BY: GLASGOW WHISKY LIMITED

Background and pleadings

1. On 22 March 2021, Speyside Distillers Company Limited (“the applicant”) applied to register the trade mark shown on the cover of this decision in the UK. The application was published on 9 July 2021 for the following goods:

Class 33: Alcoholic beverages (except beers); vodka; gin; rum; brandy; preparations for making alcoholic beverages; distilled spirits; Scotch whisky; blended Scotch whisky and Scotch whisky-based liqueurs; all produced in the Speyside region of Scotland complying with the specifications of the PGI Scotch Whisky.

2. On 11 October 2021, Glasgow Whisky Limited (“the opponent”) opposed the application on the basis of Section 5(2)(b) of the Trade Marks Act 1994 (“the Act”). The opponent relies upon UK trade mark number 2478571 for the mark SPEYMHOR, which was filed on 1 February 2008 and registered on 29 August 2008. The opponent relies upon some of its goods for which the mark is registered, namely *Scotch whisky (but in so far as whisky [...] only Scotch whisky produced in Scotland)* in class 33.

3. The opponent claims that the marks are highly similar and that the respective goods are either identical or highly similar, with the result that there is a likelihood of confusion.

4. The applicant filed a counterstatement denying opponent’s claims and putting the opponent to proof of use in respect of its earlier mark.

5. The opponent is represented by Murgitroyd & Company and the applicant is represented by Lawrie IP Limited.

6. Both parties filed evidence in these proceedings. This will be summarised to the extent that it is considered appropriate/necessary. No hearing was requested and so this decision is taken following careful consideration of the papers.

7. 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.

EVIDENCE

8. The opponent's evidence was filed in the form of a witness statement dated 24 July 2023 from Graham Russell Taylor, the Director of the opponent's company. The witness statement included three exhibits. The purpose of the evidence is to demonstrate that the earlier mark has been put to genuine use for the goods on which the opponent relies.

9. The applicant's evidence was filed in the form of a witness statement dated 25 September 2023 from Sharon Mackinson, a Chartered Trade Mark Attorney at Lawrie IP, the applicant's representatives. The witness statement included four exhibits.

10. Whilst I do not intend to summarise the evidence here, I have taken it into consideration in reaching my decision and I will refer to it below where necessary.

DECISION

11. Section 5(2)(b) of the Act reads as follows:

“5(2) A trade mark shall not be registered if because –

(a)...

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

12. The trade mark relied upon by the opponent qualifies as an earlier trade mark pursuant to section 6 of the Act. The opponent's mark had completed its registration process more than 5 years prior to the application date of the mark at issue and, as above, the applicant has requested proof of use. As a result, the opponent's mark is consequently subject to proof of use pursuant to section 6A of the Act.

Proof of use

13. I will begin by assessing whether and to what extent the evidence supports the opponent's statement that it has made genuine use of the mark in relation to the goods relied upon.

14. The relevant statutory provisions are set out in Section 6A of the Act, which states:

“(1) This section applies where -

(a) an application for registration of a trade mark has been published,

(b) there is an earlier trade mark of a kind falling within section 6(1)(a), (aa) or (ba) in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and

(c) the registration procedure for the earlier trade mark was completed before the start of the relevant period.

(1A) In this section “the relevant period” means the period of 5 years ending with the date of the application for registration mentioned in subsection (1)(a) or (where applicable) the date of the priority claimed for that application.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if -

(a) within the relevant period the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

(b) the earlier trade mark has not been so used, but there are proper reasons for non- use.

(4) For these purposes -

(a) use of a trade mark includes use in a form (the “variant form”) differing in elements which do not alter the distinctive character of the mark in the form in which it was registered (regardless of whether or not the trade mark in the variant form is also registered in the name of the proprietor), and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(5)- (5A) [Repealed]

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.”

15. Section 100 is also relevant, which reads:

“If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

16. Pursuant to section 6A of the Act, the relevant period for assessing whether there has been genuine use of the earlier mark is the five-year period ending with the filing date of the application at issue i.e., **21 March 2016 to 22 March 2021**.

Relevant case law

17. In *easyGroup Ltd v Nuclei Ltd & Ors* [2023] EWCA Civ 1247, Arnold LJ summarised the law relating to genuine use as follows:

“105. The principles applicable to determining whether there has been genuine use of a trade mark have been considered by the CJEU in a considerable number of cases, the principal decisions being Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, Case C-259/02 *La Mer Technology Inc v Laboratories Goemar SA* [2004] ECR I-1159, Case C-416/04 P *Sunrider Corp v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [2006] ECR I-4237, Case C-442/07 *Verein Radetsky-Order v Bundesvereinigun g Kamaradschaft 'Feldmarschall Radetsky'* [2008] ECR I-9223, Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759, Case C-149/11 *Leno Marken BV v Hagelkruis Beheer BV* [EU:C:2012:816], Case C-609/11 *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], Case C-141/13 P *Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [EU:C:2014:2089], Case C-689/15 *W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse* [EU:C:2017:434] and Joined Cases C-720/18 and C-721/18 *Ferrari SpA v DU* [EU:C:2020:854].

106. Ignoring issues which do not arise in the present case, such as use in relation to spare parts or second-hand goods and use in relation to a sub-category of goods or services, the principles may be summarised as follows:

(1) Genuine use means actual use of the trade mark by the proprietor or by a third party with authority to use the mark: *Ansul* at [35] and [37].

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Centrotherm* at [71]; *Leno* at [29]; *Ferrari* at [32].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Centrotherm* at [71]; *Leno* at [29]; *Gözze* at [37], [40]; *Ferrari* at [32].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the

characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34]; *Leno* at [29]-[30], [56]; *Ferrari* at [33].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32].”

18. I take the following from the opponent’s evidence:

- The opponent’s company bottles single malt whisky under the name SPEYMHOR.
- The whisky is manufactured and labelled in Scotland for export purposes with Asia being the primary market but it is also present in the European market via Aldi.
- Rare bottles of SPEYMHOR whisky are occasionally sold via a UK based auctioneer company known as www.whiskyauctioneer.com.
- Printouts of the opponent’s website are provided in exhibit GRT2 and dated within the relevant period. The images show bottles of whisky clearly labelled with the mark “SPEYMHOR”.

- Six invoices are provided in exhibit GRT3 demonstrating sales of “SPEYMHOR single malt Scotch whisky” to Germany, Taiwan, Estonia, Ukraine, China and Singapore. Five of the six invoices are dated within the relevant period.
- The opponent has not provided any turnover figures and the invoices are redacted in terms of sales figures. However, I can calculate the number of bottles sold for each invoice though I note this may not be reflective of the opponent’s sales as a whole.
- The number of bottles sold on each invoice are as follows:

Year and location	Number of bottles sold
2018- Germany	40,020
2019- Estonia	1,026
2019-China	7,500
2020-Singapore	5,700
2020-Taiwan	4,368

Genuine Use

19. An assessment of genuine use is a global assessment, which includes looking at the evidential picture as a whole, not whether each piece of evidence shows use by itself.¹ In assessing whether genuine use has been made of the earlier mark, I am not making a judgment about the commercial success of the mark in relation to the goods for which it is registered. It depends upon a variety of factors, including the nature of the goods and the characteristics of the market; the consistency of sales over time and whether the use is warranted to create or maintain a share in that market. Although there are no turnover figures provided, the invoices provided show consistent sales made during the relevant period. I also keep in mind that section 6A(4)(b) of the Act states that “use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.”

¹ *New Yorker SHK Jeans GmbH & Co. KG v OHIM*, General Court of the European Union, Case T-415/09

20. I find that the use made by the opponent is more than merely token and is clearly an attempt to create or maintain a market for the goods relied upon. Accordingly, I conclude that the evidence before me establishes that there has been genuine use of the mark at issue during the relevant period in relation to *Scotch whisky (but in so far as whisky [...] only Scotch whisky produced in Scotland)*.

Section 5(2)(b) - Case law

21. The following principles are gleaned from the decisions of the courts of the *European Union in Sabel BV v Puma AG, Case C-251/95, Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc, Case C-39/97, Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V. Case C-342/97, Marca Mode CV v Adidas AG & Adidas Benelux BV, Case C-425/98, Matratzen Concord GmbH v Office for Harmonization 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.*

The principles:

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

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

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

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing

in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

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

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

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

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

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

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

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

Comparison of goods

22. In *Canon*, the Court of Justice of the European Union (“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”.

23. Guidance on this issue has also come from Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, where he identified the factors for assessing similarity as:

- a) The respective users of the respective goods or services;
- b) The physical nature of the goods or acts of services;
- c) The respective trade channels through which the goods or services reach the market;
- d) 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;
- e) 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.

24. The General Court confirmed in *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T-133/05, that, even if goods (though it equally applies to services) are not worded identically, they can still be considered identical if the goods specified in the contested trade mark application are included in a more general category covered by a term under the earlier mark (or vice versa).

25. "Complementary" means that “[...] there is a close connection between [the goods/services], 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".²

26. The goods to be compared are as follows:

Opponent's goods	Applicant's goods
Class 33: Scotch whisky (but in so far as whisky [...] only Scotch whisky produced in Scotland)	Class 33: Alcoholic beverages (except beers); vodka; gin; rum; brandy; preparations for making alcoholic beverages; distilled spirits; Scotch whisky; blended Scotch whisky and Scotch whisky-based liqueurs; all produced in the Speyside region of Scotland complying with the specifications of the PGI Scotch Whisky.

27. The opponent's *Scotch whisky* is self-evidently identical to the applicant's *Scotch whisky* and *blended Scotch whisky*.

28. The applicant's *Alcoholic beverages (except beers)* and *distilled spirits* would encompass the opponent's *Scotch whisky*. These goods are therefore identical based on the *Meric* principle.

29. *Vodka; gin; rum* and *brandy* overlap in terms of nature with the opponent's *Scotch whisky* as they are different types of spirits however, I acknowledge that they are produced using different processes and different raw ingredients. The goods are consumed in order to obtain the effects of alcohol so there is therefore an overlap in purpose. All of these spirits can be consumed neat as a short drink or combined with a soft drink (such as coke or tonic water) or other types of mixers (as ingredients in cocktails) meaning that they will overlap in method of use. There would be an overlap

² *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-325/06, EU :T :2008:338.

in users, being adult members of the general public. There would also be an overlap in trade channels as the respective goods are sold in supermarkets and off-licences for consumption at home, and bars, restaurants, clubs and public houses for consumption on the premises. Further, there is likely to be a competitive relationship between these goods as a consumer, for example, may choose to have a vodka and coke over a whisky and coke or to have a neat brandy over a neat whisky. Overall, I consider there to be a high degree of similarity between these goods.

30. *Scotch whisky-based liqueurs* have some similarity in terms of nature compared to *Scotch whisky*, though liqueurs tend to be sweet drinks, which whisky is not. There is an overlap in terms of purpose and method of use; both may be drunk neat or with a mixer. The respective goods will be sold near one another and users will overlap. I also consider the goods to be competitive, however, they are not complementary. Overall, I consider there to be a high level of similarity.

31. I consider that *preparations for making alcoholic beverages* the applicant's specification are alcoholic substances but would not include spirits such as *Scotch whisky*. The respective the goods are alcoholic and are to be consumed to obtain the effects of alcohol, meaning they overlap in nature and purpose. I note that the applicant's goods have to be mixed with other alcoholic and non-alcoholic drinks, in very small quantities, whereas the opponent's *Scotch whisky* can be consumed either neat or mixed. The goods overlap in user, being consumed by adults over the age of 18 and they would be sold in supermarkets and off-licences for consumption at home, and bars, restaurants, clubs and public houses for consumption on the premises. I do not consider that the goods would be in competition, nor complementary. On balance, I consider there to be a medium to high level of similarity between these goods.

The average consumer and the purchasing act

32. 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*.

33. 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.”

34. It is my view that the average consumer for the contested goods will primarily comprise of adult members of the general public. The goods are likely to be self-selected by the consumer from shelves or chilled cabinets in shops. In these circumstances visual considerations are likely to dominate. I also consider that the goods would also be available in bars, public houses and cafes. In these circumstances, there may be an aural aspect to the selection process, such as requesting the goods from a member of staff. However, visual considerations would still likely dominate as the goods would likely be displayed behind bars or on a menu.³

35. Notwithstanding that there may be variations in the price of the goods, overall, they are consumable goods, drunk on a fairly frequent basis. Considerations such as personal taste, alcoholic strength and cost will play a part in the selection process leading to a medium level of attention being paid.

Comparison of trade marks

36. 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


³ *Simonds Farsons Cisk plc v OHIM*, Case T-3/04

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 Court of Justice of the European Union 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.”

37. It would be wrong, therefore, to dissect the trade 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.

38. The respective trade marks are shown below:

Opponent's mark	Applicant's mark
SPEYMHOR	

39. The opponent's mark is in word-only format and consists of the word "SPEYMHOR". As there are no other components to the mark, the overall impression of the mark resides in the word itself.

40. The applicant's mark consists of the word "SPEY" presented in a bold, upper-case typeface. Above the wording is a coat of arms device. As the eye is naturally drawn to the element of the mark that can be read, I consider that the word "SPEY" plays a greater role in the overall impressions with the coat of arms device paying a lesser role in the overall impression.

41. Visually, the marks overlap through the use of the letters "SPEY". This is the sole word element of the applicant's mark and is the first four letters of the opponent's mark. The opponent's mark also includes the additional letters "MHOR" and the applicant's mark includes a coat of arms device. These elements act as visual points of difference. It is well-established that greater attention is paid to the beginning of the marks. I also note that the word element of the applicant's mark is short in length. There is no special test which applies to the comparison of short marks, the visual similarities must be assessed in the normal way.⁴ However, it is clear that the addition of four letters to a mark which is only four letters long is clearly more significant than such an addition of four letters to a longer mark. Taking the above into account, I find there is between a low and medium degree of visual similarity.

42. The opponent's mark will be pronounced in two syllables as "SPEY-MORE". The applicant's mark will be pronounced in one syllable as "SPEY". The first syllable in the respective marks will therefore be pronounced identically however, the opponent's mark includes an additional syllable that is not present in the applicant's mark. Overall, I consider there to be a medium degree of aural similarity.

43. In terms of the conceptual meaning of the mark, the opponent argues in their statement of grounds:

"The word Spey refers to the River Spey in Scotland, which runs through the Grampian Mountains to the Moray Firth. The word "mhor" of the opponent's mark, in Gaelic means "great". Given that the goods of the respective parties marks are Scotch Whisky, it is reasonable to expect that the average consumer

⁴ *Bosco Brands UK Limited v Robert Bosch GmbH*, Case BL- O/301/20, paragraph 44

will either know, or become aware of the meaning of the opponent's mark meaning "great river Spey".⁵

44. In response, the applicant submits:

"It is not accepted by the Applicant that the average consumer will either know or become aware of the meaning of the Opponent's mark meaning "great river Spey". It is equally denied that Gaelic is commonly used in Scotland and elsewhere in the UK. As demonstrated in the evidence filed on behalf of the Applicant, Gaelic is used at home by 0.5% of the population in Scotland, according to the Scotland Census 2011, whilst "*the total number of people aged 3 and over able to speak Gaelic was 58,000 (or 1.1 per cent of the population)*" (see Exhibit SM01, page 4/19, paragraph Language). Updated information from the 2021 census, shows a reported 4% of respondents to the questionnaire "*reported that they could understand Scottish Gaelic. The equivalent figures for speaking, reading and writing Scottish Gaelic were 2%, 2% and 1% respectively.*" (see Exhibit SM02, page 7/19). It is the Applicant's position that the ability to understand the meaning of the suffix 'MHOR' is extremely low amongst the relevant public."

45. For a conceptual meaning to be relevant, it must be one capable of immediate grasp.⁶ I am therefore of the view that a significant proportion of consumers would understand the "SPEY" element in the applicant's mark as referring to the Scottish river. In relation to the opponent's mark, I am of the view that consumers will break the mark down into verbal elements which suggest a concrete meaning or resemble words which are known to them.⁷ As such, I consider that a significant proportion of consumers would recognise the "SPEY" element in the opponent's mark as referring to the river Spey. I do not agree with the opponent's assertions that consumers will understand "SPEYMHOR" as meaning "great river Spey" as there are very few people in the UK who speak or understand Gaelic. I therefore find that the "MHOR" element will not be understood by a significant proportion of the relevant public. For consumers

⁵ Paragraphs 18 and 19 of the opponent's statement of grounds

⁶ Case C-361/04 *P Ruiz-Picasso and Others v OHIM* [2006] ECR I-00643; [2006] E.T.M.R. 29.

⁷ *Usinor SA v OHIM*, Case T-189/05, para 62

that recognise the term “SPEY” in both marks, I find there is a medium level of conceptual similarity.

46. For consumers who are not familiar with the meanings of “SPEYMHOR” and “SPEY”, these words will both be viewed as invented words with no immediate meaning and will therefore be conceptually neutral. I note that the coat of arms device in the applicant’s mark gives rise to a point of conceptual difference however, I found that this element plays a lesser role in the overall impression.

Distinctive character of the earlier mark

47. 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).”

48. 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 and 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 that has been made of it.

49. I will begin by initially assessing the inherent distinctiveness of the opponent's mark.

50. As previously outlined in the conceptual comparison, to a significant proportion of consumers, the "SPEY" element in the earlier mark will bring to mind the river Spey in Scotland. In relation to *Scotch whisky*, I do not consider references to a Scottish location/geographical indication to be particularly distinctive however, I do not consider that the wording "MHOR" will convey any meaning to a significant proportion of average consumers so this increases the level of distinctiveness. On balance, I find the opponent's mark to be inherently distinctive to a medium degree.

51. The relevant market for assessing enhanced distinctiveness is the UK market. Whilst I found earlier in this decision that the opponent had used its mark during the relevant period for *Scotch Whisky*, the use shown was only in relation to export use. I note from the opponent's evidence that rare bottles are occasionally sold via www.whiskyauctioneer.com, a UK based auctioneer company⁸ however, there is no further information provided regarding any sales made in the UK. There is nothing further to demonstrate that the mark has come to the attention of the average consumer in the UK which means that its inherent distinctiveness has not been enhanced through use.

Likelihood of confusion

52. There is no simple formula for determining whether there is a likelihood of confusion. I must make a global assessment of the competing factors (*Sabel* at [22]),

⁸ Paragraph 2 of the witness statement of Graham Russel Taylor

keeping in mind the interdependency between them (*Canon* at [17]) and considering the various factors from the perspective of the average consumer. In making my assessment, I must bear in mind that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them he has retained in his mind (*Lloyd Schuhfabrik* at [26]).

53. 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.

54. Earlier in this decision I concluded that the competing goods are either identical or similar to a medium to high degree. I concluded that the average consumer would be adult members of the general public who will pay a medium degree of attention during the purchasing process. I found that the goods would be selected primarily by visual means, although I did not discount an aural aspect to the purchasing process. I found the respective marks to be visually similar to a low to medium degree and aurally similar to a medium degree. For consumers that understand the “SPEY” elements in the marks, I found there to be a medium level of conceptual similarity. For consumers that do not understand the “SPEY” elements, I concluded that the marks were conceptually neutral and that the coat of arms device in the applicant’s mark gave rise to a conceptual point of difference (although I found this element to play a lesser role in the overall impression). I found the earlier mark to hold a medium degree of inherent distinctiveness, though the level of distinctiveness has not been enhanced through the use made of it.

55. Considering the marks as a whole, there are clear differences between them visually and aurally. I find that these differences will not go unnoticed by the average consumer even when paying a medium degree of attention when purchasing identical goods. Even if consumers recognise the shared conceptual hook by way of the shared reference to the river Spey, I do not consider references to a location or a geographical indication to be particularly distinctive in relation to goods such as

Scotch whisky. I do not find that the applicant's mark will be mistaken for the opponent's and as such, I do not consider there to be a likelihood of direct confusion.

56. I now go on to consider indirect confusion.

57. 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.)

58. These examples are not exhaustive but provide helpful focus.

59. In *Liverpool Gin Distillery Ltd & Ors v Sazerac Brands, LLC & Ors* [2021] EWCACiv 1207, Arnold LJ referred to the comments of James Mellor K.C 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”.

60. For a finding of indirect confusion, I would need to conclude that consumers will notice the shared elements between the marks and assume that the marks are from the same or related undertakings. I note the opponent’s assertions that the “MHOR” element in their mark is not overly distinctive as it will be recognised by consumers as meaning “great” in Gaelic. I dismiss this line of argument on the basis that the “MHOR” element will not convey any meaning to consumers due to the very low number of people in the UK who understand Gaelic. While the marks share the “SPEY” element, I am not convinced that the differences between the marks by way of the “MHOR” element and coat of arms device are signifiers of a brand extension or a sub-brand and, as such, I do not see a logical step which would cause consumers to be indirectly confused. I also find this to be the case where consumers are not aware of the meaning of “SPEY”. Instead, I find the average consumer would put the presence of the common elements down to coincidence rather than an economic connection⁹ and consequently, I do not find there to be any likelihood of indirect confusion.

Conclusion

61. The opposition under section 5(2)(b) of the Act has failed in its entirety. Subject to any successful appeal against my decision, the application will proceed to registration in the UK for the full range of goods applied for.

⁹ See *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17

COSTS

62. The applicant has been successful and is entitled to a contribution towards its costs. Awards of costs in proceedings commenced on or after 1 July 2016 and before 1 February 2023 are governed by Annex A of Tribunal Practice Notice ('TPN') 2 of 2016. Using that TPN as a guide, I award the applicant the sum of £1,000 as a contribution towards the cost of the proceedings. The sum is calculated as follows:

Preparing a statement and considering the other side's statement:	£200
Preparing and filing evidence:	£500
Filing written submissions:	£300

63. I therefore order Glasgow Whisky Limited to pay the sum of £1000 to Speyside Distillers Company Limited. 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 28th day of June 2024

Catrin Williams
For the Registrar