

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NUMBER 2130675
BY CITA TABACOS DE CANARIAS S.A.
TO REGISTER A TRADE MARK IN CLASS 34**

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER NUMBER 49321
BY FIRST QUENCH RETAILING LIMITED**

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IN THE MATTER OF Application Number 2130675

by Cita Tabacos de Canarias S.A.

To register a Trade Mark in Class 34

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IN THE MATTER OF Opposition thereto

under Number 49321

by First Quench Retailing Limited

BACKGROUND

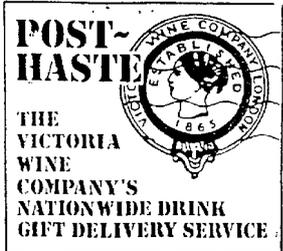
1. On 23 April 1997, Cita Tabacos de Canarias S.A. applied to register the trade mark VICTORIA in Class 34 for a specification of "Tobacco, cigars, cigarettes and cigarillos; articles for smokers, holders for smoking, cigar cutters, cigar cases, tobacco tins not of precious metals, humidors for tobacco, lighters not of precious metals; matches."

2. The application was accepted by the Registrar and published in the Trade Marks Journal. On 22 December 1998 First Quench Retailing Ltd filed a Notice of Opposition against the application on the following grounds:-

(i) Under Section 3(1)(b) and Section 3(1)(c) of the Act as the mark applied for consists exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose or other characteristics of the goods in relation to which registration is sought.

(ii) Under Section 3(6) of the Act by reason of the application being made in bad faith as the applicants have no bona fide intention to use the mark on all the goods for which registration is sought.

(iii) Under Section 5(2)(b) of the Act because the mark applied for is confusingly similar to and covers similar goods to the following marks in the opponent's ownership and there exists a likelihood of confusion on the part of the public:-

REGISTRATION NUMBER	MARK	REGISTERED WITH EFFECT FROM REGISTRATION	CLASS	SPECIFICATION OF GOODS
1276871		1 October 1986	39	Delivery and transportation by road of wine, spirits, beer and cigarettes, packaging of wine, spirits, beer and cigarettes; all included in Class 39.
1277160	VICTORIA WINE	1 October 1986	42	Café, cafeteria, canteen, restaurant, hotel, motel, snack bar, public house and room hire services; all included in Class 42.
1209684	REINA VICTORIA	22 December 1983	33	Sherry
1568987	VICTORIA WINE CELLARS	19 April 1994	42	Café; cafeteria; canteen; restaurant; hotel; motel; snack bar; public house; room hire services; all included in Class 42.
43019	VICTORIA WINE COMPANY	20 February 1885	30	Tea.
43020	VICTORIA WINE COMPANY	20 February 1885	32 33	Beer. Wines and spirits.

(iv) Under Section 5(3) of the Act because to the extent the application in suit specifies goods for which the earlier trade marks (above) are not similar, the reputation and use in the UK of opponent's marks means that use of the applicant's mark without due cause would take unfair advantage of, or be detrimental to the distinctive character or the repute of those earlier marks.

(v) Under Section 5(4)(a) of the Act because the mark applied for is liable to be prevented by the rules of law (including but not limited to passing off).

3. The applicant filed a counterstatement denying the above grounds. Both sides have filed evidence and have asked for an award of costs in their favour. Neither side requested a hearing and were content for a decision to be taken on the basis of the written evidence and submissions forwarded to the Registrar.

Opponent's Evidence

4. This consists of two statutory declarations by Ann Bernadette Lynch dated 7 January 2000 and 7 February 2000. Ms Lynch is a registered trade mark agent of Clifford Chance, the opponent's professional advisors.

5. Ms Lynch explains that the opponent company was created on 29 October 1998 as a result of a joint venture between Allied Domecq PLC and Whitbread PLC and that the joint venture company accordingly acquired the rights and goodwill of the UK registered trade marks mentioned in the grounds of opposition, by virtue of an assignment agreement.

6. Ms Lynch states that the Victoria Wine company was founded in 1865 and at the end of 1993 Victoria Wine Shops had reached 1530 in number. Currently there are approximately 1057 off-license branches trading under the name VICTORIA WINE in the UK and at Exhibit ABL1 to Ms Lynch's declaration is a copy of an article entitled "A history of Victoria Wine" which appeared in the Leicester Graphic in 1982. Ms Lynch adds that the opponent uses the trade marks in relation to a brand range of goods and services in Classes 30, 32, 33, 34, 39 and 42 and she asserts that the brand VICTORIA WINE is readily recognisable in relation to off license sales of goods including but not limited to alcoholic and non-alcoholic liquor and tobacco. She states that in terms of percentage, nearly half of the opponent's current annual turnover relates to tobacco sales and accordingly, she believes that the public identity with the VICTORIA wine brand by equal reference to alcoholic and non-alcoholic beverages and tobacco.

7. Ms Lynch goes on to say that the value of sales of goods in relation to the Victoria Wine trade mark since 1992 have been as follows (annual turnover excluding Value Added Tax):-

	Beverages & Snacks	Tobacco	Total
Year to March 1992	256,258,000	177,240,000	433,498,000
Year to March 1993	274,785,000	199,326,000	474,111,000
Year to March 1994	Not available	Not available	Not available
Year to March 1995	398,899,000	252,014,000	650,913,000
Year to August 1996	393,667,000	280,809,000	674,476,000
Year to August 1997	403,400,000	278,200,000	681,600,000
Year to August 1998	406,700,000	265,900,000	672,600,000
28 wks to February 1999	225,403,000	137,788,000	363,191,000

She explains that sales figures for the year to March 1994 are not available in total since that year the Opponent's predecessors in title acquired the Augustus Barnett off-licence chain and sales generated under this name were not included until their fascia was changed to Victoria

Wine. However, she understands that the sale figures were either comparable, or else marginally more than previous years. Ms Lynch adds that sales under the trade marks have occurred throughout the UK and she refers to Exhibit ABL2 to her declaration which comprises a list of 1057 off license outlets in the UK and their locations which trade under the VICTORIA WINE fascia.

8. Next, Ms Lynch turns to advertising and promotion of the VICTORIA WINE brand and she states that since 1995 the following sums have been spent on promoting the brand in relation to goods and services:-

	Television	Radio	Newspapers & Magazines	Total
1995	342,307	114,895	226,326	683,528
1996			469,124	469,124
1997		411	177,274	177,685
1998			228,738	228,738
1999 (Jan-Apr)			46,320	46,320

9. On the issue of the opponent's use of the mark in relation to tobacco, Ms Lynch states that during the mid 1980s, and for a continuous period of approximately 10 years, the Opponent's predecessors in title sold own-brand tobacco goods, namely cigarettes. These were branded VICTORIA WINE although as their packets were coloured "red" for high tar content cigarettes and "blue" for lower tar content cigarettes these were colloquially known as "RED" and "BLUE". She claims that in view of the Opponent's predecessors in titles' use of the mark and their continuing substantial sales of tobacco there is considerable residual goodwill in the trade marks and accordingly confusion is likely to arise through use of the mark VICTORIA in relation to goods in Class 34.

10. Ms Lynch goes on to refer to the following exhibits to her declaration:-

- (i) Exhibit ABL3 - a propane gas filled cigarette lighter displaying the VICTORIA WINE mark which is sold alongside matches and other smoker's goods in the opponent's retail outlets.
- (ii) Exhibit ABL4 - a carrier bag displaying the mark VICTORIA WINE into which goods purchased from the opponent's retail outlets (including tobacco) are placed.
- (iii) Exhibit ABL5 - a selection of representational promotional material displaying the VICTORIA WINE mark including flyers, posters and booklets.

- (iv) Exhibit ABL6 - sample invoices and a schedule of invoices relating to tobacco products. She adds that tobacco products are advertised for sale in the windows of the opponent's retail outlets.
- (v) Exhibit ABL8 - the results of an awareness survey dated 1995 conducted by a research company called Novaction on Victoria Wine's behalf. The survey shows an aided awareness figure of 98% (% aware of store when prompted).

11. Ms Lynch understands that the Trade Mark Registry's guidelines regarding cross searching does not necessarily give rise to a perceived conflict between Class 34 and the goods covered by the opponent's registrations being relied upon in this action. However, she adds that the cross searching list is merely meant to act as a guide only and further consideration should be given to related areas of activity which in certain circumstances could give rise to confusion. She adds that there is a natural industry and consumer relationship between the sale of alcoholic beverages and tobacco which is illustrated by the fact that the opponent is the third largest retailer of tobacco products in the UK.

Applicant's Evidence

12. This consists of an affidavit by Pedro Martinez Pozuelo dated 5 December 2000. Mr Pozuelo is the General Manager of Cita Tabacos de Canarias S.S (Cita - the applicant).

13. Mr Pozuelo states that Cita has used the trade mark for cigarillos in Spain since 1975 but has not yet used the mark in the UK. He refers to Exhibit PMP1 to his statement, which shows a range of tobacco goods provided by Cita, including boxes of cigarillos bearing the word Victoria and an encircled V logo, and he states that all the cigarillo goods provided in the UK will use similar packaging. Next, Mr Pozuelo draws attention to Exhibit PMP2, a Spanish advert for a packet of cigarillos under the Victoria mark, again bearing the V logo and he states that the goods will be marketed in the UK in similar packaging. He adds that the Victoria name will be used in the UK for cigarillos only and not for cigarettes. In Mr Pozuelo's view cigarillos and cigarettes are different and distinctive products (cigarillos being a type of cigar) having different consumers. He does not believe that a consumer would confuse cigarettes and cigarillos and he sees no reason why a smoker would believe that cigarettes and cigarillos provided under the same or similar name would come from the same manufacturer.

14. Mr Pozuelo has told his Spanish trade mark attorneys that the applicants are prepared to limit the goods covered by the application to cover cigarillos only, to agree to use a Victoria device mark only and to distribute to wholesalers only in the UK. He states that this was only to try to settle the matter with the expense of opposition and was no admission of any potential for confusion.

Opponent's Evidence in Reply

15. This consists of a statutory declaration by James Andrew Fish dated 7 March 2001. Mr Fish is a solicitor and trade mark agent of Clifford Chance LLP, acting for the opponent.

16. Mr Fish explains that, for the avoidance of any doubt, the opponent's opposition is based on all the goods covered by the application in suit, but notwithstanding any future limitation of the applicant's specification to "cigarillos" only, he states that there is a likelihood of confusion between cigarillos under the trade mark VICTORIA and the tobacco products sold under the opponent's trade marks, in particular as the public will identify with the prefix item VICTORIA, as opposed to VICTORIA WINE.

17. This concludes my summary of the evidence filed in this case. I now turn to the decision.

DECISION

18. I consider first the grounds of opposition under Section 3(1)(b) and Section 3(1)(c) of the Act, which read as follows:-

3.-(1) The following shall not be registered -

- (a)
- (b) trade marks which are devoid of any distinctive character,
- (c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services,
- (d)

Provided that, a trade mark shall not be refused registration by virtue of paragraph (b), (c) or (d) above if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it.

19. The opponents have offered no reasons or evidence as to why the applicants mark does not meet the requirements of Section 3(1)(b) and (c) of the Act and I do not believe it is for me to speculate on what basis the grounds may have been raised. The opposition under Section 3(1)(b) and Section 3(1)(c) fails.

20. Next I turn to the bad faith ground. Section 3(6) of the Act states:-

'A trade mark shall not be registered if or to the extent that the application is made in bad faith'.

21. The opponent asserts that the applicant has no bona fide intention to use the mark applied for in relation to all the goods for which registration is sought. In deciding whether such conduct, if shown, would amount to bad faith I am guided by the comments of Lindsay J in *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367, where, at page 379, he stated:-

I shall not attempt to define bad faith in this context. Plainly it includes dishonesty and, as I would hold, includes also some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined. Parliament has wisely not attempted to explain in detail what is or is not bad faith in this context; how far a dealing must so fall-short in order to amount to bad faith is a matter best left to be adjudged not by some paraphrase by the courts (which leads to the danger of the courts then construing not the Act but the paraphrase) but by reference to the words of the Act and upon a regard to all material surrounding circumstances.'

22. I have little doubt that applying for a trade mark without the intention to use the mark on all the goods specified amounts to bad faith, especially given that the application form for the registration of a trade mark requires a signature by or on behalf of the applicant agreeing that:

"The trade mark is being used by the applicant or with his or her consent, in relation to the goods or services stated, or there is a bona fide intention that it will be so used."

23. I am fortified in this view by the following comment on Section 3(6) from the publication 'Notes on the Trade Marks Act 1994 (which was prepared for the use of Parliament during the passage of the Bill) that bad faith might be found "where the applicant has no bona fide intention to use the mark, or intended to use it, but not for the whole range of goods and services listed in the application." Furthermore, in the case of the Demon Ale Trade Mark Application [2000] RPC 345, the Appointed Person, Mr Geoffrey Hobbs QC, held that where the applicant was a person who could not truthfully claim to have a bona fide intention to use the mark applied for as a trade mark for beer, the fact that his application included a claim to that effect was sufficient to justify its rejection under Section 3(6).

24. In the application in suit the opponent has not submitted evidence to substantiate the Section 3(6) ground. However, my consideration of the statutory declaration of Mr Pozuelo filed on behalf of the applicant shows that:

- (i) the mark in suit has been used "for cigarillos in Spain continuously since 1975"
- (ii) the mark has not yet been used "for cigarillos in the UK"
- (iii) All cigarillos will be packaged and marketed in the same manner as they are in Spain
- (iv) "Cigarillos are a different and distinctive tobacco product from cigarettes" and "are sold under different names" (trade marks)
- (v) The applicant is "prepared to limit the goods covered by the application to cover cigarillos only" to settle the matter without the expense of opposition proceeds.

25. Nowhere in Mr Pozuelo's declaration is their mention of products other than cigarillos or any indication or assertion that the mark is to be used on other goods. Accordingly, I feel able to infer that the applicant did not possess the bona fide intention to use the mark in suit on the

full range of goods specified. It seems to me that the intention was to export cigarillos only into the UK for sale under the mark.

26. The Section 3(6) ground succeeds in relation to all goods specified by the applicant with the exception of "cigarillos". Notwithstanding my decisions in relation to the other grounds of opposition, if the application is to proceed the specification must be restricted to "cigarillos".

27. I now consider the ground of opposition under Section 5(4)(a) of the Act which 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 ..."

28. The law on this common law tort is clearly set out by Geoffrey Hobbs QC, acting as the 'Appointed Person', in *Wild Child* [1998] 14 RPC, 455:

"A helpful summary of the elements of an action for passing off can be found in Halsbury's Laws of England 4th Edition Vol 48 (1995 reissue) at paragraph 165. The guidance given with reference to the speeches in the House of Lords in *Reckitt & Colman Products Ltd v Borden Inc* [1990] RPC 341 and *Erven Warnink BV v J Townend & Sons (Hull) Ltd* [1979] ACT 731 is (with footnotes omitted) as follows:

"The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

- i. that the plaintiff's goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
- ii. that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the defendant are goods or services of the plaintiff; and
- iii. that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant's misrepresentation."

The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House's previous statement, should not, however, be treated as akin to a statutory definition of 'passing off', and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House."

29. Further guidance is given in paragraphs 184 to 188 of the same volume with regard to

establishing the likelihood of deception or confusion. In paragraph 184 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."

30. Thus, to succeed in a passing off action, it is necessary for the opponents to establish that at the relevant date (23 April 1997); (i) they had acquired goodwill under their mark, (ii) that use of the mark would amount to a misrepresentation likely to lead to confusion as to the origin of their goods; and (iii) that such confusion is likely to cause real damage to their goodwill.

31. Firstly I consider the goodwill or reputation attaching to the opponent's mark at the relevant date and from the evidence submitted I have no doubt that the opponent has goodwill and a substantial reputation as a retailer of alcoholic beverages and to a lesser, but still significant extent, as a retailer of tobacco products and smokers articles. The trade mark VICTORIA WINE represents one of the best known off-license businesses in the UK.

32. The issue of whether the opponent has a reputation in relation to tobacco products and smokers articles (outside the retailing of these products) is less straightforward. In her statutory declaration of 7 January 2000 by Ann Bernadette Lynch on behalf of the opponent, asserts that there has been use of the VICTORIA wine mark on "own brand" cigarettes "during the mid 1980s for a continuous period of ten years, and she claims residual goodwill exists. However, no evidence has been filed in relation to support the extent or nature of this use, there are no turnover figures in relation to the product, no details of advertising or promotion and no evidence from the public or the trade in relation to any residual goodwill. On the basis of the evidence before me I am unable to find that the opponent has goodwill or a reputation in relation to tobacco products and smokers articles, other than in the retailing of these goods.

33. I go on to consider whether retailing activity constitutes use of the retail name in relation to goods. I am assisted in this by the following passage from Jacob J's decision in Euro Market Designs Inc v Peters and Another 2000 ALL ER (D) 1050:-

"56. That is not all on the question of non-use. If one looks at the advertisements they are essentially for the shops. True it is that some of the goods mentioned in the advertisements fall within the specification, but I doubt whether the reader would regard the use of the shop name as really being "in relation" to the goods. I think this is an issue worthy of trial in itself. The argument is that there is an insufficient nexus between "Crate & Barrel" and the goods; that only a trade mark obsessed lawyer would contend that the use of "Crate & Barrel" was in relation to the goods shown in the advertisement.

57. In this connection it should be borne in mind that the Directive does not include an all-bracing definition of "use", still less of "use in relation to goods." There is a list of what may inter alia be specified as infringement (Art 5(3), corresponding to s.10(4)) and a different list of what may, inter alia, constitute use of a trade mark for the purpose of defeating a non-use attack (Art 10(2), equivalent to s.46(2)). It may well be that the concept of "use in relation to goods" is different for different purposes. Much may turn on the public conception of the use. For instance, if you buy Kodak film in Boots and it is put into a bag labelled "Boots", only a trade mark lawyer might say that Boots is being used as a trade mark for film. Mere physical proximity between sign and goods may not make the use of the sign "in relation to" the goods. Perception matters too. That is yet another reason why in this case, the fact that some goods were sent from the Crate & Barrel US shops to the UK in Crate & Barrel packaging is at least arguably not use of the mark in relation to the goods inside the packaging. And all the more so it, as I expect, the actual goods bear their own trade mark. The perception as to the effect of use in this sort of ambiguous case may well call for evidence."

34. In light of the above, I would add that no evidence has been filed on whether it is common trade practice for retailers of tobacco products and smokers articles to place their own trade mark upon these products and I have no independent evidence on how the public would perceive the effect of such use. Accordingly, I cannot conclude that the opponent's extensive use in retailing amounts to use of the mark in relation to the relevant goods.

35. In light of my finding that the opponent has not used the mark in relation to Class 34 goods I must consider whether the opponent's reputation in the retailing of tobacco products and smokers articles will extend to establishing goodwill or reputation in the goods. As stated earlier, I have no evidence before me on the issue. Using my own knowledge of the market place it seems to me unlikely insofar as I am aware, it is not common trade practice for retailers of the goods in issue to place their own trade mark upon these products. This seems to be the case even in relation to off-license providers and I note that there is no reliable evidence that the opponent has sold tobacco products bearing the VICTORIA WINE mark, and in relation to smokers articles, there has only been the sale of cigarette lighters, for which no substantive details are provided.

36. Turning to the respective marks in issue, the opponent's typically use the mark VICTORIA WINE and the mark in suit is VICTORIA. The difference lies in the additional word WINE, which in relation to tobacco products or smokers articles could be meaningful in relation to colour e.g. wine coloured cigarette lighters or packaging, or indicate (especially in the circumstances of the current case) goods sold through a wine dealer or retailer. The word VICTORIA is a strong and dominant element within the opponent's mark and the respective marks are similar in my view. However, the word WINE is not descriptive of tobacco products.

37. To conclude, it is my view that the opponent's goodwill is in respect of off-license retailing and although off-licenses are a well known source of tobacco products and smokers products, the opponent's goodwill is not in tobacco products or smokers products but in associated retail services. This finding, combines with the fact that the respective marks while similar are not identical, leads me to decide that the applicants use of the mark in suit on cigarillos would not amount to a misrepresentation. The opposition under Section 5(4)(a) of the Act fails.

38. Next, I turn to the ground of opposition under Section 5(2)(b) which reads as follows:-

"5.-(2) A trade mark shall not be registered if because -

- (a) it is identical with an earlier trade mark and is to be registered for goods or services similar to those for which the earlier trade mark is protected, or
- (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."

39. An earlier right is defined in Section 6, the relevant parts of which state:

6.-(1)

- (a) a registered trade mark, international trade mark (UK) or Community trade mark 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,"

40. I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* [1998] E.T.M.R. 1, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] E.T.M.R. 1, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v Adidas AG* [2000] E.T.M.R. 723.

It is clear from these cases that:-

- (a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors; *Sabel BV v Puma AG*, paragraph 22;
- (b) the matter must be judged through the eyes of the average consumer of the goods/services in question; *Sabel BV v. Puma AG*, paragraph 23, 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; *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V.* paragraph 27;
- (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details; *Sabel BV v. Puma AG*, paragraph 23;
- (d) the visual, aural and conceptual similarities of the marks must therefore be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components; *Sabel BV v. Puma AG*, paragraph 23;
- (e) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa; *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*, paragraph 17;
- (f) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either per se or because of the use that has been made of it; *Sabel BV v. Puma AG*, paragraph 24;
- (g) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Section 5(2); *Sabel BV v. Puma AG*, paragraph 26;

- (h) further, 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; *Marca Mode CV v. Adidas AG*, paragraph 41;
- (i) but if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section; *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*, paragraph 29.

41. In essence the test under Section 5(2)(b) is whether there are similarities in the marks and goods or services which would combine to create a likelihood of confusion. The likelihood of confusion must be appreciated globally and I need to address the visual, aural and conceptual similarity between the marks, evaluating the importance to be attached to those different elements, taking into account the category of goods or services in question and how they are marketed.

42. As mentioned earlier in this decision (paragraph 31) I consider the marks VICTORIA WINE and VICTORIA to be similar. They, and the opponents registrations general, share the word VICTORIA , which is a/the?? Dominant element of the opponents registrations, and in my opinion the respective marks, considered in their totality are visually, aurally and conceptually similar, particularly when imperfect recollection is taken into account.

43. While I accept that similar marks are involved, for reasons given earlier in this decision I do not believe the opponent to have a reputation in the goods specified in the application in suit.

44. I now go on to take into account the goods and services covered by the specifications of the respective marks. In my determinations on this point I have considered the guidelines formulated by Jacob J in *British Sugar PLC v James Robertson & Sons Ltd* (1996) RPC 281 (Pages 296, 297) as set out below:-

- (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 services;
- (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 particular 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

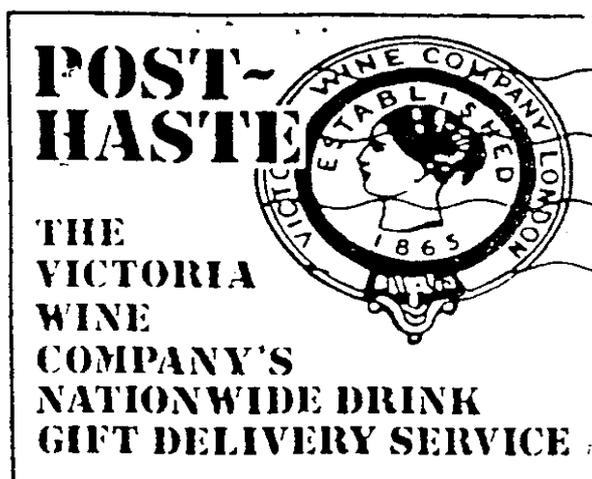
whether market research companies, who of course act for industry, put the goods or services in the same or different sectors."

45. Whilst I acknowledge that in view of the CANON - MGM judgement by the European Court of Justice the TREAT case may no longer be wholly relied upon, the ECJ said the factors identified by the UK government in its submissions (which are listed in TREAT) are still relevant in respect of a comparison of goods and services.

46. For practical purposes in my comparisons I will group the opponent's registrations into two sets - the goods registrations and the services registrations.

47. The opponents registrations 43019 and 43020 are for the mark VICTORIA WINE COMPANY and are registered in respect of "Tea" and "Beer" and "Wines and Spirits". Comparing these goods with those specified in the application in suit I am unable to see any substantial similarity of the respective products. They are obviously different in their nature and uses and while their users may be the same there is no reason why they need to be. Furthermore, while both may be sold in e.g. off licences or supermarkets, they are not likely to be found on the same shelf or even the same sector of the store, and they are not in direct competition. Accordingly I do not consider the opponent's goods in Classes 30, 32 and 33 to be similar to those specified by the applicant.

48. Turning now to the opponent's registrations for services, registrations No. 1277160 and 1568987 (VICTORIA WINE and VICTORIA WINE CELLARS respectively) cover "Café, cafeteria, canteen, restaurant, hotel, motel, snack bar, public house and room hire services; all included in Class 42". I am unable to ascertain any similarity between these services and the goods specified by the opponent in Class 34. While restaurants and public houses may sell house wine or beer, they do not, insofar as I am aware sell house tobacco or smokers products. I do not believe there to be any real similarity between the respective goods and services. The opponent also has a registration (No. 1276871) of the following mark:



in Class 39 for "Delivery and transportation by road of wine, spirits, beers and cigarettes, packaging of wine, spirits, beers and cigarettes; all included in Class 39". Once again, I do not consider the services to be similar to the goods in issue. In general, road hauliers and packers provide a service in relation to the movement and packing of goods and do not produce,

manufacture or deal in goods. Their marks do not denote the origin of the goods but merely denote their service. Furthermore, although similar, the respective marks are not the same.

49. On a global appreciation, taking into account the relevant factors, I come to the conclusion that the opposition under Section 5(2)(b) of the Act fails. While the respective marks are similar the degree of dissimilarity between the respective goods and goods and services means that, in my view, there is no likelihood of confusion.

50. Finally, I turn to the Section 5(3) ground. Section 5(3) states:-

"5.-(3) A trade mark which -

- (a) is identical with or similar to an earlier trade mark, and
- (b) is to be registered for goods or services which are not similar to those for which the earlier trade mark is protected,

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 Community trade mark, in the European Community) 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."

51. The essential pre-requisites for bringing a case under Section 5(3) are that:

- (a) the earlier mark has a reputation; and
- (b) the respective goods/services are dissimilar.

52. In light of my earlier findings in relation to Section 5(2)(b) I have no doubt that the goods specified in the application in suit are dissimilar from the goods and services specified in the opponent's registrations.

53. Earlier in this decision I found that the opponent's reputation was not sufficient to give it actionable goodwill under Section 5(4)(a) of the Act regarding the application. I believe that the requirement for reputation under Section 5(3) is a higher threshold but, in any event, I do not consider use of the mark in suit upon the goods specified will be parasitic upon the opponent's actual reputation which is as an off license retailer. The case under Section 5(3) fails.

54. The opposition has been successful under Section 3(6) of the Act in relation to all the goods specified with the exception of "cigarettes". Accordingly, if the applicants files a Form TM21, within one month of the end of the appeal period for this decision, restricting the specification to "Cigarillos", the application will be allowed to proceed to registration. If the applicant does not file a TM21 restricting the specification as set out above the application will be refused in its entirety.

55. While the opposition has been partially successful under the Section 3(6) ground, the other grounds of opposition have failed and the application may still proceed to registration for a restricted specification of goods. Accordingly, I make no order as to costs.

Dated this 06 day of September 2001

JOHN J MACGILLIVRAY
For the Registrar
the Comptroller-General