

O-354-14

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. 2626691

BY

PIRATE'S GROG RUM LTD

TO REGISTER THE TRADE MARK



IN CLASS 33

AND

THE OPPOSITION THERETO

UNDER NO 104151

BY

PATRON SPIRITS INTERNATIONAL AG

BACKGROUND

1. On 27 June 2012, Pirate’s Grog Rum Ltd (the applicant) applied to register the above trade mark in class 33 of the Nice Classification system¹ as follows:

Class 33
Rum

2. Following publication of the application, on 31 August 2012, Patron Spirits International AG (the opponent) filed notice of opposition against the application.

3. The opposition is based on sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (the Act). The opponent relies upon Community Trade Mark (CTM) registration no 2388700 in respect of the section 5(2)(b) and 5(3) grounds, the details of the earlier mark stand as follows:

Mark details and relevant dates	Goods relied upon
CTM: PYRAT Filed: 21 September 2001 Entered in the register: 21 October 2002	Class 33 Alcoholic beverages; distilled spirits; rum

4. For the purposes of its opposition under section 5(4)(a) the opponent relies on the plain word PYRAT which it states has been used since 22 August 2002, throughout the UK. The opponent states that the mark has been used in respect of, alcoholic beverages, distilled spirits and rum.

5. In its statement of grounds, with regard to section 5(2)(b), the opponent states:

“9. Having due regard to possible imperfect recollection of consumers, the mark applied for is likely to be confused or associated with the earlier trade mark of the Opponent. The goods in question are identical or at least highly similar. The dominant and distinctive parts of the respective trade marks are the words “PIRATE’S” and the word “PYRAT”, which are visually and phonetically similar and conceptually identical. As a result of these identities and similarities, and bearing in mind the distinctive character of the Opponent’s earlier trade mark, confusion on the part of the public between the marks will undoubtedly rise.”

6. With regard to the opposition under section 5(3) the opponent states:

“10. The Opponent has made extensive use of the mark PYRAT in the United Kingdom in relation to rum and rum-based drinks for a significant number of

¹ International Classification of Goods and Services for the Purposes of the Registration of Marks under the Nice Agreement (15 June 1957, as revised and amended).

years and has acquired a substantial reputation in connection with the goods for which its earlier trade mark is registered...

11. If the Applicant is allowed to use its mark applied for, it will take unfair advantage of the reputation and distinctive character of the Opponent's earlier trade mark, since such use by the Applicant will be exploiting the promotional effort and expenditure incurred by the Opponent, as well as the associated reputation and distinctive character of the Opponent's earlier trade mark. Accordingly, the Applicant's use of the trade mark applied for will lead to a situation of commercial parasitism where the Applicant is free-riding on the reputation of the Opponent's earlier trade mark in order to benefit from its power of attraction, its reputation and prestige and to exploit, without financial compensation, the marketing effort expended by the Opponent in order to create and maintain the image of its PYRAT brand...

12. Furthermore, use of the mark applied for by the Applicant is likely to cause detriment to the distinctive character and reputation of the Opponent's earlier trade mark. Firstly detriment will arise through erosion or dilution of the distinctiveness of the Opponent's earlier mark. The Opponent has incurred considerable expenditure in promoting its trade mark. If the Applicant is allowed to use the mark applied for, the exclusivity of the Opponent's earlier trade mark, in relation to the goods for which the Opponent uses its trade mark, will be eroded and the trade mark will no longer be capable of arousing immediate association with the Opponent's products. Secondly, use of the mark applied for by the Applicant could cause tarnishing to the Opponent's mark if the Applicant's goods are of inferior quality to the Opponent's products, which are of consistent high quality. If the goods of the Applicant are not of such a high quality, the public may no longer perceive the Opponent's earlier trade mark and products in a positive manner."

7. With regard to its opposition under section 5(4)(a) of the Act the opponent states:

"16. The Opponent has been using the sign PYRAT in the United Kingdom for a significant number of years. As a consequence of this use, the Opponent has acquired a significant goodwill under this sign in the UK and rights to this sign were acquired prior to the date of application for registration of the mark applied for. Use of the mark applied for is, therefore, liable to be prevented by the law of passing off in terms of Section 5(4)(a) of the Act.

17. Given the significant goodwill of the Opponent's sign has acquired in the UK, it is submitted that use of the Applicant's mark, which is at least similar to the Opponent's earlier sign, would amount to a misrepresentation to members of the public to the extent that they would be confused into believing that the goods of the Applicant are those of, or are commercially connected with those of the Opponent, with the result that the Opponent is likely to suffer damage."

8. The applicant filed a counterstatement on 4 September 2013². It denies the grounds on which the opposition is based and requests the opponent provide proof of use of its mark.³

² Following a nine month cooling-off period.

³ Because the earlier mark completed its registration process more than five years prior to the date of publication of the applied for mark then it is subject to the proof of use provisions set out in section 6A of the Act.

9. Both parties filed evidence, neither party asked to be heard and both filed written submissions in lieu of attendance at a hearing.

EVIDENCE

Opponent's evidence

10. The opponent's evidence consists of witness statements by Matthew Sammon, a partner at Marks & Clerk LLP (dated 13 November 2013) with 12 exhibits attached and by David R Wilson, President of International Operations and Global Chief Operating Officer of the opponent; Mr Wilson's statement is dated 12 December 2012 and accompanied by 9 exhibits.

11. Mr Sammon's witness statement relates to the history of the word 'Pyrat' and, for reasons which will become clear, need not be summarised here. The main facts emerging from Mr Wilson's statement are as follows:

"2. [The opponent company] and its predecessors in interest, have been selling alcoholic beverages, including tequila, rum, and vodka, into more than 80 countries, including the United Kingdom."

12. Sales figures in the UK are as follows:

Year	Cases sold (6 bottles)
2012	315
2011	702
2010	270
2009	429
2008	192
2007	409

13. Mr Wilson states:

"5...Total cases sold worldwide for 2012 were more than 39,000. There are 6 bottles in a case. The retail price of a bottle is approximately £38.42."

14. With regard to marketing, Mr Wilson states:

"6. The PYRAT trade mark and product has been advertised extensively in the United Kingdom and European Union."

15. Exhibit DRW1 is described as "an extract from one of my company's websites, www.pyratrum.com". The exhibit comprises an image in two parts. The left of the image appears to be the right hand page of an open book. Behind and to the right of the book is a bottle on which the words 'PYRAT RUM XO RESERVE' can be seen on the label. The exhibit is not dated.

16. Mr Wilson submits that the exhibit shows, "PYRAT" is a spelling of the old English word 'pirate'. The book page is titled, "THE STORY OF PYRAT" and states:

"Handcrafted, ultra-premium Pyrat Cask 1623 and Pyrat XO Reserve rum which take their name from the spelling of the old English word 'pirate' are blended

and hand bottled in the Caribbean.”

17. Exhibit DRW2 is described by Mr Wilson as three press releases, dated 14 February 2010, 18 February 2013 and 1 November 2013. These were published by Cellar Trends Limited, a distributor of Pyrat rum in the UK. The first press release is titled “Patrón Valentines Cocktails” and comprises three cocktail recipes. The opponent’s ‘Patrón’ mark is shown in the top left of the page.

18. The first of the cocktails lists “1/2 oz Pyrat XO” as one of its ingredients. The others do not contain rum. The second press release concerns Patrón tequila and does not mention the PYRAT product at all. The third press release describes Patrón XO Café, which is described as a blend of Arabica coffee and tequila. The PYRAT mark is not mentioned in this press release.

19. Exhibit DRW3 consists of copies of press articles, *“referring to the PYRAT trade mark”*. Two of these refer to Patrón spirits beginning to distribute to the UK. The first is from ‘Marketline’ and is titled, “Patron Spirits to boost UK presence through distribution deal” and dated July 17 2007. The second paragraph features a quote from John McDonnell, Chief Operating Officer of the opponent, as follows:

“We’re looking forward to working with them to introduce our Patron tequila and Pyrat rum portfolio to more people in Great Britain, and growing our presence throughout the country.”

20. The second is taken from ‘off licence news’, is dated 27 July 2007 and refers to the same distribution agreement. It is titled, “Cellar Trends distributes Patron Spirits”. It includes the following paragraph:

“The agreement will also include the introduction of Pyrat rum in the UK. The three-strong range includes Pyrat XO Reserve Rum – a blend of 15 Year Old Caribbean rums – and a limited production ultra-premium aged rum, Pyrat Cask 1623.”

21. The remaining articles in this exhibit and all of the examples provided in exhibit DRW4 relate to the US market and use of the mark in the US. They are as follows:

just-drinks.com – ‘John McDonnell, Patron Spirits Company’, 4 November 2008.

‘just-drinks’ Global News – ‘Patron Spirits Company signs up to DISCUS, 7 November 2008

‘Beverage World’ – ‘Racing to Victory, dated 15 December 2008.

‘Beverage Dynamics’ - *“Rum’s the word: the new world spirit is all the rage today,* 1 July 2009.

just-drinks.com – ‘Talk from the Top’, September 2009

Beverage Dynamics – ‘Tropical Tastes’, 1 July 2011

22. Exhibit DRW4 website articles:

www.thedrunkpirate.com – Pyrat XO Reserve, 13 November 2008

www.examiner.com – Pyrat Rum XO Reserve from Anguilla, 12 October 2009

wine-by-benito.blogspot.co.uk – Benito’s Wine Reviews, 5 April 2010

www.gentlemanstumbler.com - Pyrat Rum XO Reserve, 27 January 2011

mixdrinkpedia.com - Pyrat Rum, undated

About.Com – Pyrat Rum, undated

ww.thepirateking.com – The Pirate King’s Private Stock, undated

www.americancocktails.com - Pyrat XO Reserve Rum, undated.

www.flaviar.com - Pyrat XO Reserve Rum, undated

23. There is nothing to suggest that any of this material has been made available to the UK/EU public so I will say no more about it.

24. With regard to use of its mark in the UK, in his witness statement, Mr Wilson says:

“...marked Exhibit DRW5 are examples of the PYRAT product as sold in the United Kingdom during the period 2007 to 2013”.

25. Throughout the exhibit the product is shown as follows:



26. The exhibit is a photograph of four bottles of PYRAT rum (XO RESERVE) on a shop shelf⁴. Next to the bottles are three boxes, of the type commonly used to contain bottles of spirit. The boxes also depict the words PYRAT RUM XO RESERVE. The shelf label can be seen and states, Pyrat XO, Reserve Rum, 70cl, you pay £28.99. The exhibit is not dated.

27. Exhibit DRW6 shows point of sale material which Mr Wilson states shows use of the trade mark PYRAT in the United Kingdom between 2007 and 2013.

28. The first page of the exhibit comprises a very blurry photograph of a shop gondola. The top of the stand has a picture of part of a bottle of PYRAT RUM XO RESERVE. There is some writing to the left of the bottle which I cannot read. The

⁴ The same style bottle as I have shown earlier in the evidence.

central panel of the display stand features two photographs of the same bottle but I cannot read the lettering between the photographs. The top right shelf of the stand looks to be displaying four bottles of PYRAT RUM XO RESERVE, though they cannot be seen clearly. The photograph has been taken in what looks to be a large department store, though the name and location are not provided and the exhibit is not dated.

29. The second page of the exhibit is a photograph of an identical stand in a different location. The photograph is clearer. The writing states:

“THE ENLIGHTENED ULTRA-PREMIUM DARK RUM.”

30. None of the products displayed on the stand are PYRAT RUM, the store name or location are not provided and the exhibit is not dated.

31. The final two pages of this exhibit are photographs of what appear to be advertising hoardings or screens. Both show part of the PYRAT RUM XO RESERVE bottle, with the wording on the label clearly visible. It is not clear where they were displayed or during what period.

32. Mr Wilson states that Exhibit DRW7 comprises four redacted invoices showing products sold into the European Union, including the United Kingdom, within the period 2007-2013. The invoices show the following:

Invoice date:	Delivery country:	Product sold:	No. of cases bought:
24 April 2009	Germany	PYRAT Rum XO RESERVE	180
5 March 2010	Denmark	PYRAT Rum XO RESERVE	150
22 June 2011	Derbyshire - UK	PYRAT Rum XO RESERVE	63
5 October 2012	Switzerland	PYRAT Rum XO RESERVE	5

33. Exhibit DRW8 is a print from the website of The Redchurch Bar in London, dated 12 April 2012. It is titled, “REDCHURCH RUM OF THE WEEK: PYRAT XO RESERVE”. The article reviews the rum and provides tasting notes.

34. Exhibit DRW9 is described by Mr Wilson as examples of the PYRAT product on sale in the United Kingdom. All of the examples were printed on 11 June 2013 and show prices in GBP.

Online seller:	Product(s) shown:
Amazon UK	Pyrat XO Reserve (70cl) Pyrat Rum Cask 1623 Pyrat XO Reserve (3cl) Pyrat Rum Cask 1623 (3cl)
The Times Whisky Club	Pyrat Rum Cask 1623 (75cl)
Drinks Direct	Pyrat XO Reserve Rum (70cl)
Drinks Supermarket	Pyrat XO Reserve Rum (70cl)
Berry Bros & Rudd	Pyrat XO Rum
Fareham Wine Cellar	Pyrat XO Reserve Rum
Corks Out	Pyrat XO Rum
Drinks Factory	Pyrat XO Reserve Rum (70cl)
The Oxford Wine Company	Pyrat XO Reserve Rum (70cl)

Aberdeen Whisky Shop	Pyrat Pistol Pyrat XO Reserve
Beers of Europe	Pyrat XO Reserve Rum (70cl)
The Whiskey Exchange	Pyrat XO Reserve Rum (70cl)
Urban Drinks	Pyrat XO Reserve Rum (70cl)

35. In his witness statement Mr Wilson provides a list of other retailers in the United Kingdom, selling PYRAT rum, as follows:

Alexander Hadleigh Wine Merchants Ltd	Bacchanalia
Champers Wholesale Ltd	Constantine Stores Ltd
Corks of Cotham	Corkscrew
Corkscrew 2	Dormant Distillery Co Ltd
Drinkmonger – Edinburgh	Drinkmonger – Pitlochry
Food Company	General Wine Company
Gerry’s	Harvey Nichols & Co
Hedonism Drinks Ltd	Independent Spirit of Bath
Indigo Drinks Ltd	Ipswich Wines & Beers Ltd
Latitude Wines and Spirits – Leeds	Laurence Smith & Son (E’burgh) Ltd
Montine	Nectar Imports Ltd
Oxford Wine Co (Witney)	Randalls Vautier
Saxtys Wines	Selfridges Store
Soho Wine Supply Co Ltd	Speciality Drinks
SuperSave Wines	T B Watson Ltd
Taylor’s (Carmarthan)	Thomas Blacktrout Flagship
Topsham Wines	Vinnicombes
Vins Direct	Vintage House
William Barber Wines Ltd	Wine Press
Wright Wine Company	

The applicant’s evidence

36. The applicant’s evidence comprises three witness statements:

Gareth Noble, Operations Director of the applicant, with 11 exhibits attached.
Mr Noble’s evidence relates to the use and history of the word ‘Pyrat’. He also details the domain names and company registrations for the applicant. I need not summarise it here.

Robert J van der Weg, Founder and Director of the applicant, with 4 exhibits attached.
Mr van der Weg’s evidence regards sales of the applicant’s product in Honduras. It is not relevant in these proceedings.

Susan Reed, a graphic designer, with 1 exhibit attached.
This witness is a graphic designer who has provided a copy of original artwork for the applicant’s mark.

37. I give this decision following a review of all of the material before me.

Opponent’s evidence in reply

38. This consists of a second witness statement by Matthew Sammon, with a further 10

exhibits, showing historic use of the word 'Pyrat'. I need not summarise it here.

39. That concludes my summary of the evidence. All of the witness statements contain submissions which I will refer to when necessary below.

DECISION

Proof of use

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

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

(a) a registered trade mark, international trade mark (UK) or Community 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.”

41. In these proceedings the opponent is relying upon the trade mark shown in paragraph 3 which constitutes an earlier trade mark under these provisions. The application was published on 31 August 2012. The opponent's earlier mark completed its registration procedure on 21 October 2002. Consequently, the opponent's registration is subject to proof of use, as per Section 6A of the Act and the applicant has requested the opponent to prove its use.

42. Section 6A of the Act reads as follows:

“6A Raising of relative grounds in opposition proceedings in case of non-use

(1) This section applies where –

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

(b) there is an earlier trade mark 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 period of five years ending with the date of publication.

(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 period of five years ending with the date of publication of the application 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 differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, 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) In relation to a Community trade mark, any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Community.

(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.

(7) Nothing in this section affects –

(a) the refusal of registration on the grounds mentioned in section 3 (absolute grounds for refusal) or section 5(4) (relative grounds of refusal on the basis of an earlier right), or

(b) the making of an application for a declaration of invalidity under section 47(2)(application on relative grounds where no consent to registration).”

43. The relevant period is the five year period ending on the date of publication of the application, namely 1 September 2007 to 31 August 2012. The onus is on the opponent, under section 100 of the Act, to show genuine use of its mark during this period in respect of those goods relied on.

44. In reaching a conclusion on this point, I must apply the same factors as I would if I were determining an application for revocation based on grounds of non-use.

45. The requirements for “genuine use” have been set out by the Court of Justice of the European Union (CJEU) in its judgments in *Ansul BV v Ajax Brandbeveiliging BV*, Case C-40/01 [2003] RPC 40 and *Silberquelle GmbH v Maselli-Strickmode GmbH* Case C495/07, [2009] ETMR 28 and by the Court of Appeal in the UK in *LABORATOIRE DE LA MER Trade Mark* [2006] FSR 5. In *Stichting BDO and others v BDO Unibank, Inc and others* [2013] EWHC 418 (Ch) Arnold J commented on the case law of the CJEU in relation to genuine use of a trade mark:

‘In *SANT AMBROEUS Trade Mark* [2010] RPC 28 at [42] Anna Carboni sitting as the Appointed Person set out the following helpful summary of the jurisprudence of the CJEU in Case C-40/01 *Ansul BV v Ajax Brandbeveiliging*

BV [2003] ECR I-2439, Case C-259/02 *La Mer Technology Inc v Laboratories Goemar SA* [2004] ECR I-1159 and Case C-495/07 *Silberquelle GmbH v Maselli Strickmode GmbH* [2009] ECR I-2759 (to which I have added references to Case C-416/04 P *Sunrider v OHIM* [2006] ECR I-4237):

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

(2) The use must be more than merely 'token', which means in this context that it must not serve solely to preserve the rights conferred by the registration: *Ansul*, [36].

(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, without any possibility of confusion, to distinguish the goods or services from others which have another origin: *Ansul*, [36]; *Sunrider*, [70]; *Silberquelle*, [17].

(4) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, i.e. exploitation that is aimed at maintaining or creating an outlet for the goods or services or a share in that market: *Ansul*, [37]-[38]; *Silberquelle*, [18].

(a) Example that meets this criterion: preparations to put goods or services on the market, such as advertising campaigns: *Ansul*, [37].

(b) Examples that do not meet this criterion: (i) internal use by the proprietor: *Ansul*, [37]; (ii) the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle*, [20]-[21].

(5) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including in particular, the nature of the goods or services at issue, the characteristics of the market concerned, the scale and frequency of use of the mark, whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them, and the evidence that the proprietor is able to provide: *Ansul*, [38] and [39]; *La Mer*, [22]-[23]; *Sunrider*, [70]-[71].

(6) Use of the mark need not always be quantitatively significant for it to be deemed genuine. There is no *de minimis* rule. Even minimal use may qualify as genuine use if it is the sort of use that is appropriate in the economic sector concerned for preserving or creating 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: *Ansul*, [39]; *La Mer*, [21], [24] and [25]; *Sunrider*, [72]"

46. The earlier mark is a CTM which means that genuine use must be in the EC. In its judgment in *Leno Merken BV v Hagelkruis Beheer BV* C-49/11 ("ONEL") the CJEU said:

"28 The Court has already - in the judgments in *Ansul* and *Sunrider v OHIM* and the order in *La Mer Technology* - interpreted the concept of 'genuine use' in the

context of the assessment of whether national trade marks had been put to genuine use, considering it to be an autonomous concept of European Union law which must be given a uniform interpretation.

29 It follows from that line of authority that there is 'genuine use' of a trade mark where the mark is used in accordance with its essential function, which is to guarantee the identity of the origin of the goods or services for which it is registered, in order to create or preserve an outlet for those goods or services; genuine use does not include token use for the sole purpose of preserving the rights conferred by the mark. When assessing whether use of the trade mark is genuine, regard must be had to all the facts and circumstances relevant to establishing whether there is real commercial exploitation of the mark in the course of trade, particularly the usages regarded as warranted in the economic sector concerned as a means of maintaining or creating market share for the goods or services protected by the mark, the nature of those goods or services, the characteristics of the market and the scale and frequency of use of the mark (see *Ansul*, paragraph 43, *Sunrider v OHIM*, paragraph 70, and the order in *La Mer Technology*, paragraph 27).

30 The Court has also stated that the territorial scope of the use is only one of several factors to be taken into account in the determination of whether that use is genuine or not (see *Sunrider v OHIM*, paragraph 76).

31 That interpretation may be applied by analogy to Community trade marks since, in requiring that the trade mark be put to genuine use, Directive 2008/95 and Regulation No 207/2009 pursue the same objective.”

47. Regarding the territorial scope of the use, the CJEU went on to say:

“52 Some of the interested persons to have submitted observations to the Court also maintain that, even if the borders of the Member States within the internal market are disregarded, the condition of genuine use of a Community trade mark requires that the trade mark should be used in a substantial part of the Community, which may correspond to the territory of a Member State. They argue that such a condition follows, by analogy, from Case C-375/97 *General Motors* [1999] ECR I-5421, paragraph 28, Case C-328/06 *Nieto Nuño* [2007] ECR I-10093, paragraph 17, and Case C-301/07 *PAGO International* [2009] ECR I-9429, paragraph 27).

53 That argument cannot be accepted. First, the cases in question concern the interpretation of provisions relating to the extended protection conferred on trade marks that have a reputation or are well known in the Community or in the Member State in which they have been registered. However, the requirement for genuine use, which could result in an opposition being rejected or even in the trade mark being revoked, as provided for in particular in Article 51 of Regulation No 207/2009, pursues a different objective from those provisions.

54 Second, whilst it is reasonable to expect that a Community trade mark should be used in a larger area than a national mark, it is not necessary that the mark should be used in an extensive geographic area for the use to be deemed genuine, since such a qualification will depend on the characteristics of the product or service concerned on the corresponding market (see, by analogy, with regard to the scale of the use, *Ansul*, paragraph 39).

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)."

48. In addition, I will keep in mind the guidance in *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32 in relation to determining what constitutes a fair specification, namely:

"29. I have no doubt that Pumfrey J. was correct to reject the approach advocated in the *Premier Brands* case. His reasoning in paras [22] and [24] of his judgment is correct. Because of s.10(2), fairness to the proprietor does not require a wide specification of goods or services nor the incentive to apply for a general description of goods and services. As Mr Bloch pointed out, to continue to allow a wide specification can impinge unfairly upon the rights of the public. Take, for instance, a registration for "motor vehicles" only used by the proprietor for motor cars. The registration would provide a right against a user of the trade mark for motor bikes under s.10(1). That might be understandable having regard to the similarity of goods. However, the vice of allowing such a wide specification becomes apparent when it is envisaged that the proprietor seeks to enforce his trade mark against use in relation to pedal cycles. His chances of success under s.10(2) would be considerably increased if the specification of goods included both motor cars and motor bicycles. That would be unfair when the only use was in relation to motor cars. In my view the court is required in the words of Jacob J. to "dig deeper". But the crucial question is--how deep?

30. Pumfrey J. was, I believe, correct that the starting point must be for the court to find as a fact what use has been made of the trade mark. The next task is to decide how the goods or services should be described. For example, if the trade mark has only been used in relation to a specific variety of apples, say Cox's Orange Pippins, should the registration be for fruit, apples, eating apples, or Cox's Orange Pippins?

31. Pumfrey J. in *Decon* suggested that the court's task was to arrive at a fair specification of goods having regard to the use made. I agree, but the court still has the difficult task of deciding what is fair. In my view that task should be carried out so as to limit the specification so that it reflects the circumstances of the particular trade and the way that the public would perceive the use. The court, when deciding whether there is confusion under s.10(2), adopts the attitude of the average reasonably informed consumer of the products. If the test of infringement is to be applied by the court having adopted the attitude of such a person, then I believe it appropriate that the court should do the same when deciding what is the fair way to describe the use that a proprietor has made of his mark. Thus, the court should inform itself of the nature of trade and then decide how the notional consumer would describe such use."

49. The comments of Mr Justice Jacob in *Animal Trade Mark* [2004] FSR 19 are also relevant and read:

“20. The reason for bringing the public perception in this way is because it is the public which uses and relies upon trade marks. I do not think there is anything technical about this: the consumer is not expected to think in a pernickety way because the average consumer does not do so. In coming to a fair description the notional average consumer must, I think, be taken to know the purpose of the description. Otherwise they might choose something too narrow or too wide. Thus, for instance, if there has only been use for threeholed razor blades imported from Venezuela (Mr T.A. Blanco White's brilliant and memorable example of a narrow specification) "three-holed razor blades imported from Venezuela" is an accurate description of the goods. But it is not one which an average consumer would pick for trade mark purposes. He would surely say "razor blades" or just "razors". Thus the "fair description" is one which would be given in the context of trade mark protection. So one must assume that the average consumer is told that the mark will get absolute protection ("the umbra") for use of the identical mark for any goods coming within his description and protection depending on confusability for a similar mark or the same mark on similar goods ("the penumbra"). A lot depends on the nature of the goods--are they specialist or of a more general, everyday nature? Has there been use for just one specific item or for a range of goods? Are the goods on the High Street? And so on. The whole exercise consists in the end of forming a value judgment as to the appropriate specification having regard to the use which has been made.”

50. The comments of the Court of First Instance (now the General Court) in *Reckitt Benckiser (España), SL v OHIM*, Case T- 126/03 are also relevant where it held that:

“45. It follows from the provisions cited above that, if a trade mark has been registered for a category of goods or services which is sufficiently broad for it to be possible to identify within it a number of sub-categories capable of being viewed independently, proof that the mark has been put to genuine use in relation to a part of those goods or services affords protection, in opposition proceedings, only for the sub-category or subcategories to which the goods or services for which the trade mark has actually been used belong. However, if a trade mark has been registered for goods or services defined so precisely and narrowly that it is not possible to make any significant sub-divisions within the category concerned, then the proof of genuine use of the mark for the goods or services necessarily covers the entire category for the purposes of the opposition.

46. Although the principle of partial use operates to ensure that trade marks which have not been used for a given category of goods are not rendered unavailable, it must not, however, result in the proprietor of the earlier trade mark being stripped of all protection for goods which, although not strictly identical to those in respect of which he has succeeded in proving genuine use, are not in essence different from them and belong to a single group which cannot be divided other than in an arbitrary manner. The Court observes in that regard that in practice it is impossible for the proprietor of a trade mark to prove that the mark has been used for all conceivable variations of the goods concerned by the registration. Consequently, the concept of 'part of the goods or services' cannot be taken to mean all the commercial variations of similar

goods or services but merely goods or services which are sufficiently distinct to constitute coherent categories or sub-categories.”

51. And the comments of Mr Geoffrey Hobbs Q.C. sitting as the Appointed Person in *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited*,⁵ where he summed up the law as being:

“In the present state of the law, fair protection is to be achieved by identifying and defining not the particular examples of goods or services for which there has been genuine use but the particular categories of goods or services they should realistically be taken to exemplify. For that purpose the terminology of the resulting specification should accord with the perceptions of the average consumer of the goods or services concerned.”

52. First, I have to identify, as a matter of fact, whether the trade mark relied on by the opponent has actually been used and, if so, in respect of which goods. Having reached a conclusion on that point, I must then go on to decide what constitutes a fair specification.

53. In these proceedings the opponent relies upon the following goods in class 33:

Alcoholic beverages; distilled spirits; rum.

54. The opponent’s evidence shows the mark in the form I have reproduced above at paragraph 25. The mark is shown, throughout the evidence, in title case. It is presented in yellow or black, in a standard serif typeface.

55. The evidence shows use of the mark, in respect of rum, on a number of bottles and related packaging as well as store advertising and in press articles.

56. Four invoices show sales of rum, under the trade mark. They are dated between 2009 and 2012 and relate to four different countries, namely, Germany, Denmark, Switzerland and the UK.

57. With regard to the opponent’s market share the applicant states, in its submissions dated 16 June 2014:

“The opponent’s brand is not prominent in the UK, selling only 315 cases in 2012 (1890 bottles). It is not renowned among consumers with sales dropping by over 50% in 2011-2012 as displayed in David R Wilson’s evidence point 5.”

58. No figures were provided in evidence that give any indication of the size of the market in the UK or the EU in respect of these goods. Several articles provided by Mr Wilson list the top ten rum sellers (in some cases in the US and in some cases worldwide). The opponent does not feature in any of these lists. Furthermore, many of the press articles relate to the US market, as do the reviews and blogs, which list the prices in dollars. Consequently, I am unable to conclude the level of the opponent’s market share, of what is no doubt a large market. However, whilst I am unable to conclude that the opponent has a large share of the EU or UK market for rum, the test is one of real commercial exploitation rather than prominence. The sales figures for the UK together with invoices which relate to four EU Member States are, in their totality, sufficient to show genuine use of the mark in the community during the relevant period. Having established that there has been genuine use, I must now go on to consider what constitutes a fair specification.

⁵ *BL O/345/10*

59. A number of press articles provided by the opponent talk about the opponent and its products. There are limited references to any spirit or alcoholic drink other than rum. There are references made to Tequila, Coffee Tequila and Vodka, which are all branded 'Patron' and do not appear to be sold under the mark PYRAT. Every reference to PYRAT in the evidence refers to one of the opponent's rum products.

60. Consequently, I find that the use shown by the opponent is sufficient to show use in respect of 'rum'. This is how the average consumer would refer to these goods and it is neither too broad nor too picky and this is the fair specification on which I will proceed.

The opposition under section 5(2)(b)

61. I will deal first with the opposition under section 5(2)(b) which reads as follows:

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

(a)...

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

Section 5(2)(b) case law

62. In his decision in *La Chemise Lacoste SA v Baker Street Clothing Ltd* - BL O/330/10 (approved by Arnold J in *Och-Ziff Management Europe Ltd v Och Capital LLP* [2011] FSR 11), the Appointed Person, Mr Geoffrey Hobbs QC, expressed the test under this section (by reference to the CJEU cases mentioned) on the basis indicated below:

The CJEU cases

Sabel BV v Puma AG [1998] RPC 199; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117; *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77; *Marca Mode CV v Adidas AG & Adidas Benelux BV* [2000] E.T.M.R. 723; *Matratzen Concord GmbH v Office for Harmonisation in the Internal Market* (Trade Marks and Designs) (OHIM), Case T-6/01; *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH* C-120/04; *Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market* (Trade Marks and Designs) (OHIM) C-334/05 P.

The principles

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

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

- (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;
- (d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;
- (e) nevertheless, the overall impression conveyed to the public by a composite trade mark may, in certain circumstances, be dominated by one or more of its components;
- (f) and beyond the usual case, where the overall impression created by a mark depends heavily on the dominant features of the mark, it is quite 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 causes the public to wrongly believe that the respective goods [or services] come from the same or economically-linked undertakings, there is a likelihood of confusion.”

Average consumer and the nature of the purchasing act

63. In accordance with the above cited case law, I must determine who the average consumer is and also identify the nature of the purchasing process. The average consumer is reasonably well informed and reasonably circumspect and observant but with a level of attention likely to vary according to the category of goods. The attention paid is likely to vary depending on price and, to some extent, the nature of the goods and the frequency of the purchase.

64. The average consumer is a member of the general public⁶. The goods are made available through a variety of trade channels. They may be bought in a supermarket or off licence, where the selection is likely to be made by the consumer from a shelf. They may also be bought from a website or mail-order catalogue, where the consumer will also select the goods visually. In addition, such goods may also be sold through bars, clubs, off licenses and public houses, where the goods may be displayed on a shelf and requested orally, from a member of staff. In considering this point I bear in mind the comments of the

⁶ For goods where the alcohol content exceeds 0.5% ABV the average consumer will be over 18 years of age.

Court of First Instance (now the General Court) in *Simonds Farsons Cisk plc v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)*⁷ when it said:

“In that respect, 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.”

65. Consequently, even though the purchase of these goods in a bar may involve an aural element, the selection will be made, primarily, from the display of goods on shelves and on optics at the back of the bar. Accordingly, the purchase of such goods is primarily visual, though I do not discount an aural element. The level of attention paid to the purchase will vary depending on the nature of the goods. As a general rule the goods are not particularly expensive. However, they will also include expensive vintage rums and rare blends which may give rise to a higher lever of attention being paid. In any event the level of attention paid will be that necessary to achieve inter alia, the correct flavour, strength and variety. Accordingly, the average consumer will pay a reasonable level of attention.

Comparison of goods

66. Both parties’ specifications contain the term, ‘rum’. The goods are identical.

Comparison of marks

67. The trade marks to be compared are as follows:

Opponent’s mark	Applicant’s mark
PYRAT	

⁷ T-3/04

68. In its statement of grounds the opponent submits:

“4. The dominant and distinctive element of the Applicant’s mark is the word “Pirate’s” and given that consumers tend to pay more attention to the beginning of a mark, this element will have a greater impact. Although the Applicant’s mark comprises additional elements, the figurative Skull device is of a purely decorative nature and the descriptive word “GROG” appears in a less prominent position below the Skull device...”

69. In its submissions, dated 16 June 2014, the applicant states:

“The ‘skull and wings’ artwork presented centrally and very clearly as part of the applicants mark is a unique and original piece of art...This is the predominant feature of the mark and instantly attracts the consumers eyes with the applicants brand name ‘Pirate’s Grog’ wrapped in large font around the design, making the mark instantly distinct.”

70. The opponent’s mark consists of the plain word ‘PYRAT’. It is presented in plain type in upper case and is not stylised in any way. The distinctiveness lies in the mark as a whole.

71. The applicant’s mark consists of a central device which makes up a large proportion of the mark as a whole. It includes a skull at its centre, with wings spread on either side. The other pictorial elements are not entirely clear, though would appear to be filigree and scroll embellishments. Above the device is the word ‘PIRATE’S’ and below it is the word ‘GROG’. Both are presented in a gothic typeface.

72. The device element is large within the mark as a whole and is a distinctive element. Despite the words being separated by the skull device, it does not prevent the average consumer from reading them together, particularly as the first word ‘PIRATE’S’ is possessive and therefore less likely to stand alone. In my view, the average consumer would consider both words in the mark to hang together. The words are also a distinctive element of the mark resulting in the totality of the mark consisting of two roughly equally dominant and distinctive elements.

Visual similarities

73. The opponent submits:

“4...Given that the dominant and distinctive element of the Applicant’s mark is the word “PIRATE’S” and the Opponent’s mark consists of the word “PYRAT”, the marks are visually similar.”

74. The applicant submits:

“The ‘Y’ in ‘Pyrat’ features at the beginning of the word and is extremely prominent and noticeable to the consumer, making it clear that this is the opposition’s brand.”

75. The visual similarity between the marks rests in the fact that the first word of each begins with the letter ‘P’ and contains the three letter string ‘R-A-T’. Clear differences in the marks are that the first words are different lengths, the opponent’s consisting of five letters and the applicant’s consisting of seven letters. The second letter of the opponent’s mark is the letter ‘Y’, while the second letter of the applicant’s first word is

'I', which would not go unnoticed. In addition, the applicant's mark includes a large skull device and the word GROG, below the device. The visual differences between the competing marks are strong and outweigh the small similarities to such an extent that these marks are visually dissimilar. If I am found to be wrong in this any visual similarity can only be at a very low level.

Aural similarities

76. The opponent submits:

"5. The contested mark is also phonetically similar to the Opponent's distinctive mark. It should be borne in mind that purely figurative elements are not subject to phonetic assessment and the Skull device in the Applicant's mark will not have any relevance in this context, given that the average consumer will not pronounce this element of the mark. Furthermore, given that consumers tend to swallow their words, it is likely that the descriptive word "GROG" will be ignored from the Applicant's mark and consumers is likely to refer to it as the "PIRATE'S" product. The Applicant's mark will then be pronounced "PI-RATES" and the Opponent's mark will be pronounced "PY-RAT". The rhythm and intonation when pronouncing the marks are practically identical with the result that the marks are phonetically similar."

77. There is no reason to conclude that the second word of the applicant's mark will not be articulated. Even if it were descriptive (and I have not made such a finding), it would still be present within the mark for the purposes of an aural comparison.

78. The opponent's mark, as stated in its own submissions, will be pronounced, 'PY-RAT' (PY as in PIE and RAT to rhyme with BAT).

79. The applicant's mark with be pronounced, 'PI-RATES GROG' (PI as in PIE, RATES will more likely be pronounced RUTS and GROG to rhyme with FROG).

80. The first syllable of both marks is PIE, which is the obvious point of aural similarity. The second syllable is similar, being RAT and RUTS. The applicant's mark contains the additional syllable, GROG. Taking all of these factors into account the marks are aurally similar to a medium degree.

Conceptual similarities

81. In respect of the conceptual comparison the opponent submits:

"6. Conceptually the marks are identical and would be confused. "Grog" is alcoholic liquor, especially rum, which is diluted with water. Accordingly "Pirate's Grog" refers to a Pirate's rum-based drink. "Pyrat" is derived from the English word "Pirate". Given that the term "Grog" is purely descriptive in relation to the goods covered by the Applicant's mark, the marks in question are conceptually identical."

82. Both parties have filed a number of exhibits and submissions seeking to show the history of the word 'PIRATE' over many hundreds of years. Some of the documents referred to are somewhat obscure (one of the documents is a report of crimes committed in St Helena in the seventeenth century). The opponent's evidence seeks to show that 'Pyrat' is a known spelling of 'Pirate'. I have not summarised these documents because for

a conceptual message to be relevant it must be capable of immediate grasp by the average consumer⁸ and the assessment must be made from their point of view. The evidence is not of the type from which it can safely be inferred that the average consumer is aware of this.

83. Furthermore, the average consumer cannot be assumed to know the meaning of everything. In the *Chorkee* case (BL O-048-08), Anna Carboni, sitting as the Appointed Person, stated in relation to the word CHEROKEE:

“36. ...By accepting this as fact, without evidence, the Hearing Officer was effectively taking judicial notice of the position. Judicial notice may be taken of facts that are too notorious to be the subject of serious dispute. But care has to be taken not to assume that one’s own personal experience, knowledge and assumptions are more widespread than they are.

37. I have no problem with the idea that judicial notice should be taken of the fact that the Cherokee Nation is a native American tribe. This is a matter that can easily be established from an encyclopedia or internet reference sites to which it is proper to refer. But I do not think that it is right to take judicial notice of the fact that the average consumer of clothing in the United Kingdom would be aware of this. I am far from satisfied that this is the case. No doubt, some people are aware that CHEROKEE is the name of a native American tribe (the Hearing Officer and myself included), but that is not sufficient to impute such knowledge to the average consumer of clothing (or casual clothing in the case of UK TM no. 1270418). The Cherokee Nation is not a common subject of news items; it is not, as far as I am aware, a common topic of study in schools in the United Kingdom; and I would need evidence to convince me, contrary to my own experience, that films and television shows about native Americans (which would have to mention the Cherokee by name to be relevant) have been the staple diet of either children or adults during the last couple of decades.”

85. ‘Pirate’ is clearly a known word with which the average consumer will be familiar.

86. The average consumer may also be aware that ‘GROG’ is a reference to drink, some being aware of its precise definition and some not. To these average consumers the applicant’s mark is likely to be seen as referring to a pirate’s drink. At the very least if the word ‘GROG’ is not understood, the mark clearly refers to a ‘Grog’ of a pirate, even if the average consumer does not know what that means.

87. The average consumer will not analyse the opponent’s mark to the extent that the word PIRATE leaps out at them. The opponent’s mark, ‘PYRAT’ is unlikely to be given any conceptual meaning by the average consumer as it is likely to be seen as an invented word.

88. The marks are conceptually dissimilar.

Distinctive character of the earlier mark

89. In determining the distinctive character of a trade mark it is necessary to make an overall assessment of the greater or lesser capacity of the trade mark to identify its goods

⁸ This is highlighted in numerous judgments of the GC and the CJEU including *Ruiz Picasso v OHIM* [2006] e.c.r.-I-643; [2006] E.T.M.R. 29.

as coming from a particular undertaking and thus to distinguish those goods from those of other undertakings - *Windsurfing Chiemsee v Huber and Attenberger Joined Cases C-108/97 and C-109/97* [1999] ETMR 585.

90. As I have concluded above, the opponent's mark will be seen as an invented word by the average consumer. Consequently, it is neither descriptive nor elusive of the goods at issue and enjoys a high level of inherent distinctive character.

91. This is a case where evidence of use was required for proof of use purposes; however, given my findings above with regard to this evidence, although it is a used mark, I am unable to conclude that the opponent's earlier mark has enhanced its distinctive character due to the use made of it.

Likelihood of confusion

92. In assessing the likelihood of confusion, I must adopt the global approach advocated by case law and take into account the fact that marks are rarely recalled perfectly, the consumer relying instead on the imperfect picture of them he has kept in his mind⁹. I must also keep in mind the average consumer for the goods, the nature of the purchasing process and have regard to the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods and vice versa.

93. In its submissions the applicant refers to the shapes of the parties' bottles in which the goods are sold and concludes that the differences between them means that there is less likelihood of confusion. It also submits that since the products are expensive, this will result in the average consumer taking more care over the purchase.

94. This argument does not assist the opponent for the reasons outlined in *Devinlec Développement Innovation Leclerc SA v Office for Harmonization in the Internal Market (Trade Marks and Designs)(OHIM)* Case T- 147/03, in which the Court of First Instance (now the General Court) said:

“104. Consideration of the objective circumstances in which the goods covered by the marks are marketed is fully justified. The examination of the likelihood of confusion which the OHIM authorities are called on to carry out is a prospective examination. Since the particular circumstances in which the goods covered by the marks are marketed may vary in time and depending on the wishes of the proprietors of the trade marks, the prospective analysis of the likelihood of confusion between two marks, which pursues an aim in the general interest, that is, the aim that the relevant public may not be exposed to the risk of being misled as to the commercial origin of the goods in question, cannot be dependent on the commercial intentions, whether carried out or not, and naturally subjective, of the trade mark proprietors.”

95. I have found the parties' marks to be visually dissimilar (or alternatively very low in visual similarity), aurally similar to a medium degree and conceptually dissimilar. I have found the earlier mark to have a high degree of inherent distinctive character for the opponent's goods in class 33, namely 'rum'. I have identified the average consumer, namely a member of the general public and have concluded that the degree of attention paid is likely to be reasonable. I have found the parties' goods to be identical.

⁹ *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V* paragraph 27

96. Taking all of these factors into account, the differences between the parties' respective marks are such that, even where the goods are identical, are fairly inexpensive purchases, demanding no more than a reasonable level of attention and the earlier mark has a high level of inherent distinctive character; the marks in their totality are sufficiently different that there is no likelihood of direct confusion (where one mark is mistaken for the other).

97. With regard to indirect confusion (where the average consumer believes the respective goods and services originate from the same or a linked undertaking), I am mindful of the comments of Iain Purvis Q.C., sitting as the Appointed Person in LA Sugar¹⁰.

"18. The present case falls into none of these familiar categories. Even assuming that the average consumer recognized the common element SUGAR appearing in the two marks, this is not an element which is so striking or distinctive that one would assume that only the owner of 26 RED SUGAR would be likely to use it in a trade mark for clothing. It is an ordinary English word which in addition to its literal meaning is often used metaphorically to indicate something sweet or desirable and as a term of endearment. The opponents have failed to demonstrate any enhanced distinctiveness acquired through use. Furthermore, the differences between the two marks are not typical of a "brand extension". The absence of the words 26 and RED which give the earlier mark so much of its impact, combined with the presence of the letters "L.A" (together with the device elements), give rise to a mark which creates a completely different impression. The quirky and dissonant character of the earlier mark is lost, to be replaced with a much more conventional mark conveying the impression simply of something sweet from Los Angeles".

98. In this case the marks are not such that either can be considered a natural extension of the other nor are they typical of 'brand extension' marks. The opponent's mark 'PYRAT' is not included in the applicant's mark, it is a different word which will not be seen by the average consumer as having the same meaning as the common word 'PIRATE' and accordingly, there will be no indirect confusion.

99. Even if I am wrong in this and the average consumer sees 'PYRAT' as the equivalent of 'PIRATE', the visual differences between the marks in their totalities are such that the average consumer would not make a connection between the marks which would result in indirect confusion.

CONCLUSION

100. The opposition fails under section 5(2)(b) of the act.

Opposition under sections 5(3) and 5(4)

101. In respect of its opposition under sections 5(3) and 5(4) of the Act the opponent relies on the same mark/sign and the same goods as for its section 5(2)(b) opposition. In light of my findings above, use of the opponent's mark is not sufficient to establish a reputation of the kind envisaged by the CJEU in *General Motors Corp v Yplon SA*¹¹ and consequently, the opponent could not succeed under section 5(3). In respect of its opposition under

¹⁰ BL O/375/10

¹¹ [1999] ETMR 950

section 5(4)(a) the opponent is in no better position than it is under 5(2)(b) and I need not consider it further.

COSTS

102. The opposition having failed, the applicant is entitled to a contribution towards its costs. I have taken into account that no hearing has taken place and the fact that though the applicant filed evidence, this did not assist me in making a decision in this case. I make the award on the following basis:

Preparing a statement and considering the other side's statement	£300
Preparing and filing evidence and commenting on the other sides's evidence	£500
Total:	£800

103. I order Patron Spirits International AG to pay Pirate's Grog Rum Limited the sum of £800. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 7th day of August 2014

**Ms Al Skilton
For the Registrar,
The Comptroller-General**