

O-029-15

TRADE MARKS ACT 1994

**IN THE MATTER OF THE APPLICATION BY
DAVID MARTIN COUTTS
UNDER NO 3027732 FOR THE TRADE MARK**

PANDA LAGER

AND

**IN THE MATTER OF OPPOSITION NO. 401730 THERETO
BY NICHOLS PLC**

THE BACKGROUND AND THE PLEADINGS

1) On 24 October 2013 Mr David Martin Coutts filed application no. 3027732 to register the following mark for the following goods:

PANDA LAGER
Class 32: Beer

The application was published in the Trade Marks Journal on 22 November 2013.

2) On grounds under sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”) Nichols plc opposes the registration of Mr Coutts’ mark in respect of the goods covered by the application.

3) For the purposes of its claims under both sections 5(2)(b) and 5(3) the Opponent relies on the following UK trade mark registrations and the following goods respectively covered by them:

UK trade mark no. 697774, filed on 26 April 1951:

Panda

Class 32: Non-alcoholic drinks and preparations for making such drinks, all included in Class 32.

UK trade mark no. 1075980, filed on 22 March 1977:

PANDA

Class 32: Non-alcoholic drinks and preparations for making such drinks, all included in Class 32; fruit juices and vegetable juices, all for use as beverages; and beverages included in Class 32 containing not more than 2¹ (by volume) of alcohol

Both marks relied on by the Opponent constitute “earlier trade marks” for the purposes of sections 5(2)(b) and 5(3) of the Act. It is not in dispute that the registration process for both was completed more than five years before the publication date of the opposed mark. The proof of use provisions in section 6A of the Act therefore apply in respect of both.

4) For the purposes of its claim under section 5(4)(a) the Opponent relies on the following sign:

PANDA

¹ I take this to be a reference to % of alcohol, so 2%, a point which Mr Coutts appears to accept.

The Opponent claims that it has significant goodwill in relation to this sign, having used it on non-alcoholic beverages, throughout the UK, the date of first use being 26 April 1951.

5) Mr Coutts filed a notice of defence and counterstatement, denying the grounds of opposition. He did not require Nichols plc to provide proof of use of the marks relied on by it. In response to the tick box question on the notice of defence, Mr Coutts specifically states that proof of use is not required. The effect of this is that he has neither denied nor admitted Nichols plc's statement of use (in accordance with rule 20(2)(c) of the Trade Marks Rules 2008, as amended), with the result that Nichols plc was not required to file evidence to support its statement of use and may rely on the whole breadth of the specifications of the earlier marks. While acknowledging that Nichols plc's mark covers beverages containing alcohol up to 2%, Mr Coutts argues that lager cannot be construed as a soft drink. He attaches documents to support his assertion that products supplied by Nichols plc under its PANDA mark comprise a limited range of fruit juices and flavoured waters, aimed at a "core audience" of mums of four- to eight-year-olds who would not be confused by the use of PANDA on his lager, nor would such use in any way harm the reputation or goodwill of the Nichols group in the UK. In a letter of 15 May 2014 from the Registry Mr Coutts was informed that if he wished the exhibits attached to his counterstatement to be considered as evidence, they would need to be filed at the appropriate evidence stage. On the 14 July 2014 Nichols plc filed evidence and submissions. It noted that it was not required to provide proof of use, and could therefore rely on the full specification of its goods. Its evidence consisted of a witness statement of 10 July 2014 by Marnie Millard, the CEO of Nichols plc, together with exhibits, intended to demonstrate that Nichols plc has reputation and goodwill in certain soft drinks. Mr Coutts filed no evidence or submissions. Nichols plc filed further, final submissions on 25 November 2014.

I shall not summarise Nichols plc's evidence further at this point, I will return to it if and when it is relevant to the matters I determine.

SECTION 5(2)(b)

21) Section 5(2)(b) of the Act reads 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".

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 will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

Comparison of the goods

22) In the judgment of the CJEU in *Canon*, Case C-39/97, the court stated at paragraph 23 of its judgment that:

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary”.

The relevant factors identified by Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, for assessing similarity were:

- a) The respective users of the respective goods or services;
- b) The physical nature of the goods or acts of services
- c) The respective trade channels through which the goods or services reach the market
- d) In the case of self serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
- e) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

23) In *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T-133/05 (“*Meric*”), the General Court stated that:

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

34) In relation to understanding what terms used in specifications mean and cover, the guidance in the case-law is to the effect that “in construing a word used in a trade mark specification, one is concerned with how the product is, as a practical matter, regarded for the purposes of the trade”² and that I must also bear in mind that words should be given their natural meaning within the context in which they are used; they

² See *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281

cannot be given an unnaturally narrow meaning³. I also note the judgment of Mr Justice Floyd in *YouView TV Limited v Total Limited* where he stated:

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

As already noted, Mr Coutts has not put Nichols plc to proof of use, and so the full width of Nichols plc's specification must be considered. Nichols plc's *beverages included in Class 32 containing not more than 2 (by volume) of alcohol* includes non-alcoholic or low (not more than 2%) alcohol beer. These fall within the ambit of beer in class 32, and are thus identical under the guidance in *Meric*. This result could be avoided if Mr Coutts' specification were amended to exclude non-alcoholic or low (not more than 2%) alcohol beer. However, this still leaves a comparison between the non-alcoholic or low alcohol beer covered by Nichols plc's specification and beer with greater alcoholic content, as would then be covered by Mr Coutts' specification. Alcohol-free or low alcohol beer has the same basic flavour as beer with greater alcoholic content, and will be sold in similar cans or bottles through the same channels of trade. It is in direct competition with more alcoholic beer in the sense that it is aimed at the same consumers, being targeted in particular, for example, at drinkers who wish to drive a vehicle without running the risk of having levels of alcohol above the legal limit. Moreover, nowadays it is not uncommon for beer manufacturers to produce alcohol-free and low alcohol beers and market them under the same mark as their alcoholic beer. There is a reasonably high degree of similarity between beer of normal strength covered by Mr Coutts' *beer* and the alcohol-free or low alcohol beer covered by Nichols plc's *beverages included in Class 32 containing not more than 2 (by volume) of alcohol*. As none of the other goods covered by Nichols plc's specification put it in any better position, I see no reason to consider these other goods any further.

The average consumer and the purchasing process

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, Case C-342/97*.

³ See *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another* [2000] FSR 267

In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

“60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median.”

The average consumer of beer, including non-alcoholic or low alcohol beer, is a member of the general public of drinking age. The goods may be purchased through a retail outlet such as a supermarket or off-licence, in which case they will most often be self-selected from a shelf, though in some cases they may be sold over the counter. They may also be purchased in licensed premises such as pubs and clubs, where the consumer will ask for the product by name, though the goods will often also be on display, so that they can be seen (see *Simonds Farsons Cisk plc v OHIM* Case T-3/04 at paragraph 58). They may also be purchased online. The purchasing process will normally be predominantly a visual one, but oral communication may also play a role and will be taken into account in my assessment. The goods are not particularly costly, nor are they infrequent purchases, though consumers will generally wish to obtain a brand which meets their own personal tastes and requirements. They will therefore normally pay a reasonable degree of attention, neither higher nor lower than the norm, when selecting these goods.

The distinctiveness of the earlier marks

30) The degree of distinctiveness of the earlier marks must be assessed. This is because the more distinctive the earlier mark (on the basis either of inherent qualities or because of use made), the greater the likelihood of confusion (see *Sabel BV v. Puma AG*, paragraph 24). In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 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).”

31) I have compared the *beer* of Mr Coutts’ application with the non-alcoholic or low alcohol beer covered by the *beverages included in Class 32 containing not more than 2 (by volume) of alcohol* of Nichols plc’s mark no. 1075980. As I have said, its other goods place it in no better position. This is the comparison on which my assessment of the likelihood of confusion will be based. None of the evidence of reputation filed by Nichols plc relates to such drinks, and cannot therefore establish any enhanced distinctiveness in respect of them. This leaves the question of inherent distinctiveness to be considered. The word PANDA is an ordinary word with a well-known meaning, but not one which is in any way descriptive or allusive of the goods of the earlier marks. As such it has a normal degree of inherent distinctive character.

Comparison of the marks

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

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

It would be wrong, therefore, to dissect the trade marks artificially, although, it is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.

36) There is no material difference in the assessment regardless of which of Nichols plc’s marks is used for the comparison. I will focus on mark no. 1075980 and will from this point on refer to the earlier mark in the singular. The marks to be compared are shown below.

Mr Coutts’ mark	Nichols plc’s mark
-----------------	--------------------

PANDA LAGER

PANDA

00) Given the descriptive nature of the word LAGER, it plays little role in the overall impression of Mr Coutt's mark, which is therefore dominated very strongly by the word PANDA. The overall impression of Nichol plc's mark is based solely upon that word. In view of this, the marks are self-evidently visually, aurally and conceptually similar to a very high degree.

Likelihood of confusion

39) The factors assessed so far have a degree of interdependency (*Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*, paragraph 17), a global assessment of them must be made when determining whether there exists a likelihood of confusion (*Sabel BV v. Puma AG*, paragraph 22). However, there is no scientific formula to apply. It is a matter of considering the relevant factors from the viewpoint of the average consumer and determining whether they are likely to be confused.

40) I have found both identity and a reasonably high degree of similarity between the competing goods. I have found that the marks are visually, aurally and conceptually similar to a very high degree, and that the earlier mark has a normal degree of distinctive character. Taking into account my findings on the average consumer and the purchasing process, I consider that there is a likelihood that the average consumer will confuse the marks. **Accordingly, the opposition under section 5(2)(b) succeeds.**

SECTIONS 5(3) AND 5(4)(a)

On the basis of my findings above it is unnecessary for me to consider Nichols plc's claims under sections 5(3) and 5(4)(a); they take matters no further forward.

OUTCOME

47) **The opposition has succeeded in its entirety, and the opposed mark is to be refused.**

COSTS

48) Nichols plc has been successful and is entitled to a contribution towards its costs. I hereby order Mr David Martin Coutts to pay Nichols plc the sum of £1,300. This sum is calculated as follows:

<i>Opposition fee</i>	£200
<i>Preparing a statement and considering the other side's statement</i>	£300

<i>Preparing evidence and considering the other side's evidence</i>	£500
<i>Written submissions</i>	£300

The above sum should 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 20th day of January 2015

**Martin Boyle
For the Registrar,
The Comptroller-General**