

**O/0996/25**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO. 3943304**

**BY MERCURY SPIRITS LTD**

**TO REGISTER:**



**AS A TRADE MARK IN CLASSES 32 & 33**

**AND**

**IN THE MATTER OF THE OPPOSITION THERETO**

**UNDER NO. 445802 BY**

**ASDA STORES LTD**

## BACKGROUND AND PLEADINGS

1. On 8 August 2023, Mercury Spirits Ltd (“the applicant”) applied to register the mark shown on the cover page of this decision (“the contested mark”) in the United Kingdom in respect of the following goods:

### Class 32

*Waters [beverages]; Table waters; Aerated water; Lithia water; Mineral water [beverages]; Non-alcoholic beverages; Smoothies; Whey beverages; Rice-based beverages, other than milk substitutes; Soya-based beverages, other than milk substitutes; Soft drinks; Non-alcoholic beverages flavoured with coffee; Non-alcoholic beverages flavoured with tea; Aloe vera drinks, non-alcoholic; Non-alcoholic fruit juice beverages; Isotonic beverages; Non-alcoholic honey-based beverages; Protein-enriched sports beverages; Essences for making beverages; Non-alcoholic fruit extracts; Smoothies; Kvass [non-alcoholic beverage]; Lemonades; Fruit nectars, non-alcoholic; Orgeat; Pastilles for effervescing beverages; Powders for effervescing beverages; Non-alcoholic preparations for making beverages; Non-alcoholic preparations for making beverages; Syrups and other non-alcoholic preparations for making beverages; Preparations for making aerated water; Preparations for making mineral water; Sarsaparilla [non-alcoholic beverage]; Syrups for beverages; Syrups for lemonade; Soda water; Sherbets [beverages]; Juices; Tomato juice [beverage]; Vegetable juices [beverages]; Cider, non-alcoholic; Seltzer water.*

### Class 33

*Sparkling wines; Bitters; Anise [liqueur]; Anisette [liqueur]; Aperitifs, other than those based on wine and sparkling wine; Alcoholic beverages (except beer); Alcoholic beverages containing fruit, other than those based on wine and sparkling wine; Pre-mixed alcoholic beverages, other than those based on beer, wine and sparkling wine; Distilled beverages; Cocktails; Digestifs [liqueurs and spirits]; Alcoholic essences; Alcoholic extracts; Fruit extracts, alcoholic; Gin; Cider; Perry; Brandy.*

2. On 12 February 2024, the application was opposed by Asda Stores Limited (“the opponent”). The concerns all the goods in respect of which registration was sought. It

was originally brought under sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”). However, the opponent filed no evidence showing use of the mark or unregistered sign relied on and so in its written submissions in lieu of a hearing the opponent accepted that the opposition is proceeding on the section 5(2)(b) ground only.

3. The opponent is relying on UKTM No. 2177986, **SEVEN HILLS** (“the earlier mark”), which has a filing date of 24 September 1998 and a registration date of 26 March 1999. It is registered for the following goods:

Class 33

*Alcoholic beverages; wine.*

This mark qualifies as an earlier mark under the provisions of section 6(1)(a) of the Act by virtue of its earlier filing date. As it had been registered for more than five years at the time of application for the contested mark, the opponent has made a statement to the effect that it has used the mark for all the goods for which it is registered.

4. The opponent claims that there will be a likelihood of confusion under section 5(2)(b) because the marks are similar, given that the contested mark contains the earlier mark in its entirety, and the parties’ goods are identical or similar.

5. The applicant filed a defence and counterstatement denying the claims made and putting the opponent to proof of use for *Alcoholic beverages*. The relevant question of the Form TM8 (Notice of defence and counterstatement) asks the party defending its application/registration to list the goods and/or services for which proof of use is required. I have already noted that the opponent filed no evidence of use. However, because it was not listed, the opponent may rely on *Wine* without having to prove that it has used the earlier mark.

6. Neither party requested a hearing and only the opponent filed written submissions in lieu of the same on 30 October 2024. In these proceedings, the opponent is represented by Appleyard Lees IP LLP and the applicant by Briffa.

## **EVIDENCE**

7. Only the opponent filed evidence. This comes in the form of two witness statements accompanied by exhibits. The first is from Daniel James Bailey, a Chartered Trade Mark Attorney and Solicitor at the opponent's legal representative. The witness statement is dated 24 June 2024 and is accompanied by eight exhibits, adduced to show alcohol drinking trends and any crossover between wine and other alcoholic beverages. The second witness statement is dated 19 July 2024 and is from Clive Ernest Donaldson, Director of the Beverages department at International Procurement and Logistics Limited, which he describes as "*one of the largest privately-owned food processing businesses in the UK and it sources a variety of products specifically for Asda, including beers, wines and spirits*".<sup>1</sup> It is accompanied by three exhibits. The first of these provides information about Mr Donaldson's company; the second some data on consumer behaviour relating to wines and spirits; and the third includes photographs taken in an Asda supermarket on 17 July 2024 showing the proximity within which wines and spirits are sold.

## **RELEVANCE OF EU LAW**

8. 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.

## **DECISION**

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

"A trade mark shall not be registered if because—

...

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<sup>1</sup> Paragraph 3.

(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.”

10. I am guided by the following principles, gleaned from the decisions of the Court of Justice of the European Union (“CJEU”) in *SABEL BV v Puma AG* (Case C-251/95), *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* (Case C-39/97), *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV* (Case C-342/97), *Marca Mode CV v Adidas AG & Adidas Benelux BV* (Case C-425/98), *Matratzen Concord GmbH v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* (Case C-3/03), *Medion AG v Thomson Multimedia Sales Germany & Austria GmbH* (Case C-120/04), *Shaker di L. Laudato & C. Sas v OHIM* (Case C-334/05 P) and *Bimbo SA v OHIM* (Case C-519/12 P):

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

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

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

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

- e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;
- f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;
- g) a lesser degree of similarity between the goods or services may be offset by a greater degree of similarity between the marks and vice versa;
- h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;
- i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;
- j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense; and
- k) if the association between the marks creates a risk that the public might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

### ***Comparison of goods***

11. It is settled case law that I must make my comparison of the goods on the basis of all relevant factors. These include the nature of the goods, their purpose, their users and method of use, the trade channels through which they reach the market, and whether they are in competition with each other or are complementary: see *Canon*, paragraph 23, and *British Sugar Plc v James Robertson & Sons Limited (TREAT Trade Mark)* [1996] RPC 281 at [296]. As the General Court (“GC”) said in *Boston Scientific Ltd v OHIM*, Case T-325/06, goods are complementary when

“82. ... there is a close connection between them in the sense that one is indispensable or important for the use of the other in such a way that

customers may think that the responsibility for those goods lies with the same undertaking.”

12. In *Gérard Meric v OHIM*, Case T-133/05, 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 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.”

13. The opponent submits that all the contested goods are either identical or highly similar to its *Wine*. In *ELUX Trade Mark*, BL O/0488/25, Professor Phillip Johnson, sitting as the Appointed Person, considered the case law of the GC on the assessment of the similarity between alcoholic products and other beverages. While noting that the outcome of each case was dependent on its own particular facts, he thought that a number of points had wider application. I set out the ones relevant to this case below:<sup>2</sup>

“14. ... soft-drinks, water and (possibly) beer are drunk to quench the thirst (*Yilmaz*, [54]; *Wesergold*, [35 and 36]; *ROSALIA DE CASTRO*, [31]; the *CHIC* case takes a different view that low alcoholic drinks are not consumed to quench thirst, *CHIC*, [44]) ...

15. ... the methods of production for alcoholic drinks (and between alcoholic drinks and non-alcoholic drinks) differ and this is relevant to the similarity between them: *Mezzopane*, [64 and 69]; *Bodegas*, [29]; *Yilmaz*, [54]. Likewise, products which are processed versions of each other might be more similar (eg wine and brandy): *Vanhove*, [87].

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<sup>2</sup> The cases mentioned in the passage cited are the following: *Coca Cola v OHIM (Mezzopane)*, Case T-175/06; *Bodegas Montebello*, Case T-430/07; *Cooperativa Vitivinícola Arousana v OHMI (ROSALIA DE CASTRO)*, Case T-421/10; *Wesergold Getränkeindustrie v EUIPO*, Case T-278/10; *Yilmaz v OHIM*, Case T-584/10; *Asola Ltd v EUIPO (FLÜGEL)*, Case T-150/17; *La Zaragozana v EUIPO*, Case T-378/17; *Sociedade da Água de Monchique, SA v EUIPO (CHIC)*, Case T-195/20; and *Vanhove v EUIPO*, Case T-437/22. The Appointed Person noted that the last two are not assimilated law.

16. ... the differences between the colour, aroma and taste of two alcoholic drinks suggests to consumers that they are different: *Mezzopane*, [65]; *Yilmaz*, [54].

17. Finally, the alcoholic content of the goods is a very relevant factor in determining the similarity of the goods: *Bodegas*, [32]; *CHIC*, [40 and 41]; *FLÜGEL*, [84]. However, a non-alcoholic version of an equivalent alcoholic drink is likely to be highly similar to it: *CERVISIA*, [20]. Nevertheless, the Grand Board highlighted that a drink's alcoholic content is only a factor in the assessment of similarity and is not determinative: *ZORAYA*, [68]."

### Class 32

14. The contested term *Non-alcoholic beverages* includes de-alcoholised wines. The latter goods will share some of the same production process as *Wine* in Class 33 and are likely to be produced by the same undertakings. The purpose of the contested goods is to provide an alternative to wine for people who do not wish to, or cannot, consume alcohol, either in general or on a particular occasion. Both parties' goods are targeted towards adult members of the general public. Hence, there is a degree of competition. There is also some similarity in the physical nature of the goods, both being liquids made from grapes. The parties' goods are likely to be sold through the same trade channels and stocked in the same section of a supermarket. I find that de-alcoholised wines are highly similar to *Wine* and so, by extension, the encompassing wider term *Non-alcoholic beverages* is highly similar to *Wine*.

15. The contested specification also includes *Cider, non-alcoholic*. The parties' beverages are likely to be made from different fruits, with cider most commonly being made from apples, although I appreciate that varieties made from other fruits are also on the market. There are likely to be some shared trade channels, although I do not consider that the goods will be sold on the same shelves in supermarkets. The purpose of the goods is different, with *Wine* being consumed because the drinker wishes to enjoy the pleasurable effects of alcohol. The contested goods would, to my mind, be drunk to quench thirst or as an alternative to alcoholic cider. In my view, the average consumer is not likely to think that the goods are produced by the same undertaking, nor are the respective goods in meaningful competition. I find that they are dissimilar.

16. With regards to the rest of the goods in this Class, I note that the opponent submits that there is an increasing demand for non-alcoholic drinks and observes that, according to a survey conducted in January 2024, 44% of people between the ages of 18 and 24 occasionally or regularly ordered non-alcoholic alternatives to alcoholic drinks.<sup>3</sup> It then submits that:

“33. ... traditional producers of alcoholic beverages are now producing no and low alcohol products, such as the goods in class 32 of the Opposed Goods, including, non-alcoholic beverages, syrups for beverages and lemonade, soft drinks, non-alcoholic beverages flavoured with coffee, non-alcoholic preparations for making beverages etc.”

17. This submission is not supported by the evidence. The only instance I can see is a single reference to the wine producer Blossom Hill launching a wine spritz at 5% ABV. This would not be covered by any of the Class 32 goods. An article in Exhibit DJB1EX3 refers to Seedlip as a producer of a non-alcoholic drink resembling gin, but there is nothing to say that this company also makes alcoholic drinks.<sup>4</sup>

18. The remaining Class 32 goods serve different purposes from the opponent's *Wine*. They are for quenching thirst (such as *Waters*), achieving health benefits (such as *Whey drinks*), preparing for or recovering after exercise (such as *Protein-enriched sports beverages*) or preparing beverages. The purposes of these goods are all different and so I do not consider that there is any competition between them. The methods of production are different, and the evidence does not support the notion that the parties' goods are likely to be produced by the same undertakings. There is an overlap in user and they are all likely to be sold in supermarkets, although in different sections of the store. However, this is not, in my view, sufficient for me to find any similarity. I consider that the remaining goods in Class 32 are dissimilar to *Wine*.

### Class 33

19. The contested *Sparkling wines* and *Alcoholic beverages (except beer)* are identical to the opponent's *Wine*, per *Meric*.

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<sup>3</sup> Exhibit DJB1EX1, page 2.

<sup>4</sup> Page 73.

20. I shall now consider the contested *Cider* and *Perry*. Like wine, these are alcoholic drinks made from fruit (most commonly apples in the case of cider and pears in the case of perry). Both parties' goods will be consumed in order to enjoy the effects of alcohol and there is likely to be a degree of competition between them. The users and method of use are the same. There is some similarity in physical nature, both being alcoholic liquids made from fruit, although those fruits are different. The alcohol content is stronger for wine, which is more likely than cider and perry to be consumed with a meal. The goods are sold through the same outlets, such as supermarkets and off-licences for consumption at home, and in bars and restaurants. They are not likely to be sold on the same shelves, but will be in the same section of a supermarket in fairly close proximity. I do not find the goods to be complementary. Taking all these factors into account, I find that there is a low to medium degree of similarity between the parties' goods.

21. The next group of contested goods that I shall compare to the opponent's *Wine* are *Anise [liqueur]*, *Anisette [liqueur]*, *Aperitifs (not based on wine or sparkling wine)*; *Alcoholic beverages containing fruit (not based on wine or sparkling wine)*; *Distilled beverages*; *Digestifs [liqueurs and spirits]*; *Gin*; *Brandy*. Mr Bailey's evidence shows that there are some English producers of wine that also produce other alcoholic beverages, such as gin, vermouth, sambuca (an anise liqueur) and brandy.<sup>5</sup> This evidence has not been challenged. I therefore accept that there are some shared producers although there is no evidence to suggest how widespread this practice is. The contested goods will be sold through the same outlets as the opponent's *Wine*, including those that I identified in the previous paragraph. The users are the same, and I note Mr Donaldson's evidence that in the 52 weeks from 12 July 2024 33.9% of Asda's wines and/or spirits customers bought both types of goods in the same shop.<sup>6</sup> The intended purpose of the goods is the same. These goods are likely to be stronger in alcohol content than wine, although the effect will be diluted in the case of some of the beverages, such as gin, if they are mixed with a non-alcoholic drink, like tonic water.<sup>7</sup> I consider that the contested goods are less likely to be consumed with a meal than wine. Apertifs are drunk before eating, while digestifs and brandy would be

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<sup>5</sup> Exhibit DJB1EX7.

<sup>6</sup> Exhibit CD1EX2.

<sup>7</sup> Exhibit DJB1EX6.

consumed after eating. I do not consider that the goods are complementary in a trade mark sense: the fact that both parties' goods may be made from the same ingredients, such as Pinot Noir or Chardonnay grapes, as submitted by the opponent,<sup>8</sup> does not mean that one party's goods are important or indispensable for the use of the other in such a way that the average consumer may think they come from the same undertaking. I find that there is a degree of competition. Overall, I consider that these contested goods are similar to the opponent's *Wine* to a low degree.

22. Now I shall compare the contested *Cocktails and Pre-mixed alcoholic beverages (not based on beer, wine or sparkling wine)*. The latter could include cocktails. The users of the parties' goods are the same, as are the trade channels and use. There is a similarity in nature to the extent that all the goods are alcoholic drinks, but the applicant's goods are made from mixing different ingredients, while the opponent's *Wine* is not. The opponent has filed evidence which purports to show that cocktails may be consumed with food, in the same way as wine.<sup>9</sup> I do not find the goods to be complementary, but they are, to my mind, in competition with each other. I find that the contested goods are similar to the opponent's *Wine* to a low to medium degree.

23. The applicant's *Bitters* are alcoholic preparations infused with ingredients such as spices, herbs and roots to create a bitter flavour. The method of use is different as they are used for mixing with other drinks, for example in cocktails, rather than being drunk on their own, like wine. There is likely to be an overlap in user and trade channels, but they will not be sold in such close proximity as the other goods that I have already considered. The method of production is different, and I have no evidence to suggest that there are any shared producers and in my view the goods are neither complementary nor in competition with each other. I find the goods to be similar to a very low degree.

24. Finally in this class, I come to *Alcoholic essences; Alcoholic extracts; Fruit extracts, alcoholic*. I have no evidence before me to assist me in interpreting these terms and the opponent has made no specific submissions relating to them. The use of the words "essences" and "extracts" suggests that they are highly concentrated flavourings and would be used when creating beverages. The purpose of the goods is therefore

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<sup>8</sup> Written submissions in lieu, paragraph 40.

<sup>9</sup> Exhibit DJB1EX4.

different, as is their nature and method of use. However, I recognise that they could include essences and extracts of wine, or alcoholic grape extracts. For this reason, there is likely to be a degree of complementarity. I consider that they are unlikely to be sold through the same trade channels, but that, if they are, they are unlikely to be sold in close proximity to each other. There is likely to be some overlap in user as members of the general public would buy the contested goods to create their own beverages or to use when cooking. The goods are not in competition. I find that they are similar to a low degree.

#### Final remarks on the comparison of goods

25. In *eSure Insurance Limited v Direct Line Insurance Plc*, [2008] EWCA Civ 842 CA, Arden LJ stated that:

“49. ... I do not find any threshold condition in the jurisprudence of the Court of Justice cited to us. Moreover I consider that no useful purpose is served by holding that there is some minimum threshold level of similarity that has to be shown. If there is no similarity at all, there is no likelihood of confusion to be considered. If there is some similarity, then the likelihood of confusion has to be considered but it is unnecessary to interpose a need to find a minimum level of similarity.”

26. The opposition therefore fails in relation to the following goods:

#### Class 32

*Waters [beverages]; Table waters; Aerated water; Lithia water; Mineral water [beverages]; Smoothies; Whey beverages; Rice-based beverages, other than milk substitutes; Soya-based beverages, other than milk substitutes; Soft drinks; Non-alcoholic beverages flavoured with coffee; Non-alcoholic beverages flavoured with tea; Aloe vera drinks, non-alcoholic; Non-alcoholic fruit juice beverages; Isotonic beverages; Non-alcoholic honey-based beverages; Protein-enriched sports beverages; Essences for making beverages; Non-alcoholic fruit extracts; Smoothies; Kvass [non-alcoholic beverage]; Lemonades; Fruit nectars, non-alcoholic; Orgeat; Pastilles for effervescing beverages; Powders for effervescing beverages; Non-alcoholic preparations for making beverages; Non-alcoholic preparations for making beverages; Syrups and other non-alcoholic*

*preparations for making beverages; Preparations for making aerated water; Preparations for making mineral water; Sarsaparilla [non-alcoholic beverage]; Syrups for beverages; Syrups for lemonade; Soda water; Sherbets [beverages]; Juices; Tomato juice [beverage]; Vegetable juices [beverages]; Cider, non-alcoholic; Seltzer water.*

### **Average consumer and the purchasing process**

27. The average consumer is deemed to be reasonably well informed and reasonably circumspect: see *Hearst Holdings Inc & Anor v A.V.E.L.A. Inc & Ors*, [2014] EWHC 439 (Ch), paragraph 60. For the purposes 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 and services in question: see *Lloyd Schuhfabrik*, paragraph 26.

28. The average consumer of both parties' goods is an adult member of the general public. I accept that there will also be professional consumers. However, as they are more likely to pay a greater degree of attention when purchasing the goods they are less likely to be confused. I will therefore focus on the non-trade consumer, who will purchase the goods from a retail outlet such as a supermarket or off-licence for consumption at home, or in licensed premises such as a bar, restaurant or club. In the first case, they may visit a physical shop or buy from a website where the mark will be visible on the physical product itself or on an image of it. even if the goods are stocked behind the counter and the average consumer must ask a sales assistant for them, the bottles will be visible. Consequently, I find that the purchasing process will be largely visual, although I do not completely discount the aural element.

29. If the consumer is buying the goods in licensed premises, aural considerations are likely to play a larger role as the customer will order by speaking to bar or waiting staff. It is also possible that the environment may be noisy, but even then, the consumer may see the mark on bottles behind the bar or on a drinks menu: see *Anton Riemerschmid Weinbrennerei und Likörfabrik GmbH & Co. KG v European Union Intellectual Property Office (EUIPO)*, Case T-187/17. In my view, the visual aspect of the mark will still be significant.

30. In either type of purchase, the average consumer will want to ensure that the beverage they are buying is of their preferred type, flavour or strength, whatever the price, which will vary from low to extremely high. I find that they will pay a medium degree of attention during the purchasing process.


**Comparison of marks**

31. It is clear from *SABEL* (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 in *Bimbo* that:

“34. ... it is necessary to ascertain in each individual case, the overall impression made on the target public by the sign for which the 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.”

32. Artificial dissection of the marks would therefore be wrong, although it is necessary for me 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 marks.

33. The respective marks are shown below:

Contested mark	Earlier mark
 <p>The contested mark consists of the Roman numeral 'VII' in a large, bold, serif font, centered between two horizontal lines. To the right of the numeral, the words 'SEVEN HILLS' are written in a smaller, spaced-out, serif font, with 'SEVEN' on the top line and 'HILLS' on the bottom line. Below 'HILLS', the words 'Italian Dry Gin' are written in a smaller, lowercase serif font.</p>	<p><b>SEVEN HILLS</b></p>

34. The earlier mark is a plain word mark containing two words. In *LA Superquimica v EUIPO*, Case T-24/17, the GC held that such marks protected the word or words contained in the mark which may be used in any form, colour or typeface: see paragraph 39. The two words will be seen as a unit and the overall impression of the mark lies in this unit.

35. The applicant submits that the contested mark is a figurative mark and that all the elements in the mark “constitute striking differentiating visual features”.<sup>10</sup> The opponent, on the other hand, submits that the words “SEVEN HILLS” constitute the dominant and distinctive element of the mark.<sup>11</sup> These words appear in large capital letters on the right side of the mark. Below these, in title case, are the words “Italian Dry Gin”. For goods that are gin, or contain gin, these words are descriptive. I also note that they are considerably smaller than the other letters in the mark. The left of the mark is taken up by the Roman numeral “VII”, which is overlined and underlined. In my view, the average consumer would recognise that this represents the number 7. It reinforces the message of “SEVEN HILLS”. I therefore agree with the opponent that the words “SEVEN HILLS” are the dominant and distinctive element of the mark. They will be seen as a unit. The Roman numeral makes a smaller contribution to the overall impression of the mark. Where they are not descriptive, the words “Italian Dry Gin” make a very small contribution, given their size.

#### *Visual comparison*

36. The earlier mark appears in the contested mark in its entirety. The overlined and underlined Roman numeral and the words “Dry Italian Gin” in the contested mark are points of difference. However, taking into account the dominant and distinctive element of the contested mark, I find that the marks are highly visually similar.

#### *Aural comparison*

37. The opponent submits that the average consumer would not articulate the Roman numeral when referring to the earlier mark in speech. I agree: they are unlikely to say “SEVEN SEVEN HILLS”. Both parties agree that they would say “Italian Dry Gin”. Consequently, the earlier mark has three syllables, while the contested mark has nine.

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<sup>10</sup> Counterstatement, paragraph 10.

<sup>11</sup> Written submissions in lieu of a hearing, paragraph 16.

However, the first three of those nine are identical to the earlier mark and represent the dominant and distinctive element of the contested mark. I find that the marks are aurally similar to a medium degree.

#### *Conceptual comparison*

38. Both marks would bring to mind the idea of seven hills. The opponent adds that some consumers may even associate both marks with the ancient city of Rome, which was built on seven hills. While I can accept that the average consumer is likely to be aware of the meaning of Roman numerals, as they are still in frequent use, for example on clocks and watches, I do not think it likely that they will be aware of the topography of ancient Rome. The contested mark also brings to mind gin from Italy. I find that the marks are conceptually highly similar.

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

39. Distinctive character is a measure of how strongly a mark distinguishes the goods or services of one undertaking from those of others. The factors that I must take into account in assessing the level of distinctive character were set out by the CJEU in *Lloyd Schuhfabrik Meyer*:

“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 varying degrees of inherent distinctive character from the very low, because they are suggestive of, or allude to, 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 the mark can be

enhanced by the use that has been made of it. However, as I have no evidence that the earlier mark has been used for the goods relied on, there is only the inherent position to consider. "SEVEN HILLS" is not descriptive or allusive of wines. I therefore find that it has a medium degree of distinctive character.

### ***Conclusions on likelihood of confusion***

41. Making an assessment of the likelihood of confusion is a matter of considering the relevant factors from the viewpoint of the average consumer of the goods at issue and determining whether they are likely to be confused. When doing this, I am required to bear in mind that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely on the imperfect picture of them that they have in their mind. This means that the global assessment emulates what happens in the mind of the average consumer on encountering the later mark with an imperfect recollection of the earlier mark. The courts have not said what weight should be attached to each of the factors or provided a formula that can be applied to any set of circumstances. However, I am required to take account of the interdependency principle, i.e. that a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods or vice versa.

42. There are two types of confusion: direct and indirect. In *L.A. Sugar Limited v Back Beat Inc*, BL O/375/10, Mr Iain Purvis QC, sitting 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 recognised 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)."

43. In *Liverpool Gin Distillery Limited & Ors v Sazerac Brands, LLC & Ors* [2021] EWCA Civ 1207, Arnold LJ commented that:

"12. This is a helpful explanation of the concept of indirect confusion, which has frequently been cited subsequently, but as Mr Purvis made clear it was not intended to be an exhaustive definition."

44. Earlier in my decision, I found that:

a) the parties' goods were identical, similar to a high, low to medium, low or very low degree, or dissimilar. I have already noted that the opposition fails in respect of those goods I found to be dissimilar;

- b) the average consumer is an adult member of the general public paying a medium degree of attention in a purchasing process that is predominantly visual;
- c) “SEVEN HILLS” is the dominant and distinctive element of the contested mark;
- d) the marks are visually and conceptually similar to a high degree, and aurally similar to a medium degree; and
- e) the earlier mark has a medium degree of distinctive character.

45. I have weighed up the similarities and differences between the marks and between the goods. The dominant and distinctive element of the contested mark is identical to the earlier mark. As the average consumer is unlikely to see the marks side-by-side, and is therefore reliant on an imperfect picture of them, I consider that it is likely that they will not recall whether the marks contain the additional elements that can be seen in the contested mark. Given the high degree of visual and conceptual similarity between the marks, and the identity of the dominant and distinctive elements, it is my view that the average consumer is likely to be directly confused, even where the similarity between the goods is very low.

46. Even if they do remember the differences, I consider that it is likely that the average consumer will assume that they are different marks of the same undertaking, given the descriptive nature of the words “Italian Dry Gin” for some of the goods and the reinforcing role of the Roman numeral VII. The contested mark would be seen as a figurative mark, while the earlier mark is a word mark. I find there is a likelihood of indirect confusion in relation to all the goods for which I found similarity.

## **CONCLUSION**

47. The opposition is partially successful. Registration is refused for the following goods:

Class 32

*Non-alcoholic beverages.*

Class 33

*Sparkling wines; Bitters; Anise [liqueur]; Anisette [liqueur]; Aperitifs, other than those based on wine and sparkling wine; Alcoholic beverages (except beer); Alcoholic beverages containing fruit, other than those based on wine and sparkling wine; Pre-mixed alcoholic beverages, other than those based on beer, wine and sparkling wine; Distilled beverages; Cocktails; Digestifs [liqueurs and spirits]; Alcoholic essences; Alcoholic extracts; Fruit extracts, alcoholic; Gin; Cider; Perry; Brandy.*

48. Application No. 3943304 may, subject to a successful appeal, proceed to registration for the following goods:

Class 32

*Waters [beverages]; Table waters; Aerated water; Lithia water; Mineral water [beverages]; Smoothies; Whey beverages; Rice-based beverages, other than milk substitutes; Soya-based beverages, other than milk substitutes; Soft drinks; Non-alcoholic beverages flavoured with coffee; Non-alcoholic beverages flavoured with tea; Aloe vera drinks, non-alcoholic; Non-alcoholic fruit juice beverages; Isotonic beverages; Non-alcoholic honey-based beverages; Protein-enriched sports beverages; Essences for making beverages; Non-alcoholic fruit extracts; Smoothies; Kvass [non-alcoholic beverage]; Lemonades; Fruit nectars, non-alcoholic; Orgeat; Pastilles for effervescing beverages; Powders for effervescing beverages; Non-alcoholic preparations for making beverages; Non-alcoholic preparations for making beverages; Syrups and other non-alcoholic preparations for making beverages; Preparations for making aerated water; Preparations for making mineral water; Sarsaparilla [non-alcoholic beverage]; Syrups for beverages; Syrups for lemonade; Soda water; Sherbets [beverages]; Juices; Tomato juice [beverage]; Vegetable juices [beverages]; Cider, non-alcoholic; Seltzer water.*

## **COSTS**

49. Both parties have enjoyed a roughly equal share of success in these proceedings and therefore I order each side to bear its own costs.

**Dated this 27<sup>th</sup> day of October 2025**

**Clare Boucher,  
For the Registrar,  
Comptroller-General**