

BL O/275/21

CONSOLIDATED PROCEEDINGS

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK APPLICATIONS 3231483, 3231831 &
3231488**

BY

ICELAND SPRING EHF.

TO REGISTER THE FOLLOWING TRADE MARKS:

ICELAND LAVA



ICELAND
LAVA

&



ICELAND
LAVA
NATURAL SPRING WATER

AND

OPPOSITIONS THERETO (NO.S 410128, 410130 & 410131)

BY

ICELAND FOODS LIMITED

Background and pleadings

1. Iceland Spring ehf. (hereafter “the applicant”) applied to register three trade marks in the UK. Those marks are the following:

3231483 for the mark **ICELAND LAVA**. This application was filed on 16 May 2017 and published on 26 May 2017 for the following goods:

Class 32: Mineral waters and other non-alcoholic beverages, namely natural spring water.

3231831, which was filed on the 17 May 2017 and published on 26 May 2017, for the same goods in Class 32, and for the following mark:



And:

3231488, which was filed on 16 May 2017 and published on 26 May 2017, for the same goods in Class 32, and for the following mark:



2. On 29 August 2017, Iceland Foods Limited (hereafter “the opponent”) opposed all of the goods of the contested trade marks, on the basis of section 5(2)(b), section 5(3) and section 5(4)(a) of the Trade Marks Act 1994 (“the Act”).

3. The Opponent relies on two earlier marks, UK registration **2341223** and European Union Trade Mark (EUTM) **2673374**, as the basis of opposition under Section 5(2)(b) and Section 5(3) of the Act.¹
4. UK **2341223** is registered for the following series of three marks:



5. The earlier UK right was filed on 20 August 2003 and registered on 11 April 2014, for a broad range of goods and services, however for the purposes of this opposition, the opponent relies only on goods and services in classes 32, 33 and 35, namely:

Class 32: Beers, non-alcoholic beverages other than water, mineral and carbonated water; fruit drinks and fruit juices; syrups and other preparations for making beverages.

Class 33: Alcoholic beverages; wines, spirits and liqueurs.

Class 35: Retail supermarket services connected with the sale of toiletries, household products including cleaners, polishers, scourers, soaps, hardware, kitchen foil, electrical goods including white goods, publications and stationery, household utensils, glassware and kitchenware, foodstuffs and drinks.

6. The earlier EUTM **2673374** is registered for the mark **ICELAND**. It was filed on 19 April 2002 and registered on 9 December 2014. The opponent relies on the following goods and services from the earlier EUTM:

¹ Although the UK has left the EU and the EUTM relied upon by the opponent now enjoys protection in the UK as a comparable trade mark, the EUTM remains the relevant right in these proceedings. That is because the application for opposition was filed before the end of the transition period and, under the transitional provisions of the Trade Marks (Amendment etc.) (EU Exit) Regulations 2019, I am obliged to decide the matter on the basis of the rights as they existed at the date on which opposition proceedings were launched.

Class 32: Beers, mineral and carbonated waters and other non-alcoholic beverages; fruit drinks and fruit juices; syrups and other preparations for making beverages; all included in class 32.

Class 35: The bringing together for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods in a supermarket; the bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods in a convenience store; the bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods in a food, drink and household supplies retail stores; the bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods in a food, drink, household supplies and household electrical appliance retail stores; the bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods in a food, drink, and household supplies retail stores; the bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods in a food, drink, household supplies and household electrical appliance retail stores, the bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods from an Internet web site specialising in the marketing of food products, drink products, household supplies and household electrical appliances; the bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods from an Internet web site (including an Internet web site being accessible via a computer, computer networks, Internet enabled mobile phones, televisions, pagers, and electronic organisers) specialising in the marketing of food products, drink products, household supplies and household electrical appliances; the bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods from food products, drink products, household supplies and household electrical appliances catalogue by mail order or by means of telecommunications.

7. The opponent also opposes all three trade marks on the basis of section 5(4)(a) relying on the unregistered mark **ICELAND**. It claims that this unregistered right was

first used in the UK in 1970 on a very broad range of goods and services (the full list of goods and services claimed is set out below in Annex). It opposes all of the goods of the applicant.

8. In its statement of grounds, the opponent claims that due to the similarity between the contested marks and the earlier trade marks, and the identity and/or similarity between a subset of the goods and services in respect of which the earlier trade marks are registered and the goods in respect of which the contested marks are applied for, there exists a likelihood of confusion on the part of the relevant public, which includes the likelihood of association with the earlier trade marks.
9. The opponent states that due to the similarity between the marks visually, aurally and conceptually, the relevant public within the United Kingdom are likely to consider that the goods and services at issue are provided by the same undertaking or by an economically linked undertaking.
10. The opponent also relies on the enhanced distinctive character and extensive reputation of the earlier trade marks, as a result of which it asserts that there will be an increased likelihood of confusion between the marks on the part of the relevant public.
11. The opponent states that the contested marks are similar to the earlier trade marks, and whether the contested marks cover goods which are identical, similar or dissimilar to the goods and services for which the earlier marks are protected (*Davidoff & Cie SA and another v Gofkid Ltd* (Case C-292/00) [2003] All ER (EC) 1029 at 1049), the contested marks offend section 5(3) of the Act. The earlier trade marks have a reputation in the United Kingdom such that use of the contested marks, without due cause, would take unfair advantage of, and/or be detrimental to, the distinctive character or the repute of the earlier trade marks. In particular, use of the contested marks will:
 - (a) due to the similarity between the contested marks and the earlier trade marks, cause the relevant public to believe that the contested marks and the earlier marks are used by the same undertaking or think that there is an economic connection between the users of the contested marks and the earlier marks;

(b) free-ride on the coat-tails of the reputation and/or prestige associated with the earlier marks and thereby derive an illegitimate benefit from them and/or illegitimately exploit the marketing efforts expended by the opponent in order to create and maintain the earlier trade marks' reputation and image;

(c) tarnish the reputation of the earlier trade marks because the opponent will not be able to control the manner in which the contested marks are used, which may be in a manner adverse to the reputation of the earlier marks; and/or

(d) dilute the distinctive character and/or the reputation of the earlier trade marks because the presence on the market of such similar marks will reduce the capacity of the earlier marks to arouse an immediate association with the opponent's goods and services for which they are registered. Taking account of the normal practice in relation to the goods covered by the contested marks, said association will create a change in the economic behaviour of the average consumer of the goods and services for which the earlier marks are registered, or a serious likelihood that said change will happen in future, thus diluting the earlier marks' value and reputation. This change in the economic behaviour would be reflected, for example, in a shift of consumers from the goods and services distinguished by the earlier marks to the goods distinguished by the contested marks and a respective decrease in sales of the former.

12. Further, the opponent claims that the contested marks offend section 5(4) of the Act and should not be registered. The opponent states that it is the proprietor of an earlier unregistered trade mark which it has made considerable use of in the course of trade in the UK. The opponent states that that use confers on it the right to prohibit the use of the contested marks under the law of passing off in the UK.

13. The applicant filed a counterstatement expressly denying the assertions of the opponent in its statement of grounds and notice of opposition. It stated that the element 'LAVA' in the three contested marks is the dominant and distinctive part of those marks and appears in a vibrant red colour. The applicant denies that the opponent's trade marks have acquired an enhanced degree of distinctive character

or that they enjoy broader protection, and it denies that the opponent's earlier marks have a reputation in the United Kingdom.

14. The applicant submits that it has due cause to use the word 'ICELAND' where this word is meaningful in relation to geographical origin of the products and claims that the country of Iceland is known for having exceptionally pure water. The applicant denies that the contested marks are contrary to sections 5(3) or 5(4)(a) of the Act as alleged by the opponent and denies that the opponent is the proprietor of protectable unregistered rights in the word 'ICELAND'. It adds that the relevant public would not be confused or deceived into thinking that the use of 'ICELAND LAVA' by the applicant is connected or associated with the opponent's earlier marks, where the word 'ICELAND' is meaningful in relation to characteristics of the goods in question and the applicant is a company based in Iceland.

15. Both parties filed evidence which I will summarise later in this decision.

16. The opponent requested a hearing and was represented at that hearing on 27 January 2021 by Mr Simon Malynicz QC of counsel. The applicant did not attend the hearing but filed written submissions in lieu which I will not summarise here but will refer to where necessary throughout this decision.

17. The applicant has been represented throughout these proceedings by Page, White & Farrer Limited. The opponent has been represented by Mishcon de Reya LLP.

Preliminary Issue

18. The opponent's earlier EUTM has been the subject of a cancellation action which resulted in the Cancellation Division of the European Union Intellectual Property Office (EUIPO) issuing a decision, dated 5 April 2019, to invalidate that earlier mark.²

19. The opponent has appealed that decision and, at the time of the hearing before me, both parties were unaware of the conclusion reached by the EUIPO Board of Appeal (BoA). Following the hearing I was informed by the opponent that the BoA had in fact issued an interim decision dated 11 January 2021, referring a number of questions

² EUIPO Cancellation No. 14 030 C

pertaining to the issue of registration of geographical place names and country names, to the Grand Board of the EUIPO.

20. Whilst this issue remains live at the EUIPO and, being fully aware of the decision of the Cancellation Division to cancel the EUTM on which the opponent relies in this matter, I believe that the appropriate action at this time is for me to make a decision based initially on an assessment of the contested applications and the earlier UK marks, and secondarily a decision made in respect of the earlier EUTM. Any decision in the opponent's favour based upon the earlier EUTM will be provisional.

Evidence

Opponent's evidence

21. The opponent filed evidence to support a claim of enhanced distinctiveness and reputation in its earlier marks. The evidence comprises a Witness Statement of Mr Duncan Vaughan dated 9 March 2018, accompanied by exhibits tagged DV1 – DV29.

22. Under a confidentiality order dated 26 June 2018 granted by Mr R Colombo of the IPO Tribunal, paragraphs 20, 24, 31, 37, 40 and 50 of Mr Vaughan's witness statement are confidential. Under the same order Exhibits DV5, DV6 and DV8 are also to remain confidential.

23. In his witness statement, Mr Vaughan establishes that he is the Company Secretary and Legal Director of the opponent Iceland Foods Limited (IFL) and has held that role since 2014. As part of that role he is responsible for managing and protecting IFL's worldwide IP rights and has a deep knowledge of IFL's brand.

24. Mr Vaughan asserts that the evidence submitted with his witness statement supports the claim that IFL has a considerable reputation and goodwill in the 'ICELAND' mark in relation to the goods and services covered by the earlier marks, including beverage products and the retail of these goods.

25. Mr Vaughan sets out a brief background and history of IFL in his witness statement. Notably he states that IFL is one of the biggest supermarket chains in the UK and also has extensive international reach. He submits that IFL conducts more than 55

million transactions per week and employs over 22,000 people, operating in over 38 different countries. IFL's goods and services are offered in more than 900 stores worldwide and IFL had a turnover for the financial year ending 24 March 2017 of more than £2billion. IFL uses both the plain word mark 'ICELAND' and the 'ICELAND' logo marks which are shown in the earlier UK mark relied upon.

26. Mr Vaughan states that IFL was started as a business in 1970.
27. Exhibit DV1 comprises an historical overview of IFL. This exhibit also provides some examples of awards won by IFL.
28. Exhibit DV2 provides ten pages of lists of products that are a mix of own branded products and third-party goods. The words 'PRODUCT LIST 2009/10' has been written at the top right hand of page one. These lists contain basic information as to the grouping of a product, e.g. 'Milk', 'Bread', 'Eggs' 'canned goods' and 'soft drinks'. The lists also provide a column which appears to be a product code, and a column that gives a clearer description of the product, such as 'Coca Cola 2ltr original' or 'Iceland 4pt skimmed milk'. The word 'Iceland' is displayed many times and is used within the name of own brand products, e.g. 'Iceland 2kg White Potatoes'; 'Iceland 500g Beef Lasagne' and 'Iceland 1ltr Orange Juice Drink'. There are no examples of 'ICELAND' branded water products.
29. In the ten pages of product lists that are all apparently dated 2009/10, it can be seen that 'ICELAND' own brand beverages have been available. These goods are: Milk; Skimmed milk; Orange Juice drink; Apple Juice drink; Tropical Juice drink and Cranberry Juice drink. It is shown that IFL also provided, at that time at least, 500ml Mineral water from a third party named Ice Valley, but there is no indication of IFL providing mineral or natural spring waters in this exhibit.
30. Pages 11–16 of exhibit DV2 comprise six pages that are labelled as: 'Iceland Weekly Price & POS changes' sheets. Two of these sheets are dated 04/01/2012 and the remaining four sheets are dated 04/01/2013. They show many different types of foodstuffs and beverages, however none are 'ICELAND' own brand. It is clear from this information however, that the opponent retails a wide range of third-party beverages including spring water and mineral water.

31. The logo marks of the opponent are not on display in any part of Exhibit DV2.
32. Exhibit DV3 is comprised of nine pages that show the earlier marks placed on packaging for foodstuffs such as 'hot & spicy chicken breasteaks' and 'cottage pie'. Some of these pages have had dates such as 2010 and 2013 written onto them, but this information is largely difficult to date. None of the products shown in this exhibit are beverages, third-party or otherwise.
33. Exhibit DV4 comprises 12 pages showing the 'ICELAND' mark in the context of the term 'ICELAND INTERNATIONAL' and displaying a range of products from the 'Iceland frozen food range'. The products on display include Schweppes lemonade. Under the heading 'Drinks' IFL refers to itself as 'a major UK food retailer'. It states that IFL has 880 stores across the UK and a further 40 owned or franchised stores across Europe. The pages are date stamped 7 March 2018. Page 5 of this exhibit shows that IFL sells a number of drinks brands including Carlsberg lager and Robinsons squash. On pages 6, 7 and 8 there are 23 examples of water on offer from IFL stores, however all of these products are third-party brands such as Strathmore Spring, Fonthill Spring and Elm Spring and none appear to be 'ICELAND' products. The exhibit also shows that IFL sells beverages such as apple and orange juice and milk. This exhibit shows prices in pounds sterling only and is undated other than the time stamp which indicates when the pages were printed out.
34. Exhibit DV5 is confidential and contains information that shows the results of an internet search report into consumers choices when conducting searches for the opponent online. I note however that whilst some of the keywords searched relate to 'Iceland foods' or specific food items, none of the searches were for any kind of beverage.
35. Exhibit DV6 is also confidential and contains sample invoices showing some of IFL's transactions in the EU between 2011 and 2015. There are indications of sales of 'ICELAND' own brand beverages such as milkshakes and fruit juices, but not of 'ICELAND' own brand waters. There is a reference on page eight of this exhibit regarding the sale of an item named 'Still 6pk Water', however I do not consider this to be an indication of own brand use on water products as it is clear throughout the sample invoices that where IFL are providing own brand goods they are named

clearly as 'Iceland +...' e.g. 'Iceland 6pk Teatime Selection' or 'Iceland 500g Curry Cooking Sauce'.

36. Exhibit DV7 is comprised of photographs of 'ICELAND' branded delivery lorries, some dated with award winning messages from 2012, and two older photographs that appear to be dated 1989 and 2009, both showing 'ICELAND' branded vans and lorries.
37. Exhibit DV8 is confidential and contains examples of use of the mark 'ICELAND' within the EU during the relevant time period. There is indication of use of the 'ICELAND' mark across several EU member states. A wide range of food and beverage products are shown to be available under the 'ICELAND' brand, however there is no indication at all of any own brand water products being offered by IFL.
38. Exhibit DV9 comprises ten pages showing extracts from 'Talking Food' and the Iceland magazine. These extracts are dated between 2001 and 2015 showing use of the 'ICELAND' mark to advertise IFL's products and services, especially during holiday periods such as Christmas and summer. The mark is on show along with a range of photographs of a variety of food products, many associated with Christmas and other festive periods. There are no indications of the goods at issue, i.e. beverages of any kind.
39. Exhibit DV10 comprises twenty pages showing advertisements in a similar fashion to the images provided in DV9. These images are dated between 2006 and 2016. Page ten shows sales of Carlsberg lager under the 'ICELAND' mark but is undated. There are also two press clippings showing IFL advertising food products under the strapline 'Deliciously affordable' in the Daily Express from 2013. Page 14 of this exhibit also shows the mark being use alongside Carlsberg branded lager. There are no other examples of beverages on offer in this exhibit.
40. Exhibit DV11 comprises twenty pages of extracts from magazines and press articles such as 'Woman' and the 'Yorkshire Evening Press' dated 1995; 'Weight Watchers Magazine' from 1996 and an extract from 'Woman's Own' magazine from 1996 showing that their favourite instant hot chocolate drink was the 'ICELAND' own brand. Page nine of this exhibit shows examples of Coca-Cola on offer and the milk-based beverage branded as Friij. This extract is from a press advert dated

December 2010 and comes from Spain. It refers to 'ICELAND' stores in several towns including Mijas, Javea and Benidorm. Pages eight and ten refer to use of the mark in Ireland and France. Page twelve is an extract from the 'Independent Magazine' dated 5 December 2015 showing the mark 'ICELAND' in an article about wines for sale in retail outlets such as the IFL stores, Waitrose and Tesco. Page fifteen is an extract from the 'Daily Mirror' dated 15 February 2016 reporting that in a Which? poll, ICELAND had been voted the No.1 online supermarket in the UK scoring 77 out of 100, with top marks for value, offers and delivery times. There are further articles e.g. from the 'Daily Mail', confirming this Which? poll result.

41. Exhibit DV12 comprises eleven pages of IFL adverts dating from 2007 to 2012 showing the mark 'ICELAND' on adverts for food products, largely in respect of the Christmas and New Year festive periods but also Summer and Spring time. Page eight of this exhibit shows the only example of beverages for sale, in an image which contains a carton of milk and a bottle of Coca-Cola, amongst a range of food items.
42. Exhibit DV13 comprises five pages regarding an online campaign launched between Channel Mum and IFL dated May 2016 and featuring YouTube stars, which aims to challenge perceptions around frozen food, highlighting IFL's healthy but affordable offerings.
43. Exhibit DV14 is comprised of ten pages containing press information, adverts and magazine articles. Some of this information is dated from 2011, one extract is from 1992, but much of it is undated. There is no sign of the mark being used on any beverages at all.
44. Exhibit DV15 comprises ten pages showing IFL sponsoring the UK television shows 'I'm A celebrity'; 'The Paul O'Grady Show' and 'Dickinson's Real Deal'. One page is dated 2011 and one page is dated 2012, the other pages are undated. There are no indications of any food or beverages products in this exhibit.
45. Exhibit DV16 comprises three pages. The first two appear to date from 2017 and come from IFL's website. There are indications of some UK stores locations and images of some food products. Page three comprises a single list which is headed 'Facebook Audience by Country'. This list includes more than 40 countries and shows, at the top of the list, the United Kingdom and a figure of 449,227. There is no

date on this page and no sign of the mark at issue or the name of IFL. I make the assumption that this is a list showing the number of followers that IFL have on Facebook, in a country by country breakdown, however this is not entirely clear from the exhibit. I note that the second highest figure is the USA with 6,295. The list has only six countries that show 'followers' numbering more than 1000. One is the UK and of the other five only two are in the EU, Ireland and Spain. Italy is seventh on the list with 912, Germany has 680 and France 505.

46. Exhibit DV17 comprises five pages containing IFL Twitter extracts that appear to date from 2017. The pages contain the earlier marks and images of food products such as 'Mississippi Pulled BBQ Pork'; 'Peri Peri Boneless Spatchcock', 'Luxury Ultimate Steak Burger' and 'Smoked Haddock Loins'. There is one image of a 'Berry Mocktail' beverage but this has apparently been made using frozen fruit purchased from an 'ICELAND' store, according to the Tweet from a customer, rather than a beverage that has been purchased as a ready to consume item from 'ICELAND'.
47. Exhibit DV18 comprises two pages that show that IFL use the website YouTube to advertise their food products using video. This appears to be from 2017.
48. Exhibit DV19 comprises a single page showing an Instagram page for Iceland foods. The earlier marks are shown, but this information is undated and contains images of food items but not beverages.
49. Exhibit DV20 comprises five pages that are dated from 2016 and show IFL supporting football and interviewing the Icelandic football team. The Euro 2016 football championship was taking place and IFL entered into a sponsorship agreement with the Icelandic team, raising awareness of the IFL brand using YouTube.
50. Exhibit DV21 comprises five pages including, on page one, an image of a raffle ticket from 1995 on which is displayed the 'ICELAND' mark. Prizes for the raffle include £100 pounds worth of 'ICELAND' vouchers and a Trolley Dash in an 'ICELAND' store. The exhibit also contains a further prize draw competition by IFL and images of the 'ICELAND' mark on an assortment of other material including information about the 'ICELAND Bonus Card' which shows a closing date to apply of 28 February 2010. There are no indications of any of the goods at issue in this exhibit.

51. Exhibit DV22 comprises five pages dated 2015 that promote an event in Manchester and a wider 'tour' of the 'Iceland Surf & Turf shack'. The tour covered 9 UK cities and involved IFL products being prepared and served by a chef to the public. The mark 'ICELAND' is on show, but the focus appears to be on the expression 'Power of Frozen'. There are no references to any of the goods at issue in this material.
52. Exhibit DV23 comprises three press articles all dated from the year 2000, relating to a 'missing persons' campaign, with IFL printing details of missing people on its own brand milk cartons.
53. Exhibit DV24 comprises sixteen pages listing awards won by IFL since 2011, for a range of food products that they sell. There are no references to, or awards for, any beverages. Also provided are extracts from 2016 showing IFL named as the top UK supermarket for online shopping.
54. Exhibit DV25 comprises ten pages showing images of various 'ICELAND' supermarkets and 'ICELAND' staff members holding various food products. There are no beverages on show and none of this information is dated.
55. Exhibit DV26 is comprised two pages, only one contains a reference to 'ICELAND' and that is in relation to a book written by the founder of IFL, Malcolm Walker. The page is from the Amazon UK website and shows the book on sale from May 2014.
56. Exhibit DV27 comprises fifteen pages showing food items for sale between 2013 and 2016, although many of these pages are undated. The first page shows Carlsberg lager, that IFL sells in its stores. Page ten shows an image of 'ICELAND' own brand 2 litre semi-skimmed milk. Page eleven shows two images of 'ICELAND' own brand milk products. Page twelve shows Coca-Cola and Diet Coca-Cola sold in packs of 6 cans. Page thirteen shows images of R Whites branded lemonade and diet lemonade in 3 litre bottles.
57. Exhibit DV28 comprises three pages that are dated 2013, 2016 and 2017. The earlier marks are present. All three pages comprise sample emails from IFL to fictional customers, promoting the use of the 'Iceland Bonus Card'. There are images of food products, but no beverages are shown.

58. Exhibit DV29 comprises 22 pages dating from 2001, all of which are advertisements of IFL products available over many years. There are examples of many food products on offer and several beverage products. The opponent clearly retails third-party branded beverages, including lager, wine and fruit juice. I see no indication in this exhibit of the sale or offer of any mineral or spring water products at all. IFL own brand milk goods are shown.
59. Under a second witness statement of Mr Vaughan, dated 7 November 2018, four further exhibits (DV1 – DV4) were submitted. This evidence is very similar to evidence previously submitted, with perhaps more focus on the retailing of beverages. It comprises examples of the goods that IFL sell through its retail outlets. Products shown include a wide range of foodstuffs; third-party branded beverages such as R Whites lemonade and Coca-Cola, and also IFL own brand fruit juices including apple, mango and orange juice. No IFL own brand water products are shown.
60. The evidence shows that the opponent predominantly retails food and drinks products. There is some very limited evidence of the retail of kitchen utensils such as pans, however this evidence is not sufficient to extend a finding of enhanced distinctiveness in relation to those goods.
61. I am satisfied that the opponent has acquired enhanced the distinctiveness of the 'ICELAND' brand name through significant use of that name over many years, predominantly within the UK, but also, to a significant degree across the EU. However, that reputation is based on the opponent's retailing services only. The opponent has over 900 supermarket outlets across the EU and more than 800 in the UK alone. Whilst the opponent has shown that it sells 'ICELAND' own branded food products and, to a much lesser extent, own brand beverages, it is the case that much of the beverage sales of IFL are based on the retailing of third-party brands such as Carlsberg and Coca-Cola. The opponent has shown that it also sells third-party branded mineral and natural spring waters, however there is no evidence that it sells 'ICELAND' own brand mineral or natural spring waters. Therefore, I find that the evidence submitted by IFL is insufficient to prove that it has acquired an enhanced level of distinctive character or a reputation in the earlier marks, for any of the goods at issue.

62. After careful consideration, and taking into account the findings in *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97,³ I conclude that the opponent's evidence supports its claim of enhanced distinctiveness in the earlier marks relied upon, but only in respect of the following class 35 services of the earlier marks:

UK 2341223: Retail supermarket services connected with the sale of foodstuffs and drinks.

EUTM 2673374: The bringing together for the benefit of others, of a variety of food and drinks goods.

Applicant's evidence

63. The applicant's evidence is comprised a Witness Statement dated 28 August 2018, of Asdis Magnusdottir who is a trade mark attorney at Arnason Faktor, Reykjavik, Iceland. In his Witness Statement Mr Magnusdottir states that he is an attorney acting for the applicant and instructing Page, White & Farrer, being fully conversant in the English language. The Witness Statement is accompanied by several exhibits, tagged AM1 – AM8.

64. Mr Magnusdottir claims that the tap water in Iceland is widely perceived to be amongst the purest in the world. Exhibit AM1 contains articles that refer to this claim.

65. Exhibit AM2 comprises an Environmental Performance Review on Iceland, dated 2014 and issued by The Organisation for Economic Co-operation and Development ("OECD"). Mr Magnusdottir asserts that this review supports the applicant's claim as to the excellence of the water quality in Iceland and the "historically low levels of water pollution". The report also states that the "Groundwater is of excellent quality and does not need treatment before consumption".

66. Exhibit AM3 is another OECD report, dated 2017 and named a 'Better Life Index'. It states that Iceland "does well in terms of water quality, as 99% of people say they are satisfied with the quality of their water, considerably higher than the OECD average of 81% and the highest rates in the OECD".

³ See Paragraph 113 below

67. Exhibit AM4 comprises an extract from the OECD 2017 Economic Survey which shows that Iceland's ranking for water quality is number one.
68. The applicant states that water from Iceland is exported in large volumes, with the applicant being one of the largest exporters. Exhibit AM5 comprises extracts from company websites which show use of the expressions 'ICELANDIC GLACIAL' and 'ICELAND Natural Spring Water', with store locators and/or distributors in the UK. I note that the first several pages of this exhibit are from the icelandicglacial.com website. Where this information is dated, it is from 2018. Other information comes from icelandspring.com dated 2014 and refers to the quality of Icelandic spring water.
69. Exhibit AM6 provides examples of Icelandic companies who include a reference to 'Iceland' or 'Icelandic' on their products and in their trade marks in relation to food and beverage products, especially where those goods are intended to be exported.
70. Exhibit AM7 comprises extracts which the applicant states show that "the opponent's own evidence confirms that water products sold by UK companies contain indications of source in their branding".
71. Exhibit AM8 provides extracts from the UK Register of trade mark registrations which contain ICELAND or ICELANDIC as an element of the trade mark in relation to class 32 goods. "The co-existence of so many brands which include ICELAND or ICELANDIC as part of their branding for beverages suggest that customers perceive ICELAND as an indication of origin" the applicant claims.
72. Finally, the applicant notes that the opponent has not filed any evidence of actual customer confusion. It claims that its evidence has shown that there are other ICELAND/ICELANDIC brands in use in the UK, however there is no evidence that confusion has arisen.

Decision

Section 5(2)(b) of the Act

73. Section 5(2)(b) of the Act states:

“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.”

74. An earlier trade mark is defined in section 6 of the Act, the relevant parts of which state:

“6.- (1) In this Act an “earlier trade mark” means –

(a) a registered trade mark, international trade mark (UK) a European Union trade mark or international trade mark (EC) which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks

(2) References in this Act to an earlier trade mark include a trade mark in respect of which an application for registration has been made and which, if registered, would be an earlier trade mark by virtue of subsection (1)(a) or (b), subject to its being so registered.”

75. Although the UK has left the EU, section 6(3)(a) of the European (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.

76. The trade marks upon which the opponent relies for the purposes of the opposition under section 5(2)(b) and section 5(3) qualify as earlier trade marks under the above provisions. As the earlier trade marks have not been registered for more than five

years at the date the applications were filed they are not subject to the proof of use provisions contained in section 6A of the Act.

77. As I have set out above in paragraph 20, I will begin this decision by comparing the opponent's earlier UK mark with the contested applications. Once I have completed that assessment, I will move on and come to a finding in respect of the opponent's earlier EUTM.

Case Law

78. The following principles are gleaned from the decisions of the Court of Justice of the European Union ("the CJEU") in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v 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 and services

79. In the judgment of the Court of Justice of the European Union (“CJEU”) in *Canon*, Case C-39/97, the court stated at paragraph 23 of its judgment that:

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their

intended purpose and their method of use and whether they are in competition with each other or are complementary”.

80. The relevant factors identified by Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, for assessing similarity were:

- (a) The respective uses of the respective goods or services;
- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or acts of service;
- (d) The respective trade channels through which the goods or services reach the market;
- (e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be, found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
- (f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

81. In *Boston Scientific*⁴, the General Court (“GC”) described goods/services as “complementary” in circumstances where “... *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*”. I also take note that in *Kurt Hesse v OHIM*⁵, the CJEU stated that complementarity is an autonomous criterion capable of being the sole basis for the existence of similarity between goods.

82. The parties’ respective specifications are:

⁴ *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-325/06

⁵ Case C-50/15 P

Opponent's earlier UK mark	Contested applications
<p>Class 32: Beers, non-alcoholic beverages other than water, mineral and carbonated water; fruit drinks and fruit juices; syrups and other preparations for making beverages.</p> <p>Class 33: Alcoholic beverages; wines, spirits and liqueurs.</p> <p>Class 35: Retail supermarket services connected with the sale of toiletries, household products including cleaners, polishers, scourers, soaps, hardware, kitchen foil, electrical goods including white goods, publications and stationery, household utensils, glassware and kitchenware, foodstuffs and drinks.</p>	<p>Class 32: Mineral waters and other non-alcoholic beverages, namely natural spring water.</p>

83. During the hearing Mr Malynicz told me that “the use of the word “namely” in each of the contested applications confines the goods to those specified after that word, so the actual goods under each mark becomes, in effect, “natural spring water” and nothing else. I agree with this point entirely.

84. The opponent's goods in class 32 have been the subject of a restriction made by the IPO at the time of an earlier decision involving the opponent's earlier UK right.⁶ Mr Malynicz claimed that this restriction did not have the same effect as a limitation of rights under section 13(2) of the Act and that regardless of the amendment, it remained clear that whilst the earlier goods may not be found to be identical to the

⁶ BL O/307/12

contested goods, a finding of similarity between the goods at issue was the correct one. He added that “a mark may be descriptive of some goods without being descriptive of others, even though the latter goods are similar.”

85. I find that the restriction to the opponent’s earlier UK right serves effectively to remove the goods ‘water, mineral and carbonated water’ from the scope of the registration. However, what remains in the earlier UK class 32 specification must also be considered alongside the contested goods which are ‘natural spring water’.

86. The earlier goods ‘non-alcoholic beverages other than water, mineral and carbonated water’ and ‘fruit drinks and fruit juices’ are beverages intended to be consumed as a refreshment, and to quench the thirst. These goods are likely to be provided in the same areas of retail outlets and can be said to be in competition with the contested goods. It is also possible, as claimed by Mr Malynicz, that some retailers of mineral and spring water may add fruit juices to those goods to enhance the flavour of the water. The nature of these goods may be somewhat distinct however, in the sense that mineral and natural spring waters are generally bottled at source and have nothing added to them which might affect the purity or quality of the water, whilst other non-alcoholic beverages and fruit drinks and juices can be said to be ‘manufactured’ or ‘processed’ to at least some degree. That said, the purpose of all of these goods is to be consumed as a beverage; the user is therefore likely to be the same, i.e. a member of the general public who needs a drink.

87. I find therefore, that the earlier ‘non-alcoholic beverages other than water, mineral and carbonated water’ and ‘fruit drinks and fruit juices’ are similar to the contested ‘natural spring water’ to a medium degree.

88. The opponent’s earlier class 33 goods include ‘alcoholic beverages’ and ‘spirits’. These goods may be available from the same retail outlets as the contested goods, but they will be placed in different areas of those outlets. The user may be the same, as the consumer of spirits will also be a consumer of day to day goods such as natural spring water. However, the nature and respective uses of these goods can be said to differ e.g. spirits are alcoholic beverages and are generally not consumed in order to refresh or quench a thirst. These goods cannot be said to be in competition and, whilst one may be used with the other (whisky and water for

example), this is not sufficient for a finding of complementarity as they cannot be said to be indispensable to the other, and it is unlikely that the average consumer would expect a shared economic responsibility between an undertaking involved in the production of e.g. spirits and one that provides mineral or natural spring waters. Overall, I find these goods to be dissimilar.

89. The opponent's class 35 services include 'Retail supermarket services connected with the sale of drinks'. These services and the contested goods may share channels of trade and may be said to be complementary. It is also the case that the consumer of supermarket services is likely to be a consumer of the contested natural spring water. Mr Malynicz referred me to *Oakley (Oakley v OHIM — Venticinque (O STORE))*, T-116/06, EU:T:2008:399) within the context of complementarity between retail services and the goods being retailed. He added: "This is particularly the case where there is a well-established practice, and consumers are aware of it, that supermarkets often own brand a wide range of goods as well, whether this be mineral waters or cans of tomatoes. The connection is therefore one of complementarity as well as same consumers, same occasion, same purpose etc."

90. In respect of the opponent's class 35 retail services, I note that the applicant states in submissions, that there is only a very low level of similarity with its goods, however it adds that the overall differences between the marks are sufficient to avoid the risk of consumer confusion.⁷ I agree with the argument put forward by Mr Malynicz and find these goods and services to be similar to a medium degree.

Average consumer and the purchasing act

91. 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*.

⁷ Applicant's submissions dated 28/08/2018.

92. 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.”

93. In essence, the goods and services at issue are beverages and the retail of those goods. These are day to day goods and services taken up by the average consumer, which I find to be predominantly the general public, who will pay no more than a medium degree of attention in their selection of such goods or in the retail establishments offering them.

94. The selection of the goods and services at issue will be primarily a visual process but may also be a combination of visual and aural selection, when that process takes place within a café or other establishment providing beverages to be taken away or consumed on the premises.

Comparison of marks

95. 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.

96. 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.”

97. 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.

98. The respective trade marks are shown below:

Earlier UK marks	Contested trade marks
	<p data-bbox="922 913 1203 949">ICELAND LAVA</p> 

99. The opponent’s earlier series of marks all comprise essentially the word ‘ICELAND’. However, the third mark in the series is a plain word mark in a standard capital typeface with no stylisation or figurative aspects to it. The first and second marks are presented in a combination of capital and lower-case fairly standard typeface, within a rectangular background. The first mark also uses the colour red as its background. Regardless of the slightly stylised aspects to the first and second marks, the overall impression of all three marks lies in the word ‘ICELAND’.

100. Applying the principle of notional and fair use, I feel it would be prudent initially, to compare the plain word mark of the opponent with the contested marks, as this mark is likely to offer the opponent its best chance of success. If necessary, I will return to consider the other two earlier UK marks later in my decision.
101. The contested marks all contain the words 'ICELAND' and 'LAVA'. Application 3231488 also contains the words 'NATURAL SPRING WATER' however this element of that mark is presented in a very small script and as the contested goods include 'natural spring waters', this element of that contested mark is entirely descriptive and non-distinctive.
102. Application 3231483 is a plain word mark in which the words 'ICELAND' and 'LAVA' are presented in plain typeface and are the same size font. The word 'ICELAND' is likely to be perceived as the name of a European country which may have an association with the goods at issue. The word 'LAVA' has an obvious meaning but is unlikely to be associated with the goods at issue. Therefore, it is the word 'LAVA' that can be said to play the greater role in the overall impression as it is the more distinctive element.
103. In the two stylised contested marks, I have already concluded that the element 'NATURAL SPRING WATER' in 3231488 is entirely descriptive. Other than that element, both marks comprise the words 'ICELAND' and 'LAVA', with the word 'ICELAND' placed directly on top of the word 'LAVA' and presented in grey and in a slightly smaller typeface than the word 'LAVA', which is presented in red. Being the bigger element and presented in a fairly bright colour, the word 'LAVA' in applications 3231831 and 3231488 can be said to be the more dominant, eye catching element in those marks. As I have found above, the word 'ICELAND' is likely to be perceived as a geographical place name which may also be considered to have a link with the contested goods. Therefore, it can be said to be less distinctive than the word 'LAVA'. The more dominant and distinctive component 'LAVA' plays the greater role in the overall impression of the 3231488 and 3231831 marks.

104. I will begin my assessment of the marks by comparing the opponent's plain word mark 'ICELAND' and the contested plain word mark 'ICELAND LAVA'. I will return to consider the two stylised contested marks later in my decision.

Visual similarity

105. Visually, the marks are similar in that they share the word 'ICELAND'. They differ in the word 'LAVA' of the contested mark. As the common element is the first word of the contested mark and the entirety of the earlier mark, these marks can be said to be visually similar to at least a medium degree.

Aural similarity

106. The earlier mark comprises two syllables that will be pronounced *ICE/LAND*. The contested mark shares the same two syllables at the start of the mark, but also contains the syllables *LAH/VAH* which have no counterpart in the earlier mark. These marks can be said to be aurally similar to a medium degree.

Conceptual similarity

107. The earlier mark 'ICELAND' is the name of a European country and this will be widely known and understood by the UK public. The contested mark shares that element, but also contains the word 'LAVA' which can be defined as 'magma emanating from volcanoes and other vents; very hot liquid rock that comes out of a volcano'.⁸

108. In his skeleton, Mr Malynicz stated that the marks share the concept of 'ICELAND' being a 'land of ice'. The vast majority of UK consumers, he asserted, would consider the opponent's use of the term as referring to the well-known supermarket that has a focus of frozen foods. Alternatively, he stated that some may see it as having a duality of meanings – a trade origin meaning and a reference to a country. He added that whatever meaning the word 'ICELAND' has for consumers, it will have the same meaning in both marks.

⁸ <https://www.collinsdictionary.com/dictionary/english/lava>

109. The applicant claimed, in its submissions in lieu, that the word 'ICELAND' in the marks will be perceived as the name of a country and not the UK supermarket. Referring to the definition of the word 'LAVA', the applicant added that the combination of the two words simply reinforces the connection to the country of Iceland, which is known for its volcanoes.
110. After careful consideration of the applicant's evidence, I am satisfied that the average consumer of natural spring water would, when faced with the word 'ICELAND' on such goods, perceive that term as an indication of geographical origin. The applicant has shown that the country of Iceland may now claim a reputation for the quality of its natural spring water. This is a claim supported by the reports from the OECD dated 2014 and 2017 which the applicant provided within its evidence. These reports post-date the decision taken by the IPO Tribunal in 2012, in BL O/307/12.
111. I find that the earlier mark conveys the concept of the country of Iceland. The contested mark shares that concept but also conveys the notion of 'Lava', or hot molten rock that emanates from volcanoes, which provides a wider concept combining both words in the mind of the consumer. The concept of a country is somewhat diminished in the contested mark due to the addition of the word 'LAVA', and therefore these marks are conceptually similar to no more than a medium degree.
112. In conclusion, the marks have been found to be visually similar to at least a medium degree, aurally similar to a medium degree, and conceptually similar to no more than a medium degree.

Distinctive character of the earlier trade mark

113. 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).”

114. Mr Malynicz addressed me on the matter of inherent distinctiveness during the hearing. He stated that the opponent’s earlier marks must be presumed valid under section 72 of the Act. He added that in these proceedings they must be presumed to have some distinctiveness. He referred me to the *Formula One* and *Halloumi* decisions and to the comments of Marcus Smith J in this regard:⁹

“Thus, it is impermissible to assert, in opposition proceedings, an absolute ground for refusing to register the earlier mark. Although *Formula One* concerned an earlier national trade mark under consideration before an EU court, the same approach must hold good as regards an earlier EUTM (including an EU collective mark) under consideration in these courts.”

115. Mr Malynicz asserted that the applicants claim that the word ‘ICELAND’ is wholly non-distinctive because it solely indicates geographical origin cannot be made in these proceedings, only in invalidity or revocation proceedings. I agree with the submissions made by Mr Malynicz in this regard.

⁹ -196/11 P *Formula One Licensing v. OHIM* (ECLI:EU:C:2012:314) & *Foundation for the Protection of the Traditional Cheese of Cyprus Named Halloumi v Babel Sajt Kft.*

116. In submissions the opponent has claimed that its earlier marks have an enhanced degree of distinctiveness due to the use made of them. In my assessment of the evidence provided by the opponent in support of that claim, I have concluded that the evidence does not show that the earlier UK or EU marks have acquired an enhanced level of distinctiveness in respect of any of the goods they cover.
117. Inherently I find the earlier UK marks to be distinctive to a low degree in respect of all the earlier goods. The word 'ICELAND' will be recognised as the name of a European country, with a reputation for certain goods including fish and natural spring water. I appreciate that my finding in this matter does not entirely resonate with the conclusions of Mr Morris in earlier IPO decision BL O/307/12, however, given the findings of the OECD in their reports dated 2014 and 2017, containing information that would not have been available to Mr Morris when he came to his decision in 2012, I find that the country of Iceland may now claim to have a reputation for the quality of its natural spring waters.¹⁰
118. In respect of the class 35 services I find the earlier UK marks to be inherently distinctive to a medium degree. I do not think the average consumer of retail or supermarket services would make the same level of connection between a retail outlet and goods provided under such an establishment. The average consumer would not automatically assume there to be a connection between a retail outlet named 'ICELAND' and the country of Iceland.
119. However, I have found the use made of the earlier UK marks to be substantial, and sufficient to prove that the opponent enjoys a higher degree of enhanced distinctiveness in respect of 'Retail supermarket services connected with the sale of foodstuffs and drinks'. In respect of the goods relied upon by the opponent, I find the earlier UK marks have not been used to any significant degree and cannot therefore claim the same enhanced degree of distinctiveness.

Likelihood of Confusion

¹⁰ Applicant's exhibits AM2, AM3 & AM4

120. The factors assessed so far have a degree of interdependency (*Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*, paragraph 17), a global assessment of them must be made when determining whether there exists a likelihood of confusion (*Sabel BV v. Puma AG*, paragraph 22). However, there is no scientific formula to apply. It is a matter of considering the relevant factors from the viewpoint of the average consumer and determining whether they are likely to be confused.

121. Confusion can be direct (which effectively occurs when the average consumer mistakes one mark for the other) or indirect (where the average consumer realises the marks are not the same but puts the similarity that exists between the marks and the goods/services down to the responsible undertakings being the same or related).

122. I have already found that:

- the goods at issue are similar to a medium degree and dissimilar; the earlier services are similar to the contested goods to a medium degree;
- the marks are visually similar to at least a medium degree, aurally similar to a medium degree, and conceptually similar to no more than a medium degree;
- the average consumer will more likely be a member of the general public who will pay no more than a medium level of attention when selecting the goods and services at issue;
- the purchasing process will be largely visual however the role that an aural assessment may play in the process has not been discounted;
- the earlier mark has a low degree of inherent distinctiveness in respect of the goods it covers, and this has not been enhanced through use of the mark. The position regarding the earlier services is somewhat different, and I find the inherent distinctiveness of the earlier UK mark to be medium for those services. The earlier UK mark can also be said to enjoy a higher degree of enhanced distinctiveness through the use made of the mark, but only in respect of the retail services it provides.

123. The opponent provided information regarding previous opposition cases before the UK IPO, involving word marks containing five and seven letters (as is the case in this matter). I have taken note of this information however it is not binding upon me as each case must be determined on its own merits.

124. The applicant provided extracts from the UK IPO register of trade mark registrations showing marks that contain the words ICELAND or ICELANDIC as an element of the trade mark in relation to class 32 goods. The applicant stated: “The co-existence of so many brands which include ICELAND or ICELANDIC as part of their branding for beverages suggest that customers perceive ICELAND as an indication of origin”.

125. In this regard I refer to the decision in *Zero Industry Srl v OHIM*, Case T-400/06, where the General Court stated that:

“73. As regards the results of the research submitted by the applicant, according to which 93 Community trade marks are made up of or include the word ‘zero’, it should be pointed out that the Opposition Division found, in that regard, that ‘... there are no indications as to how many of such trade marks are effectively used in the market’. The applicant did not dispute that finding before the Board of Appeal but none the less reverted to the issue of that evidence in its application lodged at the Court. It must be found that the mere fact that a number of trade marks relating to the goods at issue contain the word ‘zero’ is not enough to establish that the distinctive character of that element has been weakened because of its frequent use in the field concerned (see, by analogy, Case T-135/04 GfK v OHIM – BUS(Online Bus) [2005] ECR II-4865, paragraph 68, and Case T-29/04 Castellblanch v OHIM – Champagne Roederer (CRISTAL CASTELLBLANCH) [2005] ECR II-5309, paragraph 71). “

126. I find that the average consumer, notwithstanding the similarities between the marks, will immediately perceive the additional word ‘LAVA’ in the contested mark and will therefore not mistake one mark for the other. In making this assessment, I must keep 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]). Taking all of the aforesaid into account, I find that direct confusion will not occur. This finding concurs with the position taken by Mr Malynicz at the hearing where he told me: “It is not about side-by-side direct confusion, so to speak, that you mistake ‘ICELAND LAVA’ for ‘ICELAND’. This is not a direct confusion case. This is a case where the marks are distinguishable but that is not enough”.

127. Having found no likelihood of direct confusion, I go on to consider the matter in respect of indirect confusion.

128. Mr Iain Purvis QC, sitting as the Appointed Person, in L.A. *Sugar Limited v By Back Beat Inc*, Case BL-O/375/10 noted that:

“16. ...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).”

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

130. In my opinion, the combination 'ICELAND LAVA' in the contested mark and the earlier UK mark 'ICELAND' will not be indirectly confused. Having found the earlier mark to be inherently low in distinctive character for the goods at issue, I believe that the average consumer of the contested natural spring water will perceive the word 'ICELAND' as a geographical indication of origin. I find the same to be true for the earlier goods.
131. When faced with the mark 'ICELAND' on a non-alcoholic beverage, I believe that, due to its inherently low distinctive character when applied to goods, the average UK consumer will likely interpret that element as denoting the geographical origin, being the country of Iceland. The addition of the word 'LAVA' in the contested marks may allude to the volcanic nature of Iceland, however I am not particularly persuaded by that argument. I am not convinced that the average consumer would necessarily make that connection. I am also not convinced that the addition of the word 'LAVA' would be considered to be an obvious brand extension or evolution of the earlier 'ICELAND' brand.
132. Regarding the earlier services, for which the opponent has provided evidence of enhanced distinctiveness of the retail of food and drinks products, I find that the average consumer whilst perceiving the word 'ICELAND' on the goods at issue as the geographical origin of those goods, will not make the same assumption in respect of a retail outlet named 'ICELAND'.
133. In *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17, Mr James Mellor Q.C., as the Appointed Person, stressed that a finding of indirect confusion should not be made merely because the two marks share a common element. In this connection, he pointed out that it is not sufficient that a mark merely calls to mind another mark. This is mere association not indirect confusion.
134. Whilst I find that it is possible that the opponent's mark might be brought to mind on exposure to the contested mark, or vice-versa, I believe that this would amount to no more than association and, overall, I find no likelihood of indirect conclusion.
135. Having found no likelihood of direct or indirect confusion between the earlier UK plain word mark 'ICELAND' and the contested plain word mark 'ICELAND LAVA'

(3231483), I must now consider the remaining contested marks, namely the stylised 'ICELAND LAVA' marks in which I have previously found the element 'LAVA' to be the dominant and more distinctive element of those marks. The remaining two stylised contested marks are even more different to the earlier mark than the contested mark I have already compared and cover the same goods. The term 'LAVA' has been found to be the dominant and more distinctive element in those marks and it therefore follows that there will be no likelihood of direct or indirect confusion in respect of contested applications 3231831 and 3231488.

136. I must also consider the opponent's remaining two earlier UK stylised marks contained within the series of three marks. As these marks are stylised versions of the plain word mark 'ICELAND', containing additional material which take them further away from the contested plain word mark 'ICELAND LAVA', the likelihood of confusion between these marks is even less likely than it is with the earlier plain word mark. It also follows that the two stylised earlier marks will not be confused directly or indirectly with the stylised contested applications 3231831 and 3231488 for the reasons given above.

137. Therefore, the opposition, insofar as it is based on section 5(2)(b) of the Act, relying on the opponent's earlier UK marks, is dismissed.

138. I will now consider the other grounds of this opposition in respect of the opponent's earlier UK marks.

Section 5(3)

139. Section 5(3) states:

"5(3) A trade mark which-

(a) is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a European Union trade mark or international trade mark (EC), in the European Union) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.

140. As noted above, the opponent's earlier UK marks qualify as earlier trade marks under the provisions of section 6 of the Act.

Case Law

141. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, Case 252/07, *Intel*, Case C-408/01, *Addidas-Salomon*, Case C-487/07, *L'Oreal v Bellure* and Case C-323/09, *Marks and Spencer v Interflora* and Case C383/12P, *Environmental Manufacturing LLP v OHIM*. The law appears to be as follows.:

a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors*, paragraph 24.

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors*, paragraph 26.

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Addidas Salomon*, paragraph 29 and *Intel*, paragraph 63.

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel*, paragraph 42

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel*, paragraph 68; whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel*, paragraph 79.

(f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is

weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel*, paragraphs 76 and 77 and *Environmental Manufacturing*, paragraph 34.

(g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel*, paragraph 74.

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark; *L'Oreal v Bellure NV*, paragraph 40.

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora*, paragraph 74 and the court's answer to question 1 in *L'Oreal v Bellure*).

142. The conditions of section 5(3) are cumulative. Firstly, the opponent must show that its marks are similar to the applicant's marks. Secondly, that the earlier marks have achieved a level of knowledge/reputation amongst a significant part of the relevant public. Thirdly, it must be established that the level of reputation and the similarities between the marks will cause the relevant public to make a link between them, in the sense of the earlier marks being brought to mind by the later marks.

Fourthly, assuming that the first three conditions are met, section 5(3) requires that one or more of the three types of damage claimed will occur. It is unnecessary for the purposes of section 5(3) that the goods or services be similar, although the relative distance between them is one of the factors which must be assessed in deciding whether the public will make a link between the marks.

Reputation

143. As to the reputation of the opponent's earlier UK marks, for the same reasons set out in paragraphs 60-62 above in relation to enhanced distinctiveness, I consider that the use shown of the earlier marks has satisfied the requirement of a reputation, at least for part of the registered services.

144. In *General Motors*, Case C-375/97, the CJEU held that:

“25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.

26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.

27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.”

145. The opponent's evidence has shown that it enjoys a significant presence in the UK retail services and supermarket arena, and has done for many years, winning awards including the No.1 online supermarket in the UK according to a Which? poll. I conclude therefore, that for the services set out in paragraph 59 of this decision, the earlier mark is known by a significant part of the public concerned, across the UK.

Link

146. An assessment of whether the public will make the required mental 'link' between the marks must take account of all relevant factors. The factors identified in *Intel* are:

The degree of similarity between the conflicting marks

For the reasons I have set out above, I consider there to be at least a medium degree of visual similarity between the marks and a medium degree of aural similarity between the marks. I have found the marks to be conceptually similar to no more than a medium degree.

The nature of the goods or services for which the conflicting marks are registered, or proposed to be registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public

I have found all of the contested goods to be similar, to a medium degree, to the retailing of such goods within the opponent's services in class 35.

The strength of the earlier marks' reputation

In respect of the services that I have found to be supported by the opponent's evidence, I consider the earlier mark to have a strong reputation in the UK. This reputation does not extend to the opponent's goods however.

The degree of the earlier mark's distinctive character, whether inherent or acquired through use

I have concluded that the earlier UK marks have an inherently low degree of distinctiveness for the goods at issue due to the likely perception of the word 'ICELAND' when used on goods for which the country of Iceland may claim to have some reputation, or where the average consumer of those goods is likely to assume a geographical connection; but a higher degree of distinctiveness, enhanced through use, in respect of the retailing of foodstuffs and drinks.

Whether there is a likelihood of confusion

I have found there to be no likelihood of confusion between the marks.

147. I find that despite the strength of the earlier marks' reputation in respect of the retailing of food and drinks, the average consumer, when encountering the applicant's marks, will not bring the earlier UK marks to mind in any more than the most fleeting manner. This is because of the connection that the country of Iceland has with the goods at issue, which will create a distinction in the mind of that consumer between goods that are likely to be perceived as coming from the country of Iceland, as opposed to the services for which the opponent has shown a reputation, where the average consumer will, in the context of retail services, think of the Iceland supermarket chain rather than the country. Any perceived link will be too weak to cause any damage to the earlier mark's reputation and distinctive character or to give an unfair advantage to the later mark.

148. Therefore, I find that the opposition, insofar as it is based on the opponent's earlier UK marks, fails under section 5(3) of the Act.

Section 5(4)(a)

149. Section 5(4)(a) states:

“5(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented-

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, where the condition in subsection (4A) is met,

(b)

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an “earlier right” in relation to the trade mark.”

150. The three elements which the opponent must show are well known. In *Discount Outlet v Feel Good UK*, [2017] EWHC 1400 IPEC, Her Honour Judge Melissa Clarke, sitting as a deputy Judge of the High Court, conveniently summarised the essential requirements of the law of passing off as follows:

“55. The elements necessary to reach a finding of passing off are the ‘classical trinity’ of that tort as described by Lord Oliver in the Jif Lemon case (Reckitt & Colman Product v Borden [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

56. In relation to deception, the court must assess whether “*a substantial number*” of the Claimants' customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21).”

Relevant date

151. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC, as the Appointed Person, endorsed the registrar’s assessment of the relevant date for the purposes of section 5(4)(a) of the Act, as follows:

“43. In *SWORDERS TM* O-212-06 Mr Alan James acting for the Registrar well summarised the position in s.5(4)(a) proceedings as follows:

‘Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made.’”

152. There has been no suggestion by the applicant that it has used its marks prior to the dates of application for registration. The relevant dates are therefore the dates on which the contested marks were applied for, namely 16 May 2017 and 17 May 2017.

Goodwill

153. I bear in mind the guidance set out in the judgement of the House of Lords in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL):

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start.”

154. It is clear to me, from the evidence submitted by IFL, that they have a strong goodwill in respect of the services that I set out earlier in paragraph 60. I also consider that the earlier UK mark was distinctive of that goodwill at the relevant dates. The same cannot be said in respect of the goods to which IFL have also claimed to use their unregistered mark on since 1970. For the reasons that I have given previously, I find that the opponent has not satisfied me that they have a goodwill in respect of any of the goods they claim.

Misrepresentation and damage

155. In *Neutrogena Corporation and Another v Golden Limited and Another* [1996] RPC 473, Morritt L.J. stated that:

“There is no dispute as to what the correct legal principle is. As stated by Lord Oliver of Aylmerton in *Reckitt & Colman Products Ltd. v. Borden Inc.* [1990] R.P.C. 341 at page 407 the question on the issue of deception or confusion is “is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the public will be misled into purchasing the defendants' [product] in the belief that it is the respondents'[product]”

The same proposition is stated in Halsbury's Laws of England 4th Edition Vol.48 para 148. The necessity for a substantial number is brought out also in *Saville Perfumery Ltd. v. June Perfect Ltd.* (1941) 58 R.P.C. 147 at page 175; and *Re Smith Hayden's Application* (1945) 63 R.P.C. 97 at page 101.”

And later in the same judgment:

“.... for my part, I think that references, in this context, to “more than de minimis” and “above a trivial level” are best avoided notwithstanding this court’s reference to the former in *University of London v. American University of London* (unreported 12 November 1993). It seems to me that such expressions are open to misinterpretation for they do not necessarily connote the opposite of substantial and their use may be thought to reverse the proper emphasis and concentrate on the quantitative to the exclusion of the qualitative aspect of confusion.”

156. Halsbury’s Laws of England Vol. 97A (2012 reissue) provides further guidance with regard to establishing the likelihood of deception. In paragraph 309 it is noted (with footnotes omitted) that:

“To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

(1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and

(2) that members of that class will mistakenly infer from the defendant’s use of a name, mark or other feature which is the same or sufficiently similar that the defendant’s goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

(a) the nature and extent of the reputation relied upon;

(b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;

(c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;

(d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.”

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.”

157. I recognise that the test for misrepresentation is different from that for likelihood of confusion in that it entails deception of a substantial number of members of the public rather than confusion of the average consumer. However, as recognised by Lewison L.J. in *Marks and Spencer PLC v Interflora*, [2012] EWCA (Civ) 1501, it is doubtful whether the difference between the legal tests will produce different outcomes.

158. In *W.S. Foster & Son Limited v Brooks Brothers UK Limited*, [2013] EWPC 18 (PCC), Mr Iain Purvis QC, as a Recorder of the Court stated that:

“54. Mr Aikens stressed in his argument the difference between ‘mere wondering’ on the part of a consumer as to a trade connection and an actual assumption of such a connection. In *Phones 4U Ltd v Phone 4U.co.uk Internet Ltd* [2007] RPC 5 at 16–17 Jacob LJ stressed that the former was not sufficient for passing off. He concluded at 17:

‘This of course is a question of degree – there will be some mere wonderers and some assumers – there will normally (see below) be passing off if there is

a substantial number of the latter even if there is also a substantial number of the former’.”

159. The word ‘Iceland’ is a word that will be well known amongst the relevant public, largely interpreted as the name of a European country, but also (in the context of retail services) known as the name of a chain of supermarkets. I recognise that the opponent has a strong reputation in relation to retail services for food and drink, however I find that the distance between the parties’ respective fields of activity, combined with the differences between the marks will be enough to offset this. This will particularly be the case given that, in relation to goods, the word ‘ICELAND’ is likely to be perceived by the UK relevant public as a reference to a country in Europe and will therefore be viewed as descriptive of the geographical origin. This will be further reinforced by the fact that the country Iceland has a reputation for the applicant’s particular goods. Whilst there may be some members of the relevant public who ‘wonder’ whether there is a connection between the two, I do not consider that there will be a substantial number who will assume such a connection. I find therefore, that the average consumer will not perceive the applicant’s marks as new additions to the opponent’s ‘ICELAND’ brand or conclude that these marks are used by the same or a connected commercial undertaking. Therefore, misrepresentation will not occur.

160. As I have concluded that misrepresentation will not occur, it follows that damage will not occur.

161. The opposition, insofar as it is based on the opponent’s earlier UK marks, fails under section 5(4)(a) of the Act.

162. Having found the opposition to be unsuccessful based upon the opponent’s earlier UK marks, I move on now to consider the position in respect of the opponent’s earlier EUTM 2673374, and the opposition under sections 5(2)(b) and 5(3) upon which the EUTM is relied.

163. As the mark which is the subject of the EUTM is the same as the earlier plain word UK mark that I have already assessed and compared with the contested marks, i.e. the plain word ‘ICELAND’, I do not propose to replicate my findings in respect of the comparison of marks section above, as the outcome must be the

same. Nor do I intend to revisit the section dealing with the analysis of the average consumer and the purchasing act, as the goods and services at issue are either the same or closer.

164. For the same reasons that I have set out in paragraphs 117-118, I find that the earlier EUTM 'ICELAND' can be said to be inherently distinctive to a low degree in respect of the goods it covers and inherently distinctive to a medium degree for the services it covers in class 35.

165. I have concluded previously in paragraph 119, based on the evidence submitted by the opponent in support of its claim of enhanced distinctiveness in its earlier marks, that the use made of the earlier UK marks was sufficient to prove that in respect of services which bring together a variety of food and drinks goods, the mark can be said to have an enhanced degree of distinctive character. Bearing in mind that the relevant market for assessing enhanced distinctiveness of the EUTM is also the UK market, I consider the same finding will apply. For reasons set out previously, the opponent's evidence does not support the same claim in respect of the goods under the EUTM. The evidence does not show that the opponent sells mineral water or natural spring waters under the 'ICELAND' brand.

Comparison of the goods and services

166. Turning to a comparison of the goods and services at issue, the earlier EUTM is registered in class 32 for:

Beers, mineral and carbonated waters and other non-alcoholic beverages; fruit drinks and fruit juices; syrups and other preparations for making beverages; all included in class 32.

167. The contested goods are 'mineral waters and other non-alcoholic beverages, namely natural spring water'. I have concluded, in line with the statement of Mr Malynicz, that the use of 'namely' effectively serves to limit the contested goods to:

'Natural spring water'.

168. The earlier 'mineral and carbonated waters' of the EUTM wholly encompass the contested goods. Applying the principle established in *Meric*, these goods are considered to be identical.¹¹

169. The earlier EUTM also covers class 35 services that include similar retail services to those covered within the earlier UK mark in respect of foodstuffs and drinks, for example: 'The bringing together for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods in a supermarket; the bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods in a convenience store; the bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods in a food, drink and household supplies retail stores'.

170. I have already concluded that the opponent's services under its UK earlier marks are similar to a medium degree to the contested goods and, for the same reasons, I find the same to be the case in respect of all of the class 35 services under the earlier EUTM, where the scope of those services includes the selling of drinks.

Likelihood of confusion

171. As set out in paragraph 122, I find the marks to be visually similar to at least a medium degree, aurally similar to a medium degree, and conceptually similar to no more than a medium degree; I have concluded that the average consumer will likely be a member of the general public who will pay a medium level of attention when selecting the goods and services at issue. The purchase process will largely be a visual one, however the role that an aural assessment may play in the process has not been discounted.

172. I have found the contested goods to be identical to the earlier EUTM goods and similar to a medium degree to the earlier services. I also find that the earlier EUTM has a low degree of inherent distinctiveness in respect of the goods it covers, a medium degree of inherent distinctiveness in respect of the earlier class 35

¹¹ *Gérard Meric v Office for Harmonisation in the Internal Market ('Meric')*, Case T- 133/05

services, and a higher degree of enhanced distinctiveness, through the use made of the mark on the services set out above in paragraph 60.

173. For the reasons I have given previously in my comparison with the earlier UK marks, I find that there will be no direct confusion between the earlier EUTM and the contested marks. The word 'LAVA' in the contested marks will not go unnoticed and these marks will not be mistaken for the opponent's plain word 'ICELAND'.

174. I turn now to the question of indirect confusion. Whilst I accept the findings in the *Formula One* and *Halloumi* decisions, I have found the mark 'ICELAND' to be inherently low in distinctive character when applied to mineral and natural spring water. I have also found that the country of Iceland can claim a reputation for such goods based on the evidence the applicant has provided during these proceedings.

175. I find that the average consumer of the opponent's 'ICELAND' mineral and carbonated waters and other non-alcoholic beverages, will, on exposure to the contested 'ICELAND LAVA' marks, not assume there to be a link between the providers of those goods. This is because the word 'LAVA' cannot be said to be an obvious addition to the 'ICELAND' brand. The word 'ICELAND', being low in distinctive character for the goods at issue will be perceived by the average consumer as a description of the geographical origin of those goods. The average consumer will not consider the contested 'LAVA' marks to be a natural or logical brand evolution or brand extension to the earlier 'ICELAND' goods.

176. With regard to the stylised 'ICELAND LAVA' marks, I have found the 'LAVA' elements in those marks to be the dominant and more distinctive aspects of both marks. I do not ignore the fact that the word 'ICELAND' is present in both marks, however, the low degree of inherent distinctive character in the word 'ICELAND' due to the perception of a geographical place name, means that the average consumer will not expect that the goods at issue originate from the same or economically linked undertakings.

177. Given the reputation of the country of Iceland in relation to water, I consider it far more likely that the average consumer will view the presence of the word 'ICELAND' in all three of the applicant's marks as a reference to the country of origin

of the goods, with the word LAVA being viewed as the name of the business. These marks will not be indirectly confused.

178. The opposition insofar as it is based on section 5(2)(b) and the earlier EUTM is unsuccessful against all three contested marks.

179. The opponent also relies on the earlier EUTM in its opposition under section 5(3). I now go on to consider that ground in respect of the EUTM.

180. I do not intend to set out the relevant section 5(3) case law again, as it does not require duplication (paragraph 141 above refers).

181. I recognise that, in relation to the EUTM, the opponent must show a reputation in the EU. I am satisfied that the opponent's use of the mark in the UK (as discussed above) combined with its use in other EU countries, is sufficient to establish a reputation in the EU for the following services:

'The bringing together for the benefit of others, of a variety of food and drinks goods.'

182. For the same reasons set out above, the opponent has not succeeded in its claim that it has a reputation for the goods covered under its EUTM in class 32.

183. When considering the assessment under section 5(3) I do not believe that there will be sufficient link between the marks. As I found previously (paragraph 147), "This is because of the connection that the country of Iceland has with the goods at issue, which will create a distinction in the mind of the consumer between goods that are likely to be perceived as coming from the country of Iceland, as opposed to the services for which the opponent has shown a reputation, where the average consumer will, in the context of retail services, think of the Iceland supermarket chain rather than the country. This will not create a positive enough link that damage might follow. In other words, any perceived link will be too weak to cause any damage to the earlier mark's reputation and distinctive character or to give an unfair advantage to the later mark".

184. That being the case the opposition, insofar as it is based on section 5(3) of the Act and relying on the opponent's earlier EUTM, is dismissed.

Conclusion

185. The opposition is dismissed entirely. Subject to appeal, the contested applications will be registered for all of the applied for goods.

186. As I have found in favour of the applicant, there is no reason for this decision to be considered provisional.

Costs

187. The applicant has been successful and is entitled to a contribution towards its costs. I bear in mind that the relevant scale is contained in Tribunal Practice Notice 2/2016.

188. I award costs to the applicant as follows:

Considering the statement of grounds and preparing a counter statement	£300
Preparing evidence and considering the other side's evidence	£800
Preparing submissions in lieu	£300
<u>Total</u>	<u>£1400</u>

189. I therefore order Iceland Foods Limited to pay Iceland Spring ehf. the sum of £1400. The above sum should be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.

Dated this 16th day of April 2021

Andrew Feldon

For the Registrar

The Comptroller-General

Annex

List of goods and services relied upon by the opponent under Section 5(4)(a).

Anti-perspirants; perfumes; shampoos; dentifrices: cleansing, polishing and scouring preparations and substances; detergents.

Firelighters; candles; night lights; charcoal; coke; coal: wood for burning; briquettes. Disinfectants; food for babies.

Goods of common metal: small items of metal hardware; kitchen foil. Dishwashers: washing machines; domestic machines.

Cutlery, knives, forks, spoons.

Downloadable electronic publications, namely catalogues and directories relating to retail supermarket services; batteries: lighters.

Apparatus for heating. cooking. (domestic) refrigerating, drying or ventilating; freezers, refrigerators, combined freezers and refrigerators, for domestic use; microwave ovens; parts and fittings for all the aforesaid goods.

Paper, cardboard, paper articles, cardboard articles, wrapping and packaging materials; bags of paper or plastics, all for packaging; toilet paper, paper tissues, carrier bags, plastic bags, paper and plastic sacks; closures for bags; labels; pens and pencils; transfers: price tags and tickets and holders in the nature of envelopes; stationery.

Drinking straws.

Dishcloths, stockinet rolls, dusters, floor cloths, sponge cloths, household gloves; household or kitchen utensils and containers: cookware: storage containers and container lids; jugs and measuring jugs; glassware, porcelain and earthenware not included in other classes; eating and drinking utensils; tableware; tray and tray

covers: roasting dishes; oven trays, pizza pans, loaf pans and sandwich pans, all made of metal; combs and sponges; brushes; electric and non-electric toothbrushes; toothpicks; articles for cleaning purposes; steel wool.

Meat extracts: fish, poultry and game; fruits and vegetables, all being preserved. dried, cooked, canned or frozen; jellies and dairy products; jams, marmalade, eggs. edible oils, edible fats; food preserves: potato crisps and potato products; prepared meals and constituents therefor; snack foods.

Coffee, tea, sugar, rice, tapioca, sago; mixtures of coffee and chicory, coffee essences and coffee extracts; chicory and chicory mixtures, all for use as substitutes for coffee: flour, preparations made from cereals for food for human consumption, bread, biscuits, cakes, pastry, non-medicated confectionery; edible ices; refreshing ice; honey, treacle; yeast, baking-powder, salt (for food), mustard, vinegar, pepper, sauces, salad sauces; spices; prepared meals and constituents therefor; snack foods.

Agricultural, horticultural and forestry and grain products; fresh fruits and vegetables; seeds; natural plants and flowers; animal feeds, malt.

Beers, non-alcoholic beverages, water, mineral and carbonated water; fruit drinks and fruit juices; syrups and other preparations for making beverages .

Alcoholic beverages; wines, spirits and liqueurs. Smokers articles.

Retail supermarket services connected with the sale of toiletries, household products including cleaners, polishers, scourers, soaps, hardware, kitchen foil, electrical goods including white goods. publications and stationery, household utensils, glassware and kitchenware, foodstuffs and drinks, water, mineral and carbonated water; shop window dressing; telesales services; ordering services; advertising, marketing and promotion of goods and services; direct mail advertising services; distribution of samples; operation of in-store self-service schemes; cost and payment calculation, monitoring, recordal and processing: organisation, operation and supervision of sales and promotional incentive schemes to consumers and/or the

wholesale trade; customer advisory and consultancy services; the provision of promotional, incentive and loyalty schemes by means of customer club membership schemes; business management advice and assistance, business appraisals; business administration services; market research; personnel management advice; procurement of goods on behalf of business; business advisory services relating to franchising; the bringing together for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods in a supermarket; information and advisory services relating to all the aforesaid.

Providing online catalogues and directories.

Website hosting; computer services related to computerised on-line searching for, ordering, delivery and transporting of foods, drinks and consumer goods.

Cafe, cafeteria, catering and restaurant services.