

O-120-17

In the matter of THE TRADE MARKS ACT 1994

And in the matter of Trade mark Applications 3062736 & 3062738 by
WILLIAM GRANT & SONS LIMITED

And in the matter of Oppositions thereto 403402 & 403403 by SARA DUNN

Appeal from the Decision of the Hearing Officer, Mr Oliver Morris on behalf
of the Registrar, the Comptroller General, dated 24 November 2015

DECISION OF THE APPOINTED PERSON

Introduction

1. This is an appeal from the decision of the Hearing Officer, Mr Oliver Morris, dismissing Oppositions brought by Ms Sara Dunn against the applications by the Applicant, William Grant & Sons Limited, to register the following marks in class 33:





2. The former mark (not surprisingly) is applied to be registered for gin, the latter for vodka.
3. The Opposition is based on Ms Dunn's own previously registered registration of the words EMPIRE STATE SPIRITS for a range of drinks including gin and vodka.
4. The decision was made by Mr Morris on the papers without oral argument. I have had the benefit of hearing oral argument from Ms Dunn in person, who put her case with admirable clarity and fairness, and from Ms Charlotte Scott of counsel on behalf of the Applicant.
5. The Opposition was brought by Ms Dunn under both s3(6) and s5(2)(b) of the Trade Marks Act 1994. The s3(6) Opposition (that the application was made in bad faith) was founded on the fact that in the course of March-October 2013 Ms Dunn was involved in discussions with the Applicant regarding the possibility of the parties entering into some kind of joint venture to launch a range of spirits under the 'EMPIRE STATE SPIRITS' brand which had been devised by Ms Dunn. These discussions took place under a non-disclosure agreement. By the end of 2013 the Applicant appeared to have lost interest in Ms Dunn's proposals. However, in July 2014, it applied to register the trade marks which are the subject of this Opposition.

6. It is perhaps not surprising that Ms Dunn concluded that the 'Empire' concept underlying these trade marks was derived from the 'Empire State Spirits' concept which she had pitched to the Applicant only a few months earlier. However, it turned out that the 'Empire' concept had in fact been independently derived by a subsidiary of the Applicant called Quality Spirits International (QSI) back in 2009. Indeed, spirits bearing the Empire labels had been bottled and shipped from the UK by QSI between 2010 and 2013. The application was therefore made entirely independently (it was, it seems, company policy to file all trade mark applications for products produced by subsidiary companies in the name of the Applicant). It was not even the case that the Applicant had deliberately hidden the existence of the Empire brand from Ms Dunn. The person with whom she had been dealing at the Applicant (Ms Clarke-Gennon) was entirely unaware of the Empire brand being produced by QSI.
7. Not surprisingly, in the light of the facts set out above, Mr Morris rejected the Opposition under s3(6). There was no basis for any finding of bad faith on the part of the Applicant. The situation was unfortunate, but not as a result of fault or misconduct. Ms Dunn quite rightly did not seek to challenge this on Appeal.
8. Ms Dunn's appeal instead took issue with Mr Morris's rejection of her Opposition under s5(2). Under this section, a mark shall not be registered if, because of its similarity to an earlier trade mark registered for identical (or similar) goods, there exists *'a likelihood of confusion on the part of the public which includes the likelihood of association with the earlier mark'*.
9. In essence, Ms Dunn's case is that that the dominant and distinctive feature of the marks which are the subject of the Application is the word EMPIRE. This, she says, is sufficiently similar to her mark EMPIRE STATE SPIRITS that the public would be likely to be confused

between them, particularly since they would be being used on identical goods (gin or vodka).

The Decision of the Hearing Officer

10. Mr Morris set out the relevant principles of law by reference to the following distillation which is commonly used by Hearing Officers in Opposition cases:

'(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.'

11. Before reaching his conclusion, Mr Morris made the following findings as to the marks in the present case:
- (a) The ordinary process of purchase of spirits takes place either in a shop or in a bar. In the former case, the transaction is dominated by the visual impact of the trade mark. In the latter, the aural impact plays an important role but one would also expect the brand to be visible. One would expect consumers to use a medium level of care when purchasing a bottle of spirits or a drink in a bar.
 - (b) The visual similarity of the marks here was low-medium, and the aural similarity was medium. The Applicant's marks are dominated by the word EMPIRE, and Ms Dunn's mark is dominated by the phrase EMPIRE STATE.
 - (c) There is a conceptual difference between the marks. The word EMPIRE suggests a group of countries dominated by a single country or person (the British or Roman Empires are likely to

come to mind). The phrase EMPIRE STATE suggests the famous Empire State building in New York.

(d) The earlier mark EMPIRE STATE SPIRITS has a medium level of inherently distinctive character, but that distinctiveness has not been increased by any use of the mark.

12. Turning to the question of likelihood of confusion, he found that the conceptual differences between the marks were such as to outweigh the similarities between them. In particular he noted that there was no risk of confusion by imperfect recollection in the present case because consumers who had come across the EMPIRE STATE SPIRITS brand would carry with them the concept of the Empire State Building, not the concept of the Empire. Thus, they would easily distinguish an 'Empire' brand and not be likely to be confused by it. Similarly, there was no risk of indirect confusion. Because of the lack of any real conceptual link between them, 'EMPIRE' was not a likely brand extension or sub-brand of 'EMPIRE STATE' or 'EMPIRE STATE SPIRITS'. If the average consumer noticed the commonality of the word EMPIRE in the two marks, he or she would put it down to coincidence, not economic connection.

This appeal

13. Ms Dunn challenged the Hearing Officer's assessment that there was no likelihood of confusion on a number of grounds, which I shall attempt to summarise below:

- (i) Concept of the earlier mark

14. Ms Dunn did not accept that her mark EMPIRE STATE SPIRITS would be conceptually associated with the Empire State Building. In this regard, she noted the fame of the song 'Empire State of Mind' (written

by the rapper Jay-Z, sung by Alicia Keys and released in 2009), and suggested that the mark would be more likely to be associated with the song than the building.

15. I am not convinced by this argument. Whilst I recognize that the song is indeed well-known, those who are aware of its title will probably recognise that it is a play on words, alluding to the Empire State (the nickname of the State of New York) and the Empire State Building itself. Thus, the existence of the song does not really detract from the point the Hearing Officer was making: Empire State is a specific and separate concept from 'Empire'.

(ii) Aural use

16. Ms Dunn suggested that the Hearing Officer did not take sufficient notice of the way in which the trade marks were likely to be used in practice. In particular, she suggested that there was an amplified risk of confusion in a case involving alcoholic drinks. Such drinks are commonly ordered at bars where it may not be particularly easy to hear what is being said, and where it may not be easy to see what is on display.
17. I am not convinced that this is a justified criticism of the Hearing Officer's reasoning. He was plainly aware that bars are one of the places where transactions involving the goods in question will take place. This is made clear in ¶9 of his Decision. He rightly considered the usage of the marks globally, taking into account all the places where the goods could be sold and the overall way in which the goods were likely to be presented. I am not persuaded that he did not take sufficient consideration of the possibility of people mishearing the marks in bars and being unable to see the bottles on display. Given the relative ease with which one can aurally distinguish the words

'EMPIRE' from "EMPIRE STATE SPIRITS", I do not consider that the 'noisy bar' point is particularly compelling.

(iii) Shortening of marks

18. Ms Dunn contended that her mark EMPIRE STATE SPIRITS would commonly be shortened to EMPIRE and therefore confusion would be bound to occur. In support of this she pointed to examples of trade marks in the drinks field which were commonly shortened (eg STELLA ARTOIS to STELLA).

19. I do not accept that this is a valid argument:

(i) Whilst I am prepared to accept that some famous marks are commonly shortened by the public, there is no general rule to this effect. Thus, STELLA ARTOIS is shortened to STELLA but RED STRIPE is not (to my knowledge) shortened to 'RED' (or indeed 'STRIPE').

(ii) Nor is there a general rule as to how marks are shortened (eg which of the words, if there are several, are dropped).

(iii) Brand-shortening tends to happen only when marks become very famous, and the public can therefore be sure that they will be understood even if they do not use the full name.

20. When performing a comparison between marks, in my view it is therefore not legitimate to ask whether there might be confusion if one of the marks were changed (whether by shortening or otherwise) into something different. The only circumstance in which the argument might be valid would be where the mark had acquired substantial distinctiveness through use and the proprietor could therefore demonstrate as a matter of fact that the public associated the mark with a particular shorthand version of it. Obviously in the

present case, where there is no evidence of use at all, this does not apply.

(iv) Obscured presentation

21. Following a similar theme to the last point, Ms Dunn argued that the mark EMPIRE STATE SPIRITS would not be likely to be displayed with all its component words visible. Or at the very least, some words might be more visible than others. This might increase the likelihood of confusion.
22. This seems to me an irrelevant point. Any consideration of likelihood of confusion must start from the proposition that the average consumer is aware of the earlier mark as a whole, not some single part of it. One cannot therefore start from the proposition that the average consumer has only seen the single word 'EMPIRE' on display. The possibility of defective recollection must be taken into account, but that is a different matter, and the Hearing Officer plainly did take it into account.

(v) Other cases with different facts

23. In the course of her argument, Ms Dunn raised a number of trade mark decisions which she said indicated that she ought to succeed. I did not find any of them very relevant. For example she raised the decision in *Roederer v J Garcia Carrion S.A. & Others 2015 EWHC 2760*. There, the sign CRISTALINO when applied to Cava sparkling wine was held to be likely to cause confusion with CRISTAL champagne. The differences from the present case are of course marked. CRISTAL had a very high reputation, which added to the risk of confusion. The sign differed from the mark only by the addition of the suffix 'ino' which would be understood as representing a lesser or minor version of the

original brand. The get-up of the sign was also extremely similar to the get-up of CRISTAL champagne.

Conclusion

24. It is of course well-established that an Appointed Person will not interfere with a decision of an experienced Hearing Officer on a multi-factorial question such as 'likelihood of confusion' unless the Hearing Officer has erred in principle or the decision is otherwise clearly wrong.
25. In the present case, I am unable to detect any error of principle, and I do not believe that it can be said that the decision was otherwise wrong. It seems to me that the decision was one which the Hearing Officer was perfectly entitled to reach on the evidence before him, and indeed I believe I would have reached the same decision.
26. I therefore dismiss this Appeal. I shall award £800 in costs.

IAIN PURVIS QC
THE APPOINTED PERSON
14 March 2017