

O/042/18

TRADE MARKS ACT 1994

TRADE MARK APPLICATION No. 3193029

BY GLEANN MOR SPIRITS CO LIMITED

AND

OPPOSITION No. 408490

BY MUCKLE BRIG LIMITED

Background and pleadings

1. This is an opposition by Muckle Brig Limited (“the opponent”) to an application filed on 25th October 2016 (“the relevant date”) by Gleann Mor Spirits Co Limited (“the applicant”) to register the trade mark shown below (“the contested mark”).



2. The application was accepted and published in the Trade Marks Journal on 11th November 2016. It covers the following goods/services.

Class 33

Alcoholic beverages consisting of or containing Gin; spirits and liqueurs containing Gin; prepared alcoholic cocktails containing Gin; Gin based liqueurs; flavoured Gin; potable distilled spirits, alcoholic extracts, but in so far as whisky and whisky based liqueurs are concerned only Scotch whisky and Scotch whisky based liqueurs produced in Scotland.

3. The opposition is based partly on UK trade mark 3160675 which the opponent applied for on 21st April 2016. It is therefore an earlier trade mark. The earlier mark consists of the words **Port of Leith Distillery**. It is registered in relation to:

Class 33

Absinthe; alcoholic cocktails; alcoholic cocktails containing milk; alcoholic

punches; beverages (distilled-); blackcurrant liqueur; blended whisky; bourbon whisky; brandy; cocktails; cooking brandy; cream liqueurs; distilled beverages; distilled spirits; fermented spirit; gin; grappa; liquor-based aperitifs; malt whisky; rum; rum infused with vitamins; rum punch; rum-based beverages; scotch whisky based liqueurs; sherry; spirits and liqueurs; spirits [beverages]; vermouth; vodka; whisky; in respect of all the aforesaid goods in so far as whisky and whisky based beverages are concerned, only Scotch whisky and Scotch whisky based beverages produced in Scotland.

4. I note that the opponent originally applied to register a series of two marks, the other mark consisting of the words Leith Distillery. However, the examiner objected that (a) the marks did not form a series under s.41(2) of the Trade Marks Act 1994 (“the Act”) and, (b) the words Leith Distillery was a sign that may serve, in trade, to designate the geographical origin of the goods and that registration of this sign would therefore contrary to s.3(1)(b) and (c) of the Act. In the light of these objections, the opponent opted to delete the Leith Distillery mark and proceed solely with the mark Port of Leith Distillery, which was registered on 22nd July 2016.

5. The opponent claims that the contested mark is similar to the earlier mark, covers identical goods, and there is a likelihood of confusion on the part of the public. Further, the opponent claims that it has used the mark shown below throughout the UK since 8th March 2016 in relation to ‘Scotch Whisky and Scotch Whisky based beverages produced in Scotland’.



According to the opponent, it has acquired goodwill under this mark such that use of the contested mark would constitute a misrepresentation to the public and would damage its goodwill. It would therefore constitute passing off. The opponent asks for the contested mark to be refused registration on the grounds that this would be contrary to s.5(2)(b) and s.5(4)(a) of the Act.

6. The applicant filed a counterstatement denying the grounds of opposition. The gist of the applicant's position can be gleaned from the following extract from the counterstatement.

"The Applicant uses the terms "Leith" and "Gin" because it is a distributor of Gin, based in the Leith area of Edinburgh, an area highly associated with the production of gin. Furthermore, Leith is the gateway harbour port of the city of Edinburgh, the capital city of Scotland. As such, historically, Leith has been associated with distilling and brewing activities and the import from, and export of alcoholic products to, the European continent since the Middle Ages which is acknowledged by the Opponent as they refer to the historical significance of Leith as a Port in their literature and in their press dealings. It is axiomatic that parties will seek to associate their trade with the name "Leith" and a business that is actually based in Leith may legitimately do so. The Objector does not, to the best of the Applicant's knowledge and belief, have a physical presence in Leith. The public is well versed in the significance of Leith as a multi spirit trading destination and as such no association or confusion is likely to be caused between the two entities."

The evidence

7. Both sides filed evidence. The opponent's evidence consists of witness statements from Mr Paddy Fletcher and Mr Ian Sterling, who are directors of the opponent. The latter statement was filed in reply to the applicant's evidence. The applicant's evidence consists of an affidavit by Mr Derek Mair, who is director of the applicant, and a witness statement by Mr Greg Urquhart of GDU Photography. GDU Photography provided the applicant with professional photography services

connected with the promotion of the applicant's products, including some bearing the contested mark.

8. Mr Fletcher says that the opponent was founded in November 2014 to build and develop distilleries around Edinburgh for the production and bottling of distilled spirits, in particular whisky and gin. In the Autumn of 2015 the opponent entered into discussions to lease a site in Leith docks to build a distillery. The distillery was to be called The Port of Leith Distillery. Mr Fletcher says that this name was used from September 2015 in discussions with the site owner, Edinburgh Council and with investors. The opponent registered the domain name www.leithdistillery.com on 3rd September 2015. It is not clear when the website went live. Pages from the website are in evidence.¹ They highlight the opponent's plan to "construct the first purpose-built single malt whisky distillery in Edinburgh in over a century." The page continues:

"Edinburgh has an incredibly rich whisky heritage, and the Port of Leith was the epicentre of the industry."

and

"Leith already has an amazingly diverse community of restaurants, bars, artists, brewers and distillers. We can't wait to be part of it."

9. The trade mark has also been used on the opponent's social media sites on Facebook, Twitter and Instagram, which Mr Fletcher says have been active since March 2016.

10. Mr Fletcher denies that Leith has a history as a hub for distilling. He says that whilst Leith was a hub for exporting whisky, and whisky was stored there in bonded warehouses, it was never known as an area of manufacture. According to Mr Fletcher, only two distilleries were located in Leith, one of which closed in 1898 after having been opened only two years before. Mr Fletcher says that there is only one operational distillery in Edinburgh – the North British Distillery, which is not widely known or open to the public. Therefore, Leith's association with spirit trading, to the extent that it is still known, is historical. According to Mr Fletcher, the historical

¹ See exhibit PF2

association between whisky and Leith may be known to some of the citizens of Edinburgh or even Scotland, but not to the wider UK public, who may never have heard of Leith let alone its history as a spirit trading port.

11. Mr Mair's evidence for the applicant is that it has been trading in gin since April 2015. He provides sales figures indicating that the applicant sold 6000 bottles of gin in 2015 and the same number in 2016. He does not expressly say that these sales were under the contested mark. Mr Mair provides examples of publicity and social media postings around the launch of gin under the contested mark.² These indicate that the product was launched in or around July 2017 (i.e. after the relevant date). There is no need to record any more of Mr Mair's evidence, or that of Mr Urquhart.

12. In his statement in reply, Mr Stirling for the opponent points out that the applicant's evidence shows no more than that it was preparing to trade under the contested mark at the relevant date. He points out that "devising a strategy for a product not yet on the market does not constitute a public-facing activity, such that any consumer recognition of the mark of the opposed application would begin to be built up." He continues that: "The comparison between the details of my company's UK TM registration number 3160675 and the details of the opposed application, and the resulting likelihood of confusion between the respective records, is the only relevant question in the present matter." According to Mr Stirling, there have already been instances of such confusion. He says that a (unnamed) representative of Ian Macleod Distillers Limited, the makers of Edinburgh Gin, asked whether the opponent was related to the producer of Leith Gin. A (unnamed) member of the public also asked if Leith Gin was one of his company's products.

Representation

13. The applicant is represented by Mr John Cumming of Ennova Law, Solicitors. The opponent is not legally represented. Neither side asked to be heard. However, I have received written submissions from both parties. It is evident from the opponent's submissions that it has a reasonable understanding of trade mark law.

² See PF2 to PF9

Section 5(2)(b)

14. Section 5(2)(b) of the Act is as follows:

“5(2) 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”.

Global comparison

15. The following principles are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

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 be dominated by one or more of its components;

(f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

(i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;

(j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

(k) if the association between the marks creates a risk that the public might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

Comparison of goods and services

16. The earlier mark is registered in relation to, inter alia, *alcoholic cocktails, beverages (distilled-) and spirits and liqueurs*. These descriptions are wide enough to cover all the goods listed in the opposed application. Consequently, the goods must be regarded as identical.

Average consumer and the selection process

17. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer*. There is nothing about the goods at issue which makes me believe that consumers will pay an unusually high or low degree of attention during the selection process. I therefore find that average consumers of these goods are likely to pay a normal or average degree of attention.

18. I find that the goods at issue are likely to be selected primarily by visual means, through published advertisements, online selection from websites, drinks lists, or through physical inspections of the goods. Even where the goods are ordered by word of mouth, such as in bars or restaurants, the trade mark is likely to be seen: see, for example, the decision of the General Court in case T-187/17, *Anton Riemerschmid Weinbrennerei und Likörfabrik GmbH & Co. KG v EUIPO*. In that case, which concerned an application to register LITU for wines, which had been opposed by the owner of the trade mark PITU, the court observed that alcoholic beverages are normally sold in self-service shops where the marks can be seen. Even in the case of noisy bars and restaurants, consumers usually choose wines from a wine list, where again the mark can be seen. Nevertheless, I will take into account that word of mouth recommendations and verbal enquiries will also play some part in the selection process.

Distinctive character of earlier mark

19. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

20. The *Windsurfing* case concerned the registrability of geographical names.

According to the CJEU in that case:

“Article 3(1)(c) of the Directive [equivalent to s.3(1)(c) of the Act] pursues an aim which is in the public interest, namely that descriptive signs or indications relating to the categories of goods or services in respect of which registration is applied for may be freely used by all, including as collective marks or as part of complex or graphic marks. Article 3(1)(c) therefore prevents such signs

and indications from being reserved to one undertaking alone because they have been registered as trade marks.”

26. The court continued:

“As regards, more particularly, signs or indications which may serve to designate the geographical origin of the categories of goods in relation to which registration of the mark is applied for, especially geographical names, it is in the public interest that they remain available, not least because they may be an indication of the quality and other characteristics of the categories of goods concerned, and may also, in various ways, influence consumer tastes by, for instance, associating the goods with a place that may give rise to a favourable response.”

27. The court proceeded to hold that:

“...the answer to the questions on Article 3(1)(c) of the Directive must be that Article 3(1)(c) is to be interpreted as meaning that:

- it does not prohibit the registration of geographical names as trade marks solely where the names designate places which are, in the mind of the relevant class of persons, currently associated with the category of goods in question; it also applies to geographical names which are liable to be used in future by the undertakings concerned as an indication of the geographical origin of that category of goods;
- where there is currently no association in the mind of the relevant class of persons between the geographical name and the category of goods in question, the competent authority must assess whether it is reasonable to assume that such a name is, in the mind of the relevant class of persons, capable of designating the geographical origin of that category of goods;
- in making that assessment, particular consideration should be given to the degree of familiarity amongst the relevant class of persons with the

geographical name in question, with the characteristics of the place designated by that name, and with the category of goods concerned;

- it is not necessary for the goods to be manufactured in the geographical location in order for them to be associated with it.”

28. I recognise that this case concerns the likelihood of confusion between the parties’ trade marks rather than the registrability of the name LEITH. However, the appropriate degree of protection to which that name LEITH is entitled by virtue of the registration of PORT OF LEITH DISTILLERY as a trade mark appears to be central to the matter before me, which is essentially whether the applicant can register (and use) LEITH GIN as part of complex graphic mark.

29. There is no dispute that Leith is an area in Scotland and, therefore, a geographical location. The opponent submits that Leith may be unknown to UK consumers outside of Scotland. I note that Leith is classified as both a district of Edinburgh and as the port for that famous City. Further, according to the pages from the opponent’s website in evidence, Leith is the place where the former Royal yacht Britannia is permanently berthed as a tourist attraction. This is likely to have drawn a substantial number of visitors to Leith from outside Edinburgh and Scotland. I do not therefore accept that Leith is an obscure geographical location unlikely to be known to many UK consumers of alcoholic drinks based outside Scotland. On the contrary, I find that most UK consumers of alcoholic beverages would know that Leith is a place name in Scotland. The opponent further submits that any association Leith has with whisky is historical and limited to its earlier role as a spirit trading port. This submission does not sit entirely easily with the claim on the opponent’s website that “the Port of Leith was the epicentre of the [whisky] industry.” This suggests that the opponent thinks that it will be easier to market its goods by associating them with a place that may give rise to a favourable response from the public. That depends on the UK public having some awareness of the association between Leith and the whisky trade.

30. In any event, Scotland has a long and famous history in whisky production. It is therefore well known as a country with many distilleries. The names of Scottish locations are therefore particularly likely to be recognised by the public as potential

geographical sources of distilled beverages. Mr Fletcher says that there is now only one operational distillery in Edinburgh. In this connection, I note that Mr Stirling mentions a meeting with a representative from a different distiller, the maker of Edinburgh Gin. It is therefore evident that distilleries do not have to be located in remote places close to the source of the ingredients used to make the products. Indeed both the parties to these proceedings intend to distil spirits in Leith. It is common knowledge that in recent years there has been a resurgence in craft beers and spirits, particularly gin. Thus, it is no longer the case (if it ever was) that spirits are only distilled in large almost industrial scale distilleries. Consequently, an average consumer of spirit drinks would not assume that there would be only one distiller of, or trader in, spirits based in Leith.

31. In these circumstances, I find that UK consumers are liable to take LEITH as designating the geographical origin of spirits and similar goods marketed under that name. It is therefore a word lacking in inherent distinctive character as a mark which distinguishes the trade origin of such goods. Admittedly, Port of Leith Distillery, as a whole, looks like the name of a specific distillery in Leith and therefore a designation of the trade origin of the beverages produced at that distillery. I therefore find that the earlier mark as a whole has some, albeit a below average degree of, inherent distinctive character.


32. The opponent does not appear to have marketed goods under the earlier trade mark. Consequently, at the relevant date, the distinctive character of the earlier mark had not been enhanced through use.

Comparison of marks

33. 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. As the CJEU stated at paragraph 34 of its judgment in *Bimbo SA v OHIM*:

“.....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.”

The respective trade marks are shown below:

<p style="text-align: center;">Port of Leith Distillery</p>	
<p style="text-align: center;">Earlier trade mark</p>	<p style="text-align: center;">Contested trade mark</p>

34. In the earlier mark, the words ‘Port of Leith’ qualify the word ‘Distillery’. Therefore, the distinctive character of the mark depends on the four words together. If I am wrong about that because ‘Distillery’ is so non-distinctive for spirits, then the dominant and distinctive element of the mark is ‘Port of Leith’. Even on this footing, the word ‘Distillery’ makes a more-than-negligible contribution to the overall impression created by the mark and must therefore be given some weight in the comparison of the marks.

35. I find that the ship’s wheel and star device and the words LEITH GIN are the dominant elements of the contested mark. For the reasons I have already given in relation to the earlier mark, I regard the latter as lacking in distinctive trade mark

character. Therefore, the ship's wheel and star device is the most distinctive element of the contested mark.

36. The visual and aural similarities between the marks are limited to the common word LEITH, which is the first word (and syllable) in the contested mark and the third word (and syllable) in the earlier mark. The average consumer is likely to notice that both marks include the word LEITH. However, from a visual perspective, this word makes up no more than 25% of either mark. And it is the device element of the contested mark which grabs one's attention. Therefore, compared as wholes, the marks are visually similar to only a low degree.

37. The device element of the contested mark is unlikely to be verbalised by consumers. The mark will therefore probably be referred to as LEITH GIN; two words and two syllables. The earlier mark consists of four words with seven syllables. Therefore, overall, the marks are aurally similar to only a moderate degree (at most).

38. The geographical significance of LEITH creates a degree of conceptual similarity. The presence of a ship's wheel in the contested mark and the words 'Port of....' in the earlier mark means that both marks also convey nautical associations. The association is general rather than specific. However, I find that the marks are conceptually similar to a fairly high degree.

Likelihood of confusion

39. The applicant's representative submits that:

"...the statement from the Opponent that "the resulting likelihood of confusion is the only relevant question in the present matter" is agreed upon. The fact that our client's company product Leith Gin is already in the market place and has demonstrable consumer and industry recognition, has attained recognised media coverage, and has market share is the primary reason why the applicant intends to pursue protection of it. Any confusion created will only be created by the Opponent introducing its proposed product into a market where there is already an established brand. Indeed, the Opponent openly

admits in his paragraph 9 that the proposed introduction of his product Port of Leith Gin is already causing confusion amongst the public.... .”

40. The opponent points out that this is wrong in law. The opponent has the earlier trade mark and is therefore entitled to object to any use of the applicant’s mark which causes confusion, irrespective of whether or not the opponent has yet used its own mark. As Kitchen L.J. stated In *Roger Maier and Another v ASOS*:³

“78.the court must.... consider a notional and fair use of [the earlier] mark in relation to all of the goods or services in respect of which it is registered. Of course it may have become more distinctive as a result of the use which has been made of it. If so, that is a matter to be taken into account for, as the Court of Justice reiterated in *Canon* at paragraph [18], the more distinctive the earlier mark, the greater the risk of confusion. But it may not have been used at all, or it may only have been used in relation to some of the goods or services falling within the specification, and such use may have been on a small scale. In such a case the proprietor is still entitled to protection against the use of a similar sign in relation to similar goods if the use is such as to give rise to a likelihood of confusion.”

41. The opponent submits that the submission made on behalf of the applicant (shown in paragraph 39 above) amounts to an admission that there is a likelihood of confusion. I do not accept this. In response to criticisms included in the applicant’s evidence (that the opponent’s evidence did not support its claim to have used the earlier mark), the opponent’s evidence in reply included a submission that the opponent’s earlier registration was all that mattered.⁴ The submission re-produced at paragraph 39 above was the applicant’s response this submission. In context, it says no more than that “any confusion will be your client’s fault.” That statement is wrong in law, but that does not make it an admission.

³ [2015] EWCA Civ 220

⁴ See paragraph 12 above.

42. I do not find that the opponent's evidence of actual confusion to be of much assistance in my assessment of the likelihood of confusion amongst average consumers. This is because:

- The evidence is not well particularised (there are no names or dates);
- It is not clear that either of the people referred to by Mr Stirling thought that the opponent was the maker of LEITH GIN; the questions indicate only that the people concerned had wondered whether the opponent was connected with LEITH GIN;
- It is not clear what prompted this line of thinking, i.e. whether it was limited to the similarity between the marks at issue and the identity between the goods;
- One of the two people concerned was a trader in gin and therefore unlikely to be representative of the reaction of average consumers.

43. If the opponent considered that this was important evidence, the proper course was for the opponent to file witness statements from the people concerned, or at least provide a detailed account of the conversations from Mr Stirling's perspective. In the absence of either I do not find this aspect of Mr Stirling's evidence persuasive.

44. Returning to the usual considerations, I remind myself I earlier found that:

- The goods are identical;
- The average consumer is likely to pay a normal degree of attention when selecting the goods at issue;
- The selection process is likely to be primarily visual, although oral enquiries and recommendations will play some part;
- The marks are visually similar to only a low degree, aurally similar to a moderate degree and conceptually similar to a fairly high degree;
- The earlier mark has a below average degree of distinctive character;
- The common word LEITH is lacking in distinctive character in relation to alcoholic beverages.

45. Taking all relevant factors into account, I find that there is no likelihood of direct visual or aural confusion. The marks look and sound too different for that, even after allowing for the relatively higher level of conceptual similarity between the marks, and making some allowance for imperfect recollection.

46. I must also consider the likelihood of indirect confusion. In *L.A. Sugar Limited v By Back Beat Inc*,⁵ Mr Iain Purvis Q.C., 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.

47. The “something in common” in this case is the word LEITH and some high level nautical associations. So far as LEITH is concerned, the opponent’s case depends on the average UK consumer, who is aware that LEITH is a place in Scotland and that Scotland has a reputation for distilled alcoholic beverages (and, by extension, drinks containing such goods), believing that LEITH is only likely to be used by one trader in such products. I do not consider that an average UK consumer, who is reasonably observant and circumspect, is likely to make that assumption.

48. Admittedly, the nautical associations in the marks could add to the likelihood of such an assumption being made. However, I find that the association in question is too weak and non-specific to create this result.

⁵ Case BL O/375/10

49. In *Duebros Limited v Heirler Cenovis GmbH*,⁶ Mr James Mellor Q.C., as the Appointed Person, stressed that a finding of indirect confusion should not be made merely because the two marks share a common element. He pointed out that it is essential to assess the significance of the common element in the context of the later mark as a whole. He also reminded us that it is not sufficient that a mark merely calls to mind another mark. This is mere association and not indirect confusion. In my view, the similarity between the marks at issue in this case falls into this category.

50. I therefore find that there is no likelihood of confusion. The opposition under s.5(2)(b) fails accordingly.

Opposition under s.5(4)(a)

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

“A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented –

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

(b) [.....]

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

52. In *Discount Outlet v Feel Good UK*,⁷ Her Honour Judge Melissa Clarke, sitting as a deputy Judge of the High Court stated that:

“55. The elements necessary to reach a finding of passing off are the ‘classical trinity’ of that tort as described by Lord Oliver in the *Jif Lemon* case

⁶ BL O/547/17

⁷ [2017] EWHC 1400 IPEC

(Reckitt & Colman Product v Borden [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

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

53. The opponent claims that it has used the mark shown in paragraph 5 above throughout the UK since 8th March 2016 in relation to 'Scotch Whisky and Scotch Whisky based beverages produced in Scotland'. However, there is no evidence that the opponent offered such goods for sale under the mark prior to the relevant date (or at all). The opponent's evidence is limited to showing that it had used the mark in discussions with Edinburgh Council and with investors. Admittedly, the opponent registered the domain name www.leithdistillery.com on 3rd September 2015, but it is not clear when the website went live. Similarly, although Mr Fletcher claims that the opponent's social media sites were active from March 2016 there is no evidence that the opponent's mark had acquired a reputation with consumer by the relevant date, let alone goodwill in a business sufficient to found a passing-off right.

54. Addressing the applicant's evidence of use, Mr Stirling for the opponent pointed out that:

"devising a strategy for a product not yet on the market does not constitute a public-facing activity, such that any consumer recognition of the mark of the opposed application would begin to be built up."

I agree with this, but precisely the same criticism can be applied to the opponent's evidence. I find that the opponent has not shown that, by the relevant date, it had acquired the goodwill required to found a passing off right.

55. Further, even if I am wrong about that, the case for misrepresentation is, if anything, weaker than the case for confusion that I considered and rejected under s.5(2)(b). This is because the claimed earlier right looks less like the contested mark than the words Port of Leith Distillery alone. In this connection, I note that the logo elements of the respective marks look very different. In my view, this outweighs the impact of a slight increase in conceptual similarity between the marks arising from the fact that they both contain imagery with nautical associations.

56. Additionally, although an association between the marks which creates a risk that the public might believe that the respective goods or services come from the same or economically-linked undertakings, may constitute a likelihood of confusion under s.5(2)(b), evidence of consumers merely wondering whether two trade marks with similarities might be used by the same undertaking (even if properly substantiated) is not sufficient to found a passing off action.⁸ In my view, the absolute most the opponent has shown is that some consumers might wonder whether the users of the contested mark and the claimed earlier right are connected.

57. For these reasons, the s.5(4)(a) ground of opposition is also rejected.

Outcome

58. The opposition fails.

Costs

59. The applicant has been successful and is entitled to a contribution towards its costs. I calculate these as follows:

£300 for considering the notice of opposition and filing a counterstatement;
£600 for considering the opponent's evidence and filing evidence in response;
£250 for filing written submissions in lieu of a hearing.

⁸ See *Phones 4U Ltd v Phone 4U.co.uk Internet Ltd* [2007] RPC 5 at 16–17, where Jacob LJ stressed that wondering about a connection (as opposed to assuming one) was not sufficient for passing off.

I therefore order Muckle Brig Limited to pay Gleann Mor Spirits Co Limited the sum of £1150. This sum should be paid within 14 days of the expiry of the appeal period or, if there is an appeal, within 14 days of the conclusion of the appeal proceedings.

Dated this 19th day of January 2018

**Allan James
For the Registrar**