

O-227-14

TRADE MARKS ACT 1994

**TRADE MARK APPLICATION No. 2658204
BY FOSTERS BREWING COMPANY LIMITED
TO REGISTER A FIGURATIVE MARK IN CLASS 32**

AND

**OPPOSITION 400925
BY S & NF LIMITED**

Background and pleadings

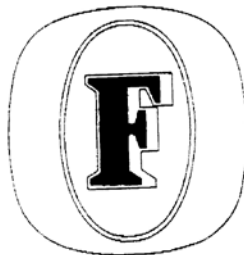
1. Fosters Brewing Company Limited (“the applicant”) applied on 27 March 2013 to register the series of three trade marks shown below.



2. The marks are proposed to be registered for “Beers, stouts, lager, porter and ales, mineral and aerated waters, non alcoholic drinks” in class 32.

3. S & NF Limited (“the opponent”) opposes the trade mark on the basis of Section 5(3) of the Trade Marks Act 1994 (the Act). This is on the basis that:

- i) Five earlier UK and Community trade marks, which it claims have a reputation in the UK or in the Community. It is sufficient to note that one of them is UK registration 1459375, which looks like this:



This mark has a filing date of 25 March 1991 and is registered for “beers” in class 32.

Another of the opponent's earlier marks looks like this:



This mark has a filing date of 3 March 1981. It is also registered for 'beers'.

- ii) Registration of the mark would be contrary to s.5(3) of the Act because:
- The opponent's marks have been extensively promoted and advertised.
 - The similarity between the respective marks combined with the identity or similarity of the respective goods, means that use of the applicant's marks would bring the opponent's marks to mind.
 - The applicant would gain an unfair advantage from such a link because the applicant's marks will gain attention and marketability by feeding on the fame of the opponent's marks; the reputation of the opponent's marks will transfer to the applicant's marks making it easier to market the applicant's goods.
 - If the applicant's marks are used in relation to inferior products, the reputation of the opponent's marks will be tarnished.
 - Use of the applicant's marks will lessen the ability of the opponent's marks to create an immediate association with the opponent, thus diluting the distinctive character of the opponent's marks.
 - This dilution will result in a change of economic behaviour on the part of the public who will be less likely to buy products under the opponent's marks.
 - The applicant's marks include a red 'F' within a roundel, which is particularly associated with the opponent's marks as used.

iii) Registration of the mark would be contrary to s.3(6) of the Act because the trade mark application was made in bad faith. The opponent particularly relies on the following points:

- **The Opponent has been offering for sale its successful Foster's beer in the UK for many years.**
 - **The Opponent has been aware of the Applicant's activities for a few months having first written to the Applicant objecting to the registration of the company name Fosters Brewing Company Limited. This correspondence was sent to the Applicant in September 2012, also setting out the Opponent's trade mark rights in the Foster's name and the associated "F" Logo branding.**
 - **The opposed application was filed in March 2013, after repeated attempts by the Opponent to get in contact with the Applicant.**
 - **The Opponent's Foster's branding in general and the "F" Logo branding in particular has been very successful in respect of the beers and related products, by virtue of extensive promotion and advertising campaigns in various media.**
 - **Accordingly the Applicant would have known about the Opponent's FOSTERS and "F" Logo branding as well as the success of the Foster's brand and the "F" Logo branding before filing the opposed application.**
 - **The opposed mark and the Application contains the "F" logo (in the same red lettering as used by the Opponent in its branding) in which the Opponent owns significant goodwill in respect of identical and/or similar goods to those that the Opponent has offered under its "F" Logo and Foster's brand for a significant period of time.**
 - **The opposed mark is similar to the Opponent's marks and represents an attempt by the Applicant to register a very successful branding device that belongs to the Opponent.**
 - **There is no conceivable good faith basis on which the Applicant can say that it has adopted the opposed mark.**
 - **It should be noted that the Applicant has already withdrawn its similar UK application no 2658254, following the filing of a form TM7 by the Opponent.**
 - **It should also be noted that the director of the Applicant's company has in the past applied to register various forms of famous marks that belong to third party brand owners, seemingly without authorisation. Furthermore, the Opponent is in the process of filing a Company Name Tribunal claim against the Applicant's registered company Fosters Brewing Company Limited.**
- iv) A claim that there is a likelihood of confusion between the applicant's marks and the opponent's marks leading to further grounds of opposition under s.5(2)(b) and 5(4)(a) of the Act.

4. The applicant filed a counterstatement denying the claims made. Referring to its own marks, it states that:

- 1) Trademark No UK00002658204 looks more like the No seventy seven from an American baseball team with different colours, our mark is a modern double straight line number in a landscape oval border.
- 2) These marks are not similar or identical to any mark.
- 3) Therefore there would be absolutely no risk of confusion with this mark or any other mark.
- 4) Opposition No OP000400925 is not even similar or identical to our mark. Their mark is clearly identified as a single character in Times New Roman font contained in a within a numerical zero "0" ring fenced with a large portrait capital letter "O".
- 5) In relation to page 43 bullet point 10 it states "It should also be noted that the Director of the Applicants company has in the past applied to register various forms of famous marks that belong to third party brand owners, seemingly without authorisation".
This is absolutely untrue and is totally unfounded and appears to have been included with malicious intent.
- 6) We have never tried to register any marks belonging to a third party. The only marks we have registered are our own brand.

5. Only the opponent filed evidence in these proceedings.

6. No hearing was requested and so this decision is taken following a careful perusal of the papers.

The evidence

7. The opponent's evidence takes the form of a witness statement of 9 December 2013 by Elaine Weatherhead, who is a legal executive employed by Scottish and Newcastle Limited, which is a sister company of the opponent. She has access to the records of both companies.

8. These are the relevant facts from Ms Weatherhead's statement:

- The opponent and its predecessors have been using the 'F logo' (corresponding to earlier UK mark 1459375) in the UK for 40 years.

- In use it looks like this:



- The mark is used in relation to beer on beer bottles, cardboard packaging, beer pumps, beer towels/drip mats, beer glasses, beer mats, pub sign boards, t-shirts, bags and lager trays.
- The mark is generally used with the word mark FOSTER'S (and sometimes with other words), but the F logo is used as prominently as the word mark (sometimes more so) and it is used as a separate mark.
- The mark is used in relation to the best selling lager in the UK. Huge volumes are sold here. In 2010-2012 nearly two billion cans bearing the F logo were sold in the UK, and 1.72 billion pints of lager were sold under the mark on licensed premises.
- The opponent spent nearly £13m promoting lager under the mark in 2012. The opponent spent a little less on this in 2013, but still had five TV advertising campaigns, advertising on internet sites, outdoor advertising campaigns and sponsorship of comedy on Channel 4.
- According to statistics produced by Starcom Mediavest, Foster's TV campaigns reach 70-80% of 18-34 year old men in the UK, and the outdoor campaigns reach 60% of adults.
- The opponent sponsors the Edinburgh Comedy Awards and the F logo receives additional public exposure in this context.
- Despite its name, the applicant is not connected to the opponent. The applicant company was incorporated in August 2012 and, according to records at Companies House, it is dormant. The Director is Mr Bedesha (who signed the counterstatement filed in these proceedings). Mr Bedesha has been a director of other companies seemingly unconnected to their better known namesakes, e.g. Carling Black Label Limited.

- The opposed application was filed shortly after the applicant had filed another application under No. 2654723 to register a reversed F logo for the same goods in class 32. That mark is shown below.



It was withdrawn after opposition from the opponent.

Decision

9. Section 5(3) states that:

“(3) A trade mark which-
(a) is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a Community trade mark or international trade mark (EC), in the European Community) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.”

10. The relevant case law can be found in the following judgments of the Court of Justice of the European Union (“the CJEU”): Case C-375/97, *General Motors*, [1999] ETMR 950, Case 252/07, *Intel*, [2009] ETMR 13, Case C-408/01, *Addidas-Salomon*, [2004] ETMR 10, Case C-487/07, *L’Oreal v Bellure* [2009] ETMR 55 and *Marks and Spencer v Interflora* C-323/09). The law appears to be as follows.

a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors*, paragraph 24.

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors*, paragraph 26.

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman*, paragraph 29 and *Intel*, paragraph 63.

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks, the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel*, paragraph 42 28.

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel*, paragraph 68; whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel*, paragraph 79.

(f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious likelihood that this will happen in future; *Intel*, paragraphs 76 and 77.

(g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel*, paragraph 74.

(h) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora*, paragraph 74 and the court's answer to question 1 in *L'Oreal v Bellure*).

11. There is no doubt in my mind that the opponent's earlier mark No. 1459375 would be known to a significant part of the relevant UK public for beers. Indeed as a mark used prominently on the best selling lager in the UK, it will probably be familiar to most beer, lager and ale drinkers.

12. Given the level of overlap between consumers for those goods and consumers of stouts, porter, mineral and aerated waters, and non-alcoholic drinks, and taking into account the overlapping channels of trade for all these goods, I find that the

opponent's earlier mark would be known to a significant part of the relevant UK public for all the goods covered by the application.

13. The applicant's answer to the opposition is that the respective marks are not similar. I accept that there are some significant differences. These include:

- i) The applicant's marks include two letters F, whereas the opponent's mark has only one.
- ii) The Fs in the applicant's marks are reversed.
- iii) The F in the opponent's mark is set within an oval within another larger squared off oval, whereas the reversed Fs in the applicant's marks are set within a single rather more squat oval.
- iv) The font used for the respective letter F(s) is different.

14. At first sight the similarity between the marks therefore appears to be limited to the presence of letter(s) F within an oval border of some description. However, in response to questions posed by the Court of Appeal in England and Wales, the CJEU held in Case C-252/12, *Specsavers International Healthcare Limited and Others v Asda Stores Limited*, that:

"In view of the above, the answer to the third question is that Article 9(1)(b) and (c) of Regulation No 207/2009 must be interpreted as meaning that where a Community trade mark is not registered in colour, but the proprietor has used it extensively in a particular colour or combination of colours with the result that it has become associated in the mind of a significant portion of the public with that colour or combination of colours, the colour or colours which a third party uses in order to represent a sign alleged to infringe that trade mark are relevant in the global assessment of the likelihood of confusion or unfair advantage under that provision."

15. This must also apply to the equivalent provisions of national law based on the EU's Trade Mark Directive, in this case section 5(3) of the Act.

16. The evidence shows that the opponent has used its mark in a particular colour scheme comprising a red F, with a white surround on a blue oval background, all set within a gold coloured outer oval. I am satisfied that the colours in which the F logo has been used will be associated with that mark in the minds of the relevant public.

17. The applicant's marks show some similarity of colour. In particular, the third mark in the series has the Fs in a pink/red colour set on a blue oval shaped background. The other two marks use gold for the letters F, again on a blue background. Both of

those marks use the colour pink/red as a surround for, or to add shading to, the letters F. Although the colours are not identical, and they are not used in the same way, the use of similar colours for the respective marks enhances the otherwise low degree of similarity between the applicant's marks and the opponent's mark. Taking into account the strength of the reputation and distinctiveness associated with earlier mark 1459375, I find that once colour is taken into account, the relatively limited degree of similarity between the applicant's marks and the opponent's F logo (considered as wholes) is sufficient to cause an average consumer of the goods covered by the applicant's marks to call the opponent's F logo mark to mind. I therefore find that the necessary 'link' is established.

18. In my view, use of the marks applied for in relation to identical goods to those for which the opponent's F logo mark has a substantial reputation, and other drinks often sold through the same outlets, would confer a marketing advantage on the applicant's marks. This is because they will call to mind the earlier F logo mark and therefore appear instantly familiar to the public concerned, thereby making it easier for the applicant to establish those marks without the usual marketing expenditure.

19. The applicant has filed no evidence so there is no suggestion that it has 'due cause' to use the marks applied for.

20. However, in *Specsavers v Asda Stores Limited*¹ the Court of Appeal appears to have interpreted the CJEU's judgment in *L'Oreal v Bellure* as meaning that unfair advantage requires something more than an advantage gained without due cause. The court acknowledged that a defendant's intentions might be relevant in this respect. The absence of any evidence from the applicant is important in this respect. It means that there is no direct evidence as to the applicant's intentions and I can therefore infer what they must have been based on the surrounding circumstances.

21. The relevant circumstances are that:

- i) The applicant appears to intend to operate in the same field of trade as that in which the opponent's F logo has a strong reputation;
- ii) There is a degree of similarity between the applicant's marks and the opponent's F logo, enhanced by the use of similar colours;
- iii) Around the same time as filing the application to register the opposed marks, the applicant filed another application to register trade mark No. 2654723², which is so similar to the opponent's F logo that it is likely that it was intended to take advantage of it.

¹ [2012] EWCA Civ 24: see paragraph 127.

² See paragraph 8 above.

22. Taking these matters into account, I find that the applicant intended the marks applied for to take advantage of the reputation of the opponent's F logo. There is therefore a risk, which is more than merely hypothetical, that use of the applicant's marks will result in an unfair advantage in the future. The s.5(3) objection succeeds accordingly without it being necessary to consider whether the applicant's marks are also liable to tarnish or dilute the reputation or distinctiveness of the opponent's earlier mark.

Bad Faith

23. Section 3(6) of the Act states that a trade mark shall not be registered if, or to the extent that, the application was made in bad faith.

24. The law in relation to section 3(6) of the Act ("bad faith") was summarised by Arnold J in *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch):

"130. A number of general principles concerning bad faith for the purposes of section 3(6) of the 1994 Act/Article 3(2)(d) of the Directive/Article 52(1)(b) of the Regulation are now fairly well established. (For a helpful discussion of many of these points, see N.M. Dawson, "Bad faith in European trade mark law" [2011] IPQ 229.)

131. First, the relevant date for assessing whether an application to register a trade mark was made in bad faith is the application date: see Case C- 529/07 *Chocoladenfabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH* [2009] ECR I-4893 at [35].

132. Secondly, although the relevant date is the application date, later evidence is relevant if it casts light backwards on the position as at the application date: see *Hotel Cipriani Srl v Cipriani (Grosvenor Street) Ltd* [2008] EWHC 3032 (Ch), [2009] RPC 9 at [167] and cf. Case C-259/02 *La Mer Technology Inc v Laboratoires Goemar SA* [2004] ECR I-1159 at [31] and Case C-192/03 *Alcon Inc v OHIM* [2004] ECR I-8993 at [41].

133. Thirdly, a person is presumed to have acted in good faith unless the contrary is proved. An allegation of bad faith is a serious allegation which must be distinctly proved. The standard of proof is on the balance of probabilities but cogent evidence is required due to the seriousness of the allegation. It is not enough to prove facts which are also consistent with good faith: see *BRUTT Trade Marks* [2007] RPC 19 at [29], *von Rossum v Heinrich Mack Nachf. GmbH & Co KG* (Case R 336/207-2, OHIM Second Board of Appeal, 13 November 2007) at [22] and *Funke Kunststoffe GmbH v Astral Property Pty Ltd* (Case R 1621/2006-4, OHIM Fourth Board of Appeal, 21 December 2009) at [22].

134. Fourthly, bad faith includes not only dishonesty, but also "some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined": see *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367 at 379 and *DAAWAT Trade Mark* (Case C000659037/1, OHIM Cancellation Division, 28 June 2004) at [8].

135. Fifthly, section 3(6) of the 1994 Act, Article 3(2)(d) of the Directive and Article 52(1)(b) of the Regulation are intended to prevent abuse of the trade mark system: see *Melly's Trade Mark Application* [2008] RPC 20 at [51] and *CHOOSI Trade Mark* (Case R 633/2007-2, OHIM Second Board of Appeal, 29 February 2008) at [21]. As the case law makes clear, there are two main classes of abuse. The first concerns abuse vis-à-vis the relevant office, for example where the applicant knowingly supplies untrue or misleading information in support of his application; and the second concerns abuse vis-à-vis third parties: see *Cipriani* at [185].

136. Sixthly, in order to determine whether the applicant acted in bad faith, the tribunal must make an overall assessment, taking into account all the factors relevant to the particular case: see *Lindt v Hauswirth* at [37].

137. Seventhly, the tribunal must first ascertain what the defendant knew about the matters in question and then decide whether, in the light of that knowledge, the defendant's conduct is dishonest (or otherwise falls short of the standards of acceptable commercial behaviour) judged by ordinary standards of honest people. The applicant's own standards of honesty (or acceptable commercial behaviour) are irrelevant to the enquiry: see *AJIT WEEKLY Trade Mark* [2006] RPC 25 at [35]-[41], *GERSON Trade Mark* (Case R 916/2004-1, OHIM First Board of Appeal, 4 June 2009) at [53] and *Campbell v Hughes* [2011] RPC 21 at [36].

138. Eighthly, consideration must be given to the applicant's intention. As the CJEU stated in *Lindt v Hauswirth*:

"41. ... in order to determine whether there was bad faith, consideration must also be given to the applicant's intention at the time when he files the application for registration.

42. It must be observed in that regard that, as the Advocate General states in point 58 of her Opinion, the applicant's intention at the relevant time is a subjective factor which must be determined by reference to the objective circumstances of the particular case.

43. Accordingly, the intention to prevent a third party from marketing a product may, in certain circumstances, be an element of bad faith on the part of the applicant.

44. That is in particular the case when it becomes apparent, subsequently, that the applicant applied for registration of a sign as a

Community trade mark without intending to use it, his sole objective being to prevent a third party from entering the market.

45. In such a case, the mark does not fulfil its essential function, namely that of ensuring that the consumer or end-user can identify the origin of the product or service concerned by allowing him to distinguish that product or service from those of different origin, without any confusion (see, inter alia, Joined Cases C-456/01 P and C-457/01 P *Henkel v OHIM* [2004] ECR I-5089, paragraph 48)."

25. It is obvious that the applicant in this case knew about the opponent's earlier F logo mark when applying to register the opposed marks. I have found that the marks were adopted so as to take advantage of the reputation of the earlier mark. Further, in the absence of any alternative explanation, it seems likely that the marks applied for were intended for use by the applicant itself, which has adopted the company name 'Fosters Brewing Company Limited'. Given the strength of the opponent's reputation for beers, it is difficult to think of an honest reason why anyone else would adopt a company name including the words 'Fosters' and 'Brewing'. This and the other similar fact evidence, i.e. of the opponent having also applied to register another trade mark similar to the opponent's F logo, all point to the current application being part of a plan to imitate the opponent's trading name and trade marks in order to gain a commercial advantage for the applicant. Although the applicant may not have seen anything wrong with this, considered objectively, I find that this fell below the standard of behaviour observed by reasonable men and women in the relevant industry. I therefore find that the application was made in bad faith.

26. The s.3(6) ground of opposition also succeeds.

27. This being the case, there is no need to consider the further grounds of opposition under sections 5(2)(b) and 5(4)(a) of the Act.

Outcome

28. The opposition succeeds. The application will be refused.

Costs

29. I do not appear to have received any submissions on costs. In these circumstances I will order the applicant to make a contribution to the opponent's costs based on the Registrar's usual scale of costs.

30. I therefore order Fosters Brewing Company Limited to pay S & NF Limited the sum of £1400 within 7 days of the end of the period allowed for appeal.

31. This is made up of:

£700 for filing the notice of opposition, including the official fee, and considering the applicant's counterstatement.

£700 for filing evidence in support of the opposition.

Dated this 23rd Day of May 2014

**Allan James
For the Registrar**