

**O/1090/22**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF TRADE MARK APPLICATION  
NO. 03608576 BY  
CORPORACION AZENDE S.A.  
TO REGISTER THE TRADE MARK:**



**IN CLASS 33**

**AND**

**OPPOSITION THERETO  
UNDER NO. 426053  
BY  
SAZERAC BRANDS, LLC**

## BACKGROUND & PLEADINGS

1. Corporacion Azende S.A. (“**the applicant**”), applied to register the trade mark shown on the front page of this decision in the United Kingdom on 11 March 2021. It was accepted and published in the Trade Marks Journal on 7 May 2021 for the following goods and services:

**Class 33:** Spirits; alcoholic fruit extracts; alcoholic beverages, except beer; alcoholic essences; alcoholic extracts; bitters; liqueurs; aniseed flavoured liqueur; alcoholic beverages containing fruit; distilled beverages; brandy; cocktails; alcoholic digestifs; gin; rum; wine; vodka; whiskey.

2. Sazerac Brands, LLC (“**the opponent**”) opposes the application on the basis of Section 5(2)(b) of the Trade Marks Act 1994 (“**the Act**”). The opponent is the proprietor of the following mark:

<b>Trade Mark no.</b>	UK00903311149
<b>Trade Mark</b>	TUACA
<b>Goods Relied Upon</b>	<b>Class 33:</b> Liqueur.
<b>Relevant Dates</b>	Filing date: 11 August 2003
	Date of entry in register: 28 January 2005

3. On 1 January 2021, the UK left the EU. Under Article 54 of the Withdrawal Agreement between the UK and the EU, the UK IPO created comparable UK trade marks for all right holders with an existing registered EUTM. As a result, the opponent’s earlier mark was automatically converted into a comparable UK trade mark. Comparable UK marks are now recorded on the UK trade mark register, have the same legal status as if they had been applied for and registered under UK law, and the original filing dates remain the same.

4. For the purpose of this opposition, the opponent, as shown above, relies on its goods in Class 33 of the earlier mark.

5. In its notice of opposition, the opponent states the following:

“Because of the high degree of similarity between the sign applied for and the Opponent’s mark and the high degree of similarity between the goods there exists a likelihood of confusion on the part of the public in the UK. The Application therefore offends the provisions of Section 5(2) of the Trade Marks Act 1994.”

6. The applicant filed a notice of defence and counterstatement denying the claims made in relation to the similarity of the marks. Also, the applicant admits that part of the competing goods are identical to the opponent’s “liqueur” and “aniseed flavoured liqueur” covered by the contested mark. However, the applicant denies any similarity with the remaining goods. The applicant requested that the opponent provides proof of use of its earlier mark relied upon.

7. Only the opponent filed evidence in these proceedings, which will not be summarised but will be referred to as and where appropriate during this decision.

8. Only the opponent filed written submissions in lieu of a hearing which will not be summarised but will be referred to as and where appropriate during this decision. No hearing was requested and so this decision is taken following a careful perusal of the papers.

9. In these proceedings, the opponent is represented by Fieldfisher LLP and the applicant by Lincoln IP.

10. Although the UK has left the EU, Section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period.

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

### **Relevant Date/Period**

11. An “earlier trade mark” is defined in Section 6(1) of the Act:

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

(a) a registered trade mark, international trade mark (UK) or 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. [...]

12. As the earlier mark relied upon had been registered for more than five years on the date on which the contested application was filed, Section 6A of the Act applies, which states:

“(1) This Section applies where–

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

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

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

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

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

(3) The use conditions are met if –

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

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

(4) For these purposes -

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

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

(5)-(5A) [Repealed]

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

13. As the earlier mark is a comparable mark, paragraph 7 of Part 1, Schedule 2A of the Act is also relevant. It reads:

“7.— (1) Section 6A applies where an earlier trade mark is a comparable trade mark (EU), subject to the modifications set out below.

(2) Where the relevant period referred to in section 6A(3)(a) (the "five-year period") has expired before IP completion day—

(a) the references in section 6A(3) and (6) to the earlier trade mark are to be treated as references to the corresponding EUTM; and

(b) the references in section 6A(3) and (4) to the United Kingdom include the European Union.

(3) Where [IP completion day] falls within the five-year period, in respect of that part of the five-year period which falls before IP completion day —

(a) the references in section 6A(3) and (6) to the earlier trade mark are to be treated as references to the corresponding EUTM; and

(b) the references in section 6A to the United Kingdom include the European Union”.

14. In accordance with Section 6(1) of the Act, the opponent’s trade mark clearly qualifies as an earlier mark. The relevant period for proof of use of the opponent’s mark is **12 March 2016 to 11 March 2021**. I note that the opponent in its witness statement and submissions erroneously stated a

slightly different period (11 March 2016 to 11 March 2021). In the present proceedings, the opponent relies on a UK comparable mark, and, thus, it is possible for the opponent to rely on evidence of use in the EU as set out in Tribunal Practice Notice 2/2020.<sup>1</sup> In accordance with paragraph 7(3) of Part 1 of Schedule 2A of the Act, the assessment of use shall take into account any use of the corresponding EUTM prior to IP Completion Day, being 31 December 2020. Therefore, for the portion of the relevant five year period between **12 March 2016 and 31 December 2020**, evidence of use of the mark in the EU may be taken into account.

15. The relevant date for the assessment of likelihood of confusion as per Section 5(2)(b) is the date on which the contested application was filed, namely **11 March 2021**.

## **EVIDENCE**

### **Opponent's Witness Statement**

16. Only the opponent filed evidence in these proceedings. It consists of a witness statement, dated 5 May 2021, of Jamie Stern, the Associate Marketing Manager of the opponent, who has held this position for two years, introducing 7 Exhibits. The main purpose of the evidence is to demonstrate that the earlier mark has been genuinely used in the UK for the relevant period.
17. I have read and considered all of the evidence and will refer to the relevant parts at the appropriate points in the decision.

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<sup>1</sup> See 'Tribunal Practice Notice (2/2020) End of Transition Period – impact on tribunal proceedings'.

## DECISION

### Proof of Use

18. In *Walton International Ltd & Anor v Verweij Fashion BV* [2018] EWHC 1608 (Ch) Arnold J summarised the law relating to genuine use as follows:

“114. [...]The CJEU has considered what amounts to “genuine use” of a trade mark in a series of cases: Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, *La Mer* (cited above), Case C 416/04 P *Sunrider Corp v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [2006] ECR I 4237, Case C-442/07 *Verein Radetsky-Order v Bundervsvereinigung Kamaradschaft ‘Feldmarschall Radetsky’* [2008] ECR I-9223, Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759, Case C-149/11 *Leno Merken BV v Hagelkruis Beheer BV* [EU:C:2012:816], [2013] ETMR 16, Case C-609/11 P *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR, Case C-141/13 P *Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [EU:C:2014:2089] and Case C-689/15 *W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse* [EU:C:2017:434], [2017] Bus LR 1795.

115. The principles established by these cases may be summarised as follows:

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

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



(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Leno* at [29]; *Centrotherm* at [71]. Accordingly, affixing of a trade mark on goods as a label of quality is not genuine use unless it guarantees, additionally and simultaneously, to consumers that those goods come from a single undertaking under the control of which the goods are manufactured and which is responsible for their quality: *Gözze* at [43]-[51].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14] and [22]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71]; *Reber* at [29].

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

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

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus, there is no de minimis rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72] and [76]-[77]; *Leno* at [55].

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

19. As the earlier mark is a comparable mark, the comments of the Court of Justice of the European Union (“CJEU”) in *Leno Merken BV v Hagelkruis Beheer BV*, Case C-149/11 are also relevant. The court noted that:

“36.It should, however, be observed that [...] the territorial scope of the use is not a separate condition for genuine use but one of the factors determining genuine use, which must be included in the overall analysis and examined at the same time as other such factors. In that regard, the phrase ‘in the Community’ is intended to define the geographical market serving as the reference point for all consideration of whether a Community trade mark has been put to genuine use. [...]

50. Whilst there is admittedly some justification for thinking that a Community trade mark should – because it enjoys more extensive territorial protection than a national trade mark – be used in a larger area than the territory of a single Member State in order for the use to be regarded as ‘genuine use’, it cannot be ruled out that, in certain circumstances, the market for the goods or services for which a Community trade mark has been registered is in fact restricted to the territory of a single Member State. In such a case, use of the Community trade mark on that territory might satisfy the conditions both for genuine use of a Community trade mark and for genuine use of a national trade mark. [...]

55. Since the assessment of whether the use of the trade mark is genuine is carried out by reference to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark serves to create or maintain market shares for the goods or services for which it was registered, it is impossible to determine a priori, and in the abstract, what territorial scope should be chosen in order to determine whether the use of the mark is genuine or not. A *de minimis* rule, which would not allow the national court to appraise all the circumstances of the dispute before it, cannot therefore be laid down (see, by analogy, the order in *La Mer Technology*, paragraphs 25 and 27, and the judgment in *Sunrider v OHIM*, paragraphs 72 and 77).”

20. The court held that:

“Article 15(1) of Regulation No 207/2009 of 26 February 2009 on the Community trade mark must be interpreted as meaning that the territorial borders of the Member States should be disregarded in the assessment of whether a trade mark has been put to ‘genuine use in the Community’ within the meaning of that provision.

A Community trade mark is put to ‘genuine use’ within the meaning of Article 15(1) of Regulation No 207/2009 when it is used in accordance

with its essential function and for the purpose of maintaining or creating market share within the European Community for the goods or services covered by it. It is for the referring court to assess whether the conditions are met in the main proceedings, taking account of all the relevant facts and circumstances, including the characteristics of the market concerned, the nature of the goods or services protected by the trade mark and the territorial extent and the scale of the use as well as its frequency and regularity.”

21. In *The London Taxi Corporation Limited v Frazer-Nash Research Limited & Ecotive Limited*, [2016] EWHC 52, Arnold J. reviewed the case law since *Leno* and concluded as follows:

“228. Since the decision of the Court of Justice in *Leno* there have been a number of decisions of OHIM Boards of Appeal, the General Court and national courts with respect to the question of the geographical extent of the use required for genuine use in the Community. It does not seem to me that a clear picture has yet emerged as to how the broad principles laid down in *Leno* are to be applied. It is sufficient for present purposes to refer by way of illustration to two cases which I am aware have attracted comment.

229. In Case T-278/13 *Now Wireless Ltd v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* the General Court upheld at [47] the finding of the Board of Appeal that there had been genuine use of the contested mark in relation to the services in issues in London and the Thames Valley. On that basis, the General Court dismissed the applicant's challenge to the Board of Appeal's conclusion that there had been genuine use of the mark in the Community. At first blush, this appears to be a decision to the effect that use in rather less than the whole of one Member State is sufficient to constitute genuine use in the Community. On closer examination, however, it appears that the applicant's argument was not that use within London and the Thames Valley was not sufficient to constitute

genuine use in the Community, but rather that the Board of Appeal was wrong to find that the mark had been used in those areas, and that it should have found that the mark had only been used in parts of London: see [42] and [54]-[58]. This stance may have been due to the fact that the applicant was based in Guildford, and thus a finding which still left open the possibility of conversion of the Community trade mark to a national trade mark may not have sufficed for its purposes.

230. In *The Sofa Workshop Ltd v Sofaworks Ltd* [2015] EWHC 1773 (IPEC), [2015] ETMR 37 at [25] His Honour Judge Hacon interpreted *Leno* as establishing that "genuine use in the Community will in general require use in more than one Member State" but "an exception to that general requirement arises where the market for the relevant goods or services is restricted to the territory of a single Member State". On this basis, he went on to hold at [33]- [40] that extensive use of the trade mark in the UK, and one sale in Denmark, was not sufficient to amount to genuine use in the Community. As I understand it, this decision is presently under appeal and it would therefore be inappropriate for me to comment on the merits of the decision. All I will say is that, while I find the thrust of Judge Hacon's analysis of *Leno* persuasive, I would not myself express the applicable principles in terms of a general rule and an exception to that general rule. Rather, I would prefer to say that the assessment is a multifactorial one which includes the geographical extent of the use."

22. The General Court restated its interpretation of *Leno Marken* in Case T-398/13, *TVR Automotive Ltd v OHIM* (see paragraph 57 of the judgment). This case concerned national (rather than local) use of what was then known as a Community trade mark (now a European Union trade mark). Consequently, in trade mark opposition and cancellation proceedings the registrar continues to entertain the possibility that use of an EUTM in an area of the Union corresponding to the territory of one Member State may be sufficient to constitute genuine use of an EUTM. This applies even

where there are no special factors, such as the market for the goods/services being limited to that area of the Union.

23. Whether the use shown is sufficient for this purpose will depend on whether there has been real commercial exploitation of the EUTM, in the course of trade, sufficient to create or maintain a market for the goods/services at issue in the Union during the relevant 5 year period. In making the required assessment I am required to consider all relevant factors, including:

- i. The scale and frequency of the use shown
- ii. The nature of the use shown
- iii. The goods and services for which use has been shown
- iv. The nature of those goods/services and the market(s) for them
- v. The geographical extent of the use shown

24. The onus is on the proprietor of the earlier mark to show use. This is in accordance with Section 100 of the Act, which states:

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

25. Proven use of a mark which fails to establish that “the commercial exploitation of the marks is real” because the use would not be “viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark” is, therefore, not genuine use.

## Form of the Mark

26. In Case C-12/12 *Colloseum Holdings AG v Levi Strauss & Co.*, which concerned the use of one mark with, or as part of, another mark, the CJEU found that:

“31. It is true that the ‘use’ through which a sign acquires a distinctive character under Article 7(3) of Regulation No 40/94 relates to the period before its registration as a trade mark, whereas ‘genuine use’, within the meaning of Article 15(1) of that regulation, relates to a five-year period following registration and, accordingly, ‘use’ within the meaning of Article 7(3) for the purpose of registration may not be relied on as such to establish ‘use’ within the meaning of Article 15(1) for the purpose of preserving the rights of the proprietor of the registered trade mark.”

32. Nevertheless, as is apparent from paragraphs 27 to 30 of the judgment in *Nestlé*, the ‘use’ of a mark, in its literal sense, generally encompasses both its independent use and its use as part of another mark taken as a whole or in conjunction with that other mark.

33. As the German and United Kingdom Governments pointed out at the hearing before the Court, the criterion of use, which continues to be fundamental, cannot be assessed in the light of different considerations according to whether the issue to be decided is whether use is capable of giving rise to rights relating to a mark or of ensuring that such rights are preserved. If it is possible to acquire trade mark protection for a sign through a specific use made of the sign, that same form of use must also be capable of ensuring that such protection is preserved.

34. Therefore, the requirements that apply to verification of the genuine use of a mark, within the meaning of Article 15(1) of Regulation No 40/94, are analogous to those concerning the acquisition by a sign of distinctive character through use for the

purpose of its registration, within the meaning of Article 7(3) of the regulation.

35. Nevertheless, as pointed out by the German Government, the United Kingdom Government and the European Commission, a registered trade mark that is used only as part of a composite mark or in conjunction with another mark must continue to be perceived as indicative of the origin of the product at issue for that use to be covered by the term ‘genuine use’ within the meaning of Article 15(1).” (Emphasis added)

27. In *Lactalis McLelland Limited v Arla Foods AMBA*, BL O/265/22, Phillip Johnson, sitting as the Appointed Person, considered the correct approach to the test under s. 46(2). He said:

“13. [...] While the law has developed since *Nirvana* [BL O/262/06], the recent case law still requires a comparison of the marks to identify elements of the mark added (or subtracted) which have led to the alteration of the mark (that is, the differences) (see for instance, T-598/18 *Grupo Textil Brownie v EU\*IPO*, EU:T:2020:22, [63 and 64]).

14. The courts, and particularly the General Court, have developed certain principles which apply to assess whether a mark is an acceptable variant and the following appear relevant to this case.

15. First, when comparing the alterations between the mark as registered and used it is clear that the alteration or omission of a non-distinctive element does not alter the distinctive character of the mark as a whole: T-146/15 *Hypen v EUIPO*, EU:T:2016:469, [30]. Secondly, where a mark contains words and a figurative element the word element will usually be more distinctive: T-171/17 *M & K v EUIPO*, EU:T:2018:683, [41]. This suggests that changes in figurative elements are usually less likely to change the distinctive character than those related to the word elements.



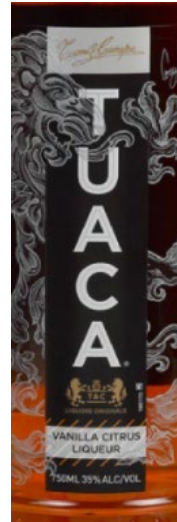
16. Thirdly, where a trade mark comprises two (or more) distinctive elements (eg a house mark and a sub-brand) it is not sufficient to prove use of only one of those distinctive elements: T-297/20 *Fashioneast v AM.VI. Srl*, EU:T:2021:432, [40] (I note that this case is only persuasive, but I see no reason to disagree with it). Fourthly, the addition of descriptive or suggestive words (or it is suppose figurative elements) is unlikely to change the distinctive character of the mark: compare, T-258/13 *Artkis*, EU:T:2015:207, [27] (ARKTIS registered and use of ARKTIS LINE sufficient) and T-209/09 *Alder*, EU:T:2011:169, [58] (HALDER registered and use of HALDER I, HALDER II etc sufficient) with R 89/2000-1 CAPTAIN (23 April 2001) (CAPTAIN registered and use of CAPTAIN BIRDS EYE insufficient).

17. It is also worth highlighting the recent case of T-615/20 *Mood Media v EUIPO*, EU:T:2022:109 where the General Court was considering whether the use of various marks amounted to the use of the registered mark MOOD MEDIA. It took the view that the omission of the word “MEDIA” would affect the distinctive character of the mark (see [61 and 62]) because MOOD and MEDIA were in combination weakly distinctive, and the word MOOD alone was less distinctive still.”

28. There are examples of use of the earlier mark in the evidence, such as news articles, online retailer websites, and advertising materials of the goods, within the relevant period. I note that there is use of the word mark in the following exemplified forms:



a.



b.

29. Although the earlier mark “TUACA” is registered as a word mark, the evidence shows use as a composite mark, as shown above in ‘a’ and ‘b’ consisting of figurative elements, the word mark, and descriptive word elements.<sup>2</sup> In my view, the mark as registered, while fully incorporated in the composite mark, retains its independent use as an indicator of origin, whilst having the greatest impact on the distinctiveness of the mark, pertaining to the *Colloseum* principles. The mark as registered appears in the evidence either horizontally or vertically bigger in size than the rest of the figurative and word elements; in upper case and a white and/or gold font against a black background. Such use should be regarded as an expression of the registered word mark in normal and fair use.<sup>3</sup> Consequently, I find that the form of use set out above may also be taken into account. If I am wrong, I do not consider that the use in these forms alters the distinctiveness of the registered mark, and these are variants upon which the opponent can rely as per *Lactalis*.

<sup>2</sup> In his witness statement Mr Stern, mentions that the opponent changed the packaging of the product in 2016 (no exact date was provided). The example in ‘a’ is the current packaging, whilst the example in ‘b’ is the now obsolete packaging.

<sup>3</sup> See *Dreamersclub Ltd v KTS Group Ltd*, BL O/091/19.

## Genuine Use

30. As indicated in the case law cited above, use does not need to be quantitatively significant to be genuine. The assessment must take into account a number of factors in order to ascertain whether there has been real commercial exploitation of the mark which can be regarded as “warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark”.
31. The witness statement of Jamie Stern provides a short description of the history of the opponent’s mark. Particularly, Mr Stern mentions that:

“The mark TUACA (the "TUACA Mark") has been used in Europe as early as the 1930s in relation to a type of naturally flavoured brandy liqueur called TUACA. TUACA was first imported into the United States in the 1950s, and has been sold in the UK since 1996. Sazerac acquired the TUACA brand in March 2016 from Brown-Forman.”

In addition, screenshots of the packaging of the opponent’s products during the relevant period are exhibited.<sup>4</sup>

32. Mr Stern also provides the following UK sales figures for the last four years:

<b>Country</b>	<b>Volume Sales of 9L Cases 2018</b>	<b>Volume Sales of 9L Cases 2019</b>	<b>Volume Sales of 9L Cases 2020</b>	<b>Volume Sales of 9L Cases 2021</b>
<b>UK Total</b>	3,386	3,302	1,218	920

Mr Stern specifies in his witness statement that these figures “reflect bottles of TUACA sold 'on-trade', meaning sales for consumption on licensed premises only. They do not include 'off-trade' sales, which primarily consist of sales to large supermarket chains. Spirits volume sales are measured using the standard industry metric of 9 litre units or cases.

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<sup>4</sup> Exhibits JS1 and JS2.

This is based upon the standard 12 x 75cl wine or spirits bottle shipping case which equals 9 litres of volume per case, but does not necessarily mean there are 12 bottles in a 9 litre case.” It is clear from the above table that the sales between have significantly dropped over the years from over 3,000 to around 900.

33. Further to the sales figures, prints of the opponent’s goods on the Amazon UK website are provided.<sup>5</sup> These are said to demonstrate that it was possible to “order and purchase TUACA bearing the TUACA Mark in the UK during the Relevant Period” (sic). In detail, these consist of screenshots, dated with a print date 4 May 2022, from the *amazon.co.uk* website demonstrating “Tuca Liqueur, 70cl” with 387 customer ratings. The screenshots show a number of customer reviews: 2 from 2016, 3 from 2017, 8 from 2018, 2 from 2019, 6 from 2020, 6 from 2021, and 3 from 2022. I have duly considered the relevant period and will only take into account customer reviews that are dated within the respective relevant period.
34. Further, screenshots,<sup>6</sup> dated 4 May 2022, from online retailers, namely ‘The Whisky Exchange’ and ‘Master of Malt’, are exhibited showing use of the mark with the form that I have already identified in the previous section. Mr Stern states that the screenshots show that “TUACA was available in the Relevant Period and continues to be available at the date of this witness statement.” There are 7 customer reviews in total on ‘The Whisky Exchange’ website but only 3 of them fall within the relevant period (1 from 2016, and 2 from 2020). Also, there is 1 customer review on the ‘Master of Malt website’ from 2016.
35. The opponent exhibited evidence of advertising materials, namely screenshots containing posters, leaflets, and other promotional merchandise, which is said that they were distributed or used from 7

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<sup>5</sup> Exhibit JS3.

<sup>6</sup> Exhibit JS4.

November 2016 through to 28 May 2020,<sup>7</sup> where the earlier mark was clearly used on the given items. Further, screenshots from online news articles are exhibited,<sup>8</sup> and I will outline them as follows:

- a. the *thespiritbusiness.com* website, dated 18 May 2017 and titled 'Sazerac gives Tuaca new recipe and design', where the article demonstrates the new design of the product while describing the products flavour and new packaging specifics;
  - b. the *brightonandhoveindependent.co.uk* website, dated 20 February 2020 and titled 'Sussex escape room voted best in the UK: this is what we thought' in which the opponent's goods are mentioned as "Brighton's signature spirit";
  - c. the *festicket.com* website, dated 8 May 2019 and titled 'The Great Escape 2019: Festicket's Guide to Brighton' inviting the festival goers to drink the opponent's goods and mentioning that "Brighton is the only UK destination where the golden Italian shot can be enjoyed";
  - d. the *theculturetrip.com* website, dated 2 December 2017 and titled 'Tuaca: The Story Behind Brighton's Favourite Liqueur', highlighting that Tuaca is the city's spirit with Saint James Tavern being the spirit's original Brighton home. I note that the article states that "[t]hough Newcastle and Bristol are learning to love it, the mystery remains why Tuaca's popularity has yet to catch on in other UK cities quite like it has in Brighton."
36. Lastly, the evidence illustrates that the opponent holds social media accounts, namely Instagram, Facebook and Twitter, where the earlier

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<sup>7</sup> Exhibit JS5.

<sup>8</sup> Exhibit JS6.

mark can be seen. However, there is no indication of whether these social media posts targeted UK consumers.

37. Turning to the proof of use requirement, it is typical to see evidence, such as turnover figures and invoices, showing the sale of goods to customers/retailers. Such information should have been available to Mr Stern and relatively easy to provide. Although there is none of that here, Mr Stern provides for part of the relevant period (2018-2021) the sales figures sold in numbers of volumes. Moreover, evidence is adduced in relation to sales in online marketplaces, such as Amazon. Nevertheless, I note that there is no evidence in relation to the UK market share of alcoholic beverages, which is considered to be a very significant one.
38. Moreover, there is no evidence of any advertising or promotional expenditure. That said, the opponent provided screenshots of promotional material, online news articles, and social media accounts and posts. As outlined above, I note that it is mentioned in one of the online articles that the opponent's goods are exclusively sold in Brighton. However, it can be inferred from the rest of the evidence that the marketing of the earlier goods was not targeting local consumers but rather the UK at large.
39. Although there are shortcomings in the evidence in relation to the market share the opponent possesses in the UK market; the annual turnover; and the absence of figures on amounts spent on advertising and promotion for the earlier mark, I note that an assessment of genuine use is a global assessment, which requires looking at the evidential picture as a whole and not whether each individual piece of evidence shows use by itself.<sup>9</sup> Bearing in mind the forms of the mark, volume figures and press reports, I am satisfied that the evidence supports genuine use in the UK of the earlier mark during the relevant period. As such, the opponent can rely upon the

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<sup>9</sup> See *New Yorker SHK Jeans GmbH & Co KG v OHIM*, T-415/09.

registered mark with respect to liqueur for the purpose of these proceedings.

#### Fair specification

40. The goods relied upon are “*liqueur*” in Class 33, for which the opponent made a statement of use. The applicant has not commented upon the specific goods they believe the earlier mark has, or has not, been used, nor what a fair specification should be. Given that the use shown describes the opponent’s goods as “a complex and versatile liqueur that can be enjoyed in a cocktail or as an after-dinner delicacy”, I am content to conclude that when confronted with the use shown, the average consumer would fairly categorise it as being for liqueurs, and they would not seek to interpret it by using narrower terms.<sup>10</sup> Therefore, I accept that the opponent has shown use for its term “*liqueur*” in Class 33.

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

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

“A trade mark shall not be registered if because-

[...]

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

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark”.

42. The principles, considered in this opposition, stem from the decisions of the European Courts in *SABEL BV v Puma AG* (Case C-251/95), *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* (Case C-39/97), *Lloyd*

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<sup>10</sup> *Property Renaissance Ltd (t/a Titanic Spa) v Stanley Dock Hotel Ltd (t/a Titanic Hotel Liverpool) & Ors* [2016] EWHC 3103 (Ch).

*Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV* (Case C-342/97), *Marca Mode CV v Adidas AG & Adidas Benelux BV* (Case C-425/98), *Matratzen Concord GmbH v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* (Case C-3/03), *Medion AG v Thomson Multimedia Sales Germany & Austria GmbH* (Case C-120/04), *Shaker di L. Laudato & C. Sas v OHIM* (Case C-334/05 P) and *Bimbo SA v OHIM* (Case C-519/12 P):

- a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors;
- b) the matter must be judged through the eyes of the average consumer of the goods or services in question, 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 will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

### **Comparison of Goods**

43. When making the comparison, all relevant factors relating to the goods in the specifications should be taken into account. In *Canon Kabushiki Kaisha*, the CJEU stated that:

“23. 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 complementary.”

44. Guidance on this issue was also given by Jacob J (as he then was) in *British Sugar Plc v James Robertson & Sons Limited* (“*Treat*”) [1996] RPC 281. At [296], he identified the following relevant factors:

- “(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.”

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

“In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 *Institut für Lernsysteme v OHIM- Educational Services (ELS)* [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark”.

46. In *YouView TV Ltd v Total Ltd*, [2012] EWHC 3158 (Ch), paragraph 12, Floyd J (as he then was) gave the following guidance on construing the words used in specifications:

“[...] Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the observations of the CJEU in Case C-307/10 *The Chartered Institute of Patent Attorneys (Trademarks) (IP TRANSLATOR)* [2012] ETMR 42 at [47]-[49]. Nevertheless, the principle should not be taken too far. Treat was decided the way it was because the ordinary and natural, or core, meaning of ‘dessert sauce’ did not include jam, or because the ordinary and natural description of jam was not ‘a dessert sauce’. Each involved a straining of the relevant language, which is incorrect. Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question.”

47. In *Kurt Hesse v OHIM*, Case C-50/15 P, the CJEU held that complementarity is an autonomous criterion capable of being the sole basis for the existence of similarity between goods or services. The GC clarified the meaning of “complementary” goods or services in *Boston Scientific Ltd v OHIM*, Case T-325/06, at paragraph 82:

“[...] there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking.”

48. The competing goods to be compared are shown in the following table:

Opponent's Goods	Applicant's Goods
Class 33: liqueur.	Class 33: Spirits; alcoholic fruit extracts; alcoholic beverages, except beer; alcoholic essences; alcoholic extracts; bitters; liqueurs; aniseed flavoured liqueur; alcoholic beverages containing fruit; distilled beverages; brandy; cocktails; alcoholic digestifs; gin; rum; wine; vodka; whiskey.

49. The opponent provided lengthy submissions containing case law relevant to the assessment of the respective goods, which I have taken into account, but I do not propose to reproduce here.
50. In its notice of defence, the applicant has admitted identity between the contested term "*liqueur*" and the opponent's "*liqueurs; aniseed flavoured liqueur*" terms. However, the applicant denied any similarity between the rest of the contested and earlier terms claiming that they "do not belong to the same family of alcoholic beverages and the consumer would readily perceive them as different products. These goods are not usually displayed in the same sections of supermarkets or other outlets that serve drinks."
51. For the purpose of considering the issue of similarity of goods, it is permissible to consider groups of terms collectively where they are sufficiently comparable to be assessed in essentially the same way for the same reasons.<sup>11</sup>

*Liqueurs; aniseed flavoured liqueur; alcoholic digestifs*

52. There is no dispute that the contested goods "*Liqueurs; aniseed flavoured liqueur*" are identical as the applicant admitted identity. I also note that the

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<sup>11</sup> *Separode Trade Mark* BL O-399-10 and *BVBA Management, Training en Consultancy v BeneluxMerkenbureau* [2007] ETMR 35 at paragraphs 30 to 38.

term “*alcoholic digestifs*” is another term used for liqueurs, and, thus, I find them to be identical.

*Spirits; alcoholic beverages, except beer; distilled beverages*

53. The contested terms are broad enough to sufficiently cover the earlier goods. Therefore, I find them to be identical based on the *Meric* principle.

*Gin; rum; vodka; whiskey*

54. The contested goods are similar to the opponent’s goods “*liqueur*”. They may share the same nature as they are all distilled alcoholic drinks, consumed in short measures, and can be the basis for liqueurs. They share the same purpose, method of use, users and trade channels as they are sold in close proximity from each other. There is a degree of competition as one may choose one over the other in a restaurant or if buying a bottle from an off-licence/supermarket for consumption at home, but they are not complementary in the sense defined in the case law. They are similar to a high degree.

*Wine*

55. The contested goods are similar in general nature to the opponent’s “*liqueur*” to the extent that they are both alcoholic drinks. However, I note that the contested goods are usually made from different ingredients to the opponent’s goods, and the production methods of fermentation and distillation are different. The earlier goods are usually short drinks and are likely to have a higher ‘alcohol by volume’ content than the contested goods. Thus, I do not consider that the competing goods could be in competition or complementary. The competing goods share the same general purpose, namely to be consumed for pleasure, and may overlap in users, method of use, and trade channels as they could be sold in the same retail outlets such as supermarkets, off-licences, and bars. However, I note that they may not be sold next to each other but are still in relevant

proximity. Overall, I find them to be similar to between a low and medium degree.

### **Average Consumer and the Purchasing Act**

56. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purposes of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods and services in question: *Lloyd Schuhfabrik Meyer*, Case C-342/97. In *Hearst Holdings & Anor v A.V.E.L.A. Inc & Ors*, [2014] EWHC 439 (Ch), at paragraph 70, Birss J (as he then was) described the average consumer in these terms:

“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 word ‘average’ denotes that the person is typical. The term ‘average’ does not denote some form of numerical mean, mode or median.”

57. The average consumer for the respective goods will be the adult members of the public. All of the goods may be sold through a range of channels. They may be purchased in retail premises, such as supermarkets and off-licence stores, online or by mail order. In retail premises, the goods at issue will be displayed on shelves, where they will be viewed and self-selected by the consumers. Similarly, for the online stores, the consumers will select the goods relying on the images displayed on the relevant web pages. They may also be sold through bars, clubs, restaurants and public houses, where the goods are displayed on, for example, shelves behind the bar, and may be requested orally from a member of staff. In this regard, I bear

in mind the Case T-3/04, *Simonds Farsons Cisk Plc v OHIM*, where the Court of First Instance (now the General Court) stated that:

“[...] as OHIM quite rightly observes, it must be noted that, even if bars and restaurants are not negligible distribution channels for the applicant’s goods, the bottles are generally displayed on shelves behind the counter in such a way that consumers are also able to inspect them visually. That is why, even if it is possible that the goods in question may also be sold by ordering them orally, that method cannot be regarded as their usual marketing channel. In addition, even though consumers can order a beverage without having examined those shelves in advance they are, in any event, in a position to make a visual inspection of the bottle which is served to them.”

Consequently, even if these goods can be ordered orally in the premises exemplified above, a visual inspection of the bottles containing the goods is most likely to occur. Although these goods are not particularly costly, the average consumer may examine the product to ensure that they select the correct type of beverage. Therefore, the selection process is predominantly a visual one, but aural considerations will also play their part. In this regard, the average consumer is likely to pay a reasonable (but not high) level of attention to selecting the goods at issue.


### **Comparison of Trade Marks**

58. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

“[...] it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

59. 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.

60. The marks to be compared are:

Earlier Mark	Contested Mark
TUACA	

### Overall Impression

61. The earlier mark consists of the word “TUACA”, presented in upper case and standard font. Registration of a word mark protects the word itself presented in any normal font and irrespective of capitalisation.<sup>12</sup> Therefore, the overall impression of the mark lies in the word itself.

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<sup>12</sup> See *Bentley Motors Limited v Bentley 1962 Limited*, BL O/158/17, paragraph 16.



62. The contested mark is a figurative mark consisting of the verbal elements "TACAO" and "CACAO & CAFÉ".<sup>13</sup> The word "TACAO" appears large in size at the centre of the mark and stylised in a white font and upper case against a brown background. However, the words "CACAO & CAFÉ" are positioned underneath the word "TACAO", significantly smaller in size in the same font and capitalised. The greatest weight in the overall impression will reside in the word "TACAO". In contrast, the words "CACAO & CAFÉ" will be seen as allusive to the goods, having a less significant weight in the overall impression, whilst the brown background will have a minimal (if any) impact on the overall impression.

### Visual Comparison

63. The opponent submits that:

"Both primarily comprise a five letter word beginning with "T" that contains two "A"s and a "C". Although the Applicant highlights that there are small additional elements in the stylisation (such as the very small "CACAO & CAFÉ" element), it is clear from their reduced size and prominence that "TACAO" is the dominant element of the Applicant's Sign. Both marks also use capitalisation for "TACAO" and "TUACA" making them the dominant stand-out feature. As such the Sign is visually similar to the Opponent's UKTM."

64. In its counterstatement, the applicant asserts the following:

"3. The word TACAO in the opponent's mark overlaps with the opponent's mark only to the extent that they both begin with the letter "T". The remainder of the marks are different. The fact that both marks begin with the letter "T" is, in itself, insufficient to render the marks visually similar.

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<sup>13</sup> I note that the representation of the applicant's mark is of poor quality, and my assessment is based on what the applicant has filed.

4. The opponent's earlier mark begins with the letters "TUA", whilst the first word in the mark applied for begins with the letters "TAC". These elements are visually quite different. The inclusion of a letter O at the end of the earlier mark also acts as a notable visual difference. As both marks are relatively short, even minor differences between them will have a greater impact than would be the case with longer marks."

65. Visually, the earlier mark is a single-worded mark, "TUACA", whereas the contested mark consists of three word elements, namely "TACAO" and "CACAO & CAFÉ". I bear in mind that the beginnings of words tend to have more impact than the ends.<sup>14</sup> In particular, I note that the dominant word elements in both marks, namely TACAO/TUACA, are five letters long and begin with the letter 'T' and share the letters 'A-C-A' in sequence, albeit at different positions. The latter letters appear in positions 2 to 4 in the contested mark as opposed to positions 3 to 5 in the earlier mark. Although the marks share a common beginning (stemming from the first letter 'T'), the endings of the competing marks differ (-O/-A). Nevertheless, I do not consider the difference created by the use of the white font and the brown background in the contested mark to be significant since normal and fair use allows word-only marks to be presented in any standard font or case.<sup>15</sup> That said, I note that it is not appropriate to notionally apply complex colour arrangements to a mark registered in black and white, as this goes beyond normal and fair use of the word mark.<sup>16</sup> I find, therefore, that the combination of colours used by the applicant is not a complex one where the earlier word mark could notionally be used in a similar white colour font against a brown background. In contrast, I consider that the stylisation of the contested mark and the additional secondary words "CACAO & CAFÉ" would create another point of difference between the marks. Thus,

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<sup>14</sup> See *El Corte Inglés, SA v OHIM*, Cases T-183/02 and T-184/02.

<sup>15</sup> *Dreamersclub Ltd v KTS Group Ltd*, BL O/091/19.

<sup>16</sup> See paragraph 5 of the judgment of the Court of Appeal in *Specsavers* [2014] EWCA Civ 1294 and *J.W. Spear & Sons Ltd v Zynga, Inc.* [2015] EWCA Civ 290, at paragraph 47.

weighing the various points of similarity and difference, I consider that overall, the marks are visually similar to a low degree.

### Aural Comparison

66. The opponent submitted the following:

“Aurally, the average UK consumer would consider that the Sign and the Opponent’s UKTM sound similar, particularly because they both contain Latin language phonological elements, uncommon in British English. TUACA contains the relatively uncommon "UAC" which generally only occurs in Latin language loan words like "guacamole" or "aguacate"; and TACAO contains the similarly uncommon "AO" which also generally only occurs in Latin language loan words like "ciao" or "curacao". Additionally, both include the phonetic element "ACA", which would be pronounced the same in both instances, with the "A" sounds as short vowel pronunciations, and the "C" element as a hard consonant. As this "ACA" sound makes up two of the three syllables for both the Sign and the Opponent’s UKTM, the dominant aural feature of both is identical. Both the Sign and the Opponent’s UKTM are, therefore, phonetically similar to the average UK consumer.”

67. The applicant in its counterstatement claims:

“Aurally, the earlier mark will be pronounced as “TWA-KA” or “TOO-AH-KA”. In contrast, the first word in the applicant’s mark will be pronounced as “TAK-AOW” or “TAK-AY-OH”. The additional words CACAO & CAFÉ would also be verbalised which further distinguishes the marks – particularly as the words TACAO CACAO rhyme. The marks are not therefore aurally similar.”

68. I note that the opponent refers to the use of “Latin language phonological elements” (sic), but this is irrelevant to the assessment here, as the

position is how the average consumer in the UK will pronounce the marks. Thus, I consider that the average consumer in the UK will most likely verbalise the contested mark as “TA-KAYH-OH” and the earlier mark as “TOO-AH-KA”. The competing marks are three syllables long, with none being shared. Although I agree with the opponent that the marks will share the ‘T’ sound generated by the initial letter of the marks, their first syllable is different (TOO-/TA-). Notably, I disagree with the opponent’s approach that *“both [marks] include the phonetic element “ACA” [...]. As this “ACA” sound makes up two of the three syllables for both the Sign and the Opponent’s UKTM, the dominant aural feature of both is identical[.]”*. It is my view that, according to the rules of pronunciation, the phonetic assessment should be conducted based on the syllables of the verbal elements without isolating/extracting phonetic elements and disregarding the totality of the given syllables. Against this backdrop, the phonetic commonality is generated between the (second and third) syllables “-AH-KA” in the earlier mark and the (first and second) syllables “TA-KAYH-” in the contested mark and not the phonetic element ‘ACA’. Due to its less relative weight in the overall impression, I do not consider that the average consumer will pronounce the words “CACAO & CAFÉ” but if they do, they will be articulated as “KUH-KAYH-OH & KAF-AY”. Taking into account the above factors and the overall impressions, I find that the respective marks are aurally similar to between a low and medium degree (though lower where the words “CACAO & CAFÉ” are spoken).

### Conceptual Comparison

69. Both parties claim that “[b]oth marks are invented words with no particular meaning. A conceptual comparison is not, therefore, applicable.”
70. I consider that the position of the parties is based on the dominant word elements of the competing marks, namely “TACAO”/“TUACA”, where both will be seen as invented words having no meaning. However, I cannot ignore the fact that the contested mark contains the word elements “CACAO & CAFÉ”, which have allusive qualities, and the average

consumer will know their meaning as they are well-known and ordinary English words. I note that there are no such conceptual counterparts in the opponent's mark. Taking all the above factors into account and overall impression of the marks, I find that the marks are conceptually dissimilar.

### **Distinctive Character of the Earlier Trade Marks**

71. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97, paragraph 22 and 23, the CJEU stated that:

“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).

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).”

72. Registered trade marks possess varying degrees of inherent distinctive character from the very low, because they are suggestive of, or allude to, a characteristic of the goods or services, to those with high inherent

distinctive character, such as invented words which have no allusive qualities.

73. As outlined in the previous section, the opponent's word mark "TUACA" will be viewed as an invented word having no meaning. I find that the earlier mark has a high degree of inherent distinctive character as an invented word with no allusive or suggestive characteristics.

#### Enhanced Distinctiveness

74. With its submissions, the opponent claims that "it should be entitled to enhanced protection for the Opponent's UKTM due to its increased distinctive character."
75. I should stress here that, whilst the mark is a comparable mark, it is the position in the UK that must be considered because the question is whether the average consumer in the UK will be confused. I find the evidence insufficient to demonstrate that the mark has acquired an enhanced degree of distinctive character through use in the UK for the given goods that the opponent has genuinely used the mark. Although the sales, which have been evidenced, are sufficient to find genuine use, they do not strike me as particularly significant in what must be a very significant market in the UK. There is neither an indication of the market share held by the mark nor invoices showing the sales to UK consumers, as well as there are no marketing expenditure figures as to the amount invested by the opponent in promoting the given mark. Overall, whilst the mark has been genuinely used, the evidence is insufficient to demonstrate enhanced distinctiveness.

#### **Likelihood of Confusion**

76. In assessing the likelihood of confusion, I must adopt the global approach set out in the case law to which I have already referred above in this decision. Such a global assessment is not a mechanical exercise. I must also have regard to the interdependency principle, that a lesser degree of

similarity between the goods or services may be offset by a greater degree of similarity between the marks, and vice versa.<sup>17</sup> It is essential to keep in mind the distinctive character of the opponent's trade mark since the more distinctive the trade mark, the greater the likelihood of confusion. I must also keep in mind that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon imperfect recollection.<sup>18</sup>

77. Confusion can be direct or indirect. Direct confusion involves the average consumer mistaking one mark for the other. Indirect confusion is where the consumer notices the differences between the marks but concludes that the later mark is another brand of the owner of the earlier mark or a related undertaking.
78. In *L.A. Sugar Limited v Back Beat Inc*, Case BL O/375/10, Iain Purvis Q.C., sitting as the Appointed Person, explained that:

“16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually 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.

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<sup>17</sup> See *Canon Kabushiki Kaisha*, paragraph 17.

<sup>18</sup> See *Lloyd Schuhfabrik Meyer*, paragraph 27.

79. In *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17, Mr James Mellor Q.C. (as he then was), 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.

80. In *Quelle AG v OHIM*, Case T-88/05, the General Court found that visual similarity (and difference) is most important in the case of case of goods that are self-selected or where the consumer sees the mark when purchasing the goods. The Court stated that:

“68. [...] If the goods covered by the marks in question are usually sold in self-service stores where consumers choose the product themselves and must therefore rely primarily on the image of the trade mark applied to the product, the visual similarity between the signs will as a general rule be more important. If on the other hand the product covered is primarily sold orally, greater weight will usually be attributed to any phonetic similarity between the signs (*NLSPORT*, *NLJEANS*, *NLACTIVE* and *NLCollection*, paragraph 53 supra, paragraph 49).

69. Likewise, the degree of phonetic similarity between two marks is of less importance in the case of goods which are marketed in such a way that, when making a purchase, the relevant public usually perceives visually the mark designating those goods (*BASS*, paragraph 56 supra, paragraph 55, and Case T-301/03 *Canali Ireland v OHIM – Canal Jean (CANAL JEAN CO. NEW YORK)* [2005] ECR II-2479, paragraph 55). That is the case with respect to the goods at issue here. Although the applicant states that it is a mail order company, it does not submit that its goods are sold outside normal distribution channels for clothing and shoes (shops) or without a visual assessment of them by the relevant consumer. Moreover, while oral communication in respect of the product and the trade mark is not



excluded, the choice of an item of clothing or a pair of shoes is generally made visually. Therefore, the visual perception of the marks in question will generally take place prior to purchase. Accordingly, the visual aspect plays a greater role in the global assessment of the likelihood of confusion (*NLSPORT*, *NLJEANS*, *NLACTIVE* and *NLCollection*, paragraph 53 supra, paragraph 50). The same is true of catalogue selling, which involves as much as does shop selling a visual assessment of the item purchased by the consumer, whether clothing or shoes, and does not generally allow him to obtain the help of a sales assistant. Where a sales discussion by telephone is possible, it takes place usually only after the consumer has consulted the catalogue and seen the goods. The fact that those products may, in some circumstances, be the subject of discussion between consumers is therefore irrelevant, since, at the time of purchase, the goods in question and, therefore, the marks which are affixed to them are visually perceived by consumers.”

81. Earlier in this decision I have concluded that:

- the competing goods at issue range from identical to similar from high to between low and medium degree;
- the average consumer of the parties' goods is the adult members of the public, who will select the goods by predominantly visual means, but without dismissing the aural means. The level of attention will normally be reasonable (but not high);
- the competing marks are visually similar to a low degree, aurally similar to between a low to medium degree, and conceptually dissimilar;
- The earlier mark has a high degree of inherent distinctive character but the use is not sufficient to establish enhanced distinctiveness of the mark.

82. Taking into account the above factors, I am persuaded that there is no likelihood of direct confusion for identical goods. The visual interaction with the goods at issue and the reasonable degree of attention will play a significant part.<sup>19</sup> Notwithstanding imperfect recollection, it is my view that the average consumer will notice and remember the visual differences between the earlier mark “TUACA” and the dominant word element “TACAO” in the contested mark, which has the greatest weight in the overall impression, aiding them in distinguishing the marks. In addition, even when the presence/absence of word elements “CACAO & CAFÉ” are overlooked, the conceptual dissimilarity will prevent the average consumer from confusing the marks. In this regard, and despite the high distinctiveness of the earlier mark, I consider that the average consumer will not overlook the differences between the competing marks, and, thus, it is unlikely to mistake one mark for the other, even on identical goods.
83. In terms of indirect confusion, even when the differences between the marks are identified by the average consumer, I cannot see a reason why the average consumer would put the common use of the common letters, ‘T’ and ‘A-C-A’, with different endings as linking the two marks by way of the same or an economically linked undertaking. I find that the guidance given in *Duebros* is more appropriate in this case, namely that an average consumer may merely associate the common letters in the marks but would not confuse the two. Thus, I consider that there is no likelihood of indirect confusion.

## **OUTCOME**

84. There is no likelihood of confusion. **The opposition on the basis of the claim under Section 5(2)(b) fails.**

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<sup>19</sup> See *Quelle AG v OHIM*, Case T-88/05.

## **COSTS**

85. This opposition has failed in its entirety and the applicant is entitled to a contribution towards its costs of defending its application. Awards of costs are governed by Annex A of Tribunal Practice Notice (TPN) 2/2016. I award costs to the applicant as a contribution towards the cost of the proceedings on the following basis:

Considering the other side's statement and preparing a counterstatement	<b>£350</b>
Total	<b>£350</b>

86. I, therefore, order, Sazerac Brands, LLC to pay Corporacion Azende S.A. the sum of £350. The above sum should be paid within twenty-one days of the expiry of the appeal period or, if there is an appeal, within twenty-one days of the conclusion of the appeal proceedings.

**Dated this 9<sup>th</sup> day of December 2022**

**Dr Stylianos Alexandridis  
For the Registrar,  
The Comptroller General**