

TRADE MARKS ACT, 1996

Decision in Hearing

IN THE MATTER OF an application for registration of Trade Mark No. 217829 and in the matter of an Opposition thereto.

BELVEDERE

Applicant

BRITISH AMERICAN TOBACCO (BRANDS) LIMITED

Opponent

The application

1. On 8 May, 2000, Belvedere, a société anonyme organised and existing under the laws of France, of 10 Avenue Charles Jaffelin, 21200 BEAUNE, France, made application (No. 2000/01637) to register the words JAN III SOBIESKI as a Trade Mark in Class 33 in respect of vodka. The application claimed priority of an application for registration filed in France on 25 November, 1999.
2. The application was accepted for registration and advertised accordingly under No. 217829 in Journal No. 1913 on 4 April, 2001.
3. Notice of Opposition to the registration of the mark pursuant to Section 43 of the Act was filed on 3 July, 2001 by British American Tobacco (Brands) Limited of Globe House, 4 Temple Place, London WC2R 2PG, United Kingdom. The Applicant filed a counter-statement on 11 October, 2001 and evidence was, in due course, filed by the parties under Rules 20 and 21 of the Trade Marks Rules, 1996.
4. The Opposition became the subject of a Hearing before me, acting for the Controller, on 21 September, 2005. The parties were notified on 11 October, 2005 that I had decided to uphold the opposition and to refuse registration of the mark. I now state the grounds of my decision and the materials used in arriving thereat.

Notice of Opposition

5. In its Notice of Opposition the Opponent enumerates a number of facts and grounds of opposition, which may be summarised as follows:

- (i) The Opponent is the proprietor of Trade Mark Registrations Nos. 215832, Jan III Sobieski label (see Appendix 1) and 216014, JAN III SOBIESKI, both of which are registered as of 9 December, 1999 in respect of goods in Class 34, namely, *cigarettes, tobacco, tobacco products, smokers' articles, lighters and matches*. The Opponent has used those marks in relation to those goods and has a substantial reputation in Ireland under the marks, which are entitled to protection under the Paris Convention as well-known trade marks.
- (ii) The use of the Applicant's trade mark is prohibited in the State by law and registration would therefore offend against Section 8(4)(a) of the Act.
- (iii) The application for registration was made in bad faith by the Applicant and registration should be refused under Section 8(4)(b) of the Act
- (iv) The mark propounded for registration is identical to the Opponent's registered trade marks and is to be registered for goods that are similar to those in respect of which the Opponent's marks are protected, such that there exists a likelihood of confusion on the part of the public and registration would therefore offend against the provisions of Section 10(2)(a) of the Act.
- (v) The mark is similar to the Opponent's registered trade marks and is to be registered for goods that are identical with or similar to those in respect of which the Opponent's marks are protected, such that there exists a likelihood of confusion on the part of the public and registration would therefore offend against the provisions of Section 10(2)(b) of the Act
- (vi) The use of the mark would take unfair advantage of, or be detrimental to, the reputation or distinctive character of the Opponent's marks and registration should be refused under Section 10(3) of the Act.
- (vii) The use of the mark in the State is liable to be prevented by virtue of any rule of law protecting an unregistered trade mark or other sign used in the course of trade and registration should therefore be refused under Section 10(4)(a) of the Act.

- (viii) The Applicant has failed to satisfy the requirements of registration in that it does not use or have a *bona fide* intention of using the mark in relation to all of the goods covered by the application for registration and registration would therefore be contrary to Sections 37(2) and 42(3) of the Act.

Counter-Statement

6. In its Counter-Statement the Applicant denies each and every one of the grounds of opposition raised against the application except that it admits the Opponent's proprietorship of Trade Mark Registrations Nos. 215832 and 216014. It asserts, however, that these do not constitute earlier rights as against its application for registration as the date of priority claimed in the application is earlier than the date of filing of the Opponent's marks. It also denies that the Opponent has used its trade marks in Ireland, that it has a substantial reputation under the marks in Ireland and that the marks are entitled to protection under the Paris Convention as well-known trade marks.

The evidence

Rule 20

7. Evidence filed by the Opponent under Rule 20 consisted of –
- a Statutory Declaration (and Exhibit SPA1) dated 18 March, 2003 of Stuart Paul Aitchison, an authorised attorney of the Opponent, and
 - a Statutory Declaration (and Exhibit MTK1) dated 3 April, 2003 of Michael Thomas Kiernan, a partner in the firm of Tomkins & Co., the Opponent's Trade Mark Agents.
8. Mr. Aitchison states that,
- the Opponent first used the trade mark JAN III SOBIESKI in relation to cigarettes in 1994 and first applied for its registration in respect of cigarettes in Poland in April, 1993,
 - during the period 1996 to 2001, worldwide sales of JAN III SOBIESKI cigarettes exceeded forty thousand million cigarettes,
 - the mark has been registered in many countries throughout the world, including many in Europe,

- the claim to priority contained in the application for registration is invalid because it was not based on the first filing within a Convention country,
 - tobacco and alcohol products are sold through the same trade channels, they are often consumed together and established tobacco brands have been used on alcoholic products, for example, JPS John Player Special used on scotch whisky (*extract from website www.douglaslaing.com/jps.html exhibited*).
9. Mr. Kiernan refers to the fact that the application for registration claims priority of an application filed in France on 25 November, 1999 and states that the Applicant had previously filed an application for the same mark and the same goods in Denmark on 4 June, 1999 (*certified extract of Danish Register of Trade Marks exhibited*). He asserts that the claim to priority is invalid because the French application did not constitute the first filing.

Rule 21

10. Evidence filed by the Applicant under Rule 21 consisted of a Statutory Declaration dated 29 September, 2003 of Krzysztof Trylinski, General Director of the Applicant, who states that the Applicant has applied for, or secured, registration of its mark in a large number of countries throughout the world, which he names, and that its trade mark co-exists with those of the Opponent on National Registers in over twenty of those countries. He reiterates the Applicant's denial of the Opponent's claims with regard to use of, and reputation under, its trade marks in the State and he asserts that cigarettes and vodka are dissimilar goods and that the objection to registration under Section 10(2)(a) of the Act cannot, therefore, apply.

The hearing

11. At the Hearing the Applicant was represented by Mr. Kieran Heneghan, Trade Mark Agent of F.R. Kelly & Co.. The Opponent chose not to attend or to be represented.
12. Mr. Heneghan confined his submissions mainly to the objection to registration raised by the Opponent under Section 10(2) of the Act. As regards the other grounds of opposition, he argued that the Opponent had not furnished any, or

sufficient, evidence in support of them such as might shift the burden of proof onto the Applicant and require the Applicant to disprove the allegations that the application was open to objection on those grounds. This was the case, he argued, in respect of the objections under Section 8(4)(a) *[no evidence of a legal prohibition on the use of the Applicant's mark]*, Section 8(4)(b) *[no evidence of bad faith in the making of the application for registration]*, Sections 10(3) and 10(4)(a) *[no evidence whatsoever of any use of, or reputation under, the Opponent's marks in Ireland]* and Sections 37(2) and 42(3) *[no evidence that Applicant did not have a bona fide intention of using the mark]*.

13. With regard to the objection under Section 10(2), Mr. Heneghan pointed out that a similarity between the goods covered by the application for registration and those in respect of which the Opponent's marks are protected was an essential element of the objection and that the objection could not apply if the goods were found to be dissimilar. He asserted that vodka, on the one hand, and cigarettes, tobacco, tobacco products, smokers' articles, lighters and matches, on the other, could not be regarded as similar as they are different in nature and substance, they have different purposes, they are not competitive or complementary goods and they are normally perceived as emanating from different undertakings. It would be bizarre to think that a person intending to purchase cigarettes might instead purchase vodka and the fact that the two may be consumed together does not make them similar - beer and crisps are often consumed together but that does not make them similar goods.

14. On the question of the Opponent's evidence suggesting that the claim to a right of priority included in the application for registration and based on the French application filed on 25 November, 1999 was invalid, Mr. Heneghan stated that he did not have instructions to make submissions on that matter.

Decision

15. As regards the objections raised under Sections 8(4)(a), 8(4)(b), 10(3), 10(4)(a), 37(2) and 42(3), I do not propose to do more than say that I agree completely with Mr. Heneghan's submissions on those grounds of opposition, which are not substantiated by anything in the Opponent's evidence and which I have decided to

dismiss without further ado. I also agree that the objection under Section 10(2) can only apply if there is some degree of similarity between the respective goods and I will return to that question in detail in assessing the merits of the opposition under that Section.

16. Before that, there is the matter of the claim to priority and the Opponent's assertion that it was not valid as the application was not filed within six months of the first Convention application, as required by Section 40(1) of the Act. The Applicant has not denied this assertion nor offered any evidence tending to contradict it and I take that as a tacit admission that the claim to priority contained in the application for registration was not valid. That is not a trivial matter as it means that, in making the application for registration, the Applicant misrepresented itself as being entitled to claim a right of priority when, in fact, that entitlement had expired at least five months previously. I also find it disquieting that the Applicant has not taken the opportunity to explain how that invalid claim to priority came to be included in the application for registration and to say whether, for example, it resulted from a misunderstanding on its part, a miscommunication with its local Agent or from some other cause.

17. In the circumstances, I am left with no option but to find, as a matter of fact, that the Applicant's claim to a right of priority based on an application filed in France on 25 November, 1999 is invalid and must be disregarded. The effect of that is that the Opponent's Registered Trade Marks Nos. 215832 and 216014 dated 9 December, 1999 constitute "earlier trade marks" within the meaning of the Act as against the present application. That being the case, the first requirement of the objection under Section 10(2) is satisfied and I now turn to the other aspects of the objection under that Section

18. Section 10(2) of the Act reads as follows:

"A trade mark shall not be registered if because –

(a) it is identical with an earlier trade mark and would be registered for goods or services similar to those for which the earlier trade mark is protected, or

(b) it is similar to an earlier trade mark and would 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 of the later trade mark with the earlier trade mark.”

19. In the present case, the Opponent relies on two earlier registrations, one in respect of the word mark JAN III SOBIESKI and the other in respect of a label mark, the dominant element of which consists of those words. The requirement of identity of marks as set out in Section 10(2)(a) is met in the case of one of the Opponent’s earlier registrations and the requirement of similarity of marks as set out in Section 10(2)(b) is met in the case of the other. All that requires to be decided is whether the requirement of similarity of goods is also met and, if so, whether there would be a resultant likelihood of confusion.

20. In *British Sugar Plc –v- James Robertson & Sons Ltd.*, [1996] RPC 281 (*TREAT*), Jacob J, as he then was, considered in detail the question of whether goods that are not identical should be regarded as similar goods. Having reviewed the relevant provisions of the First Council Directive to Approximate the Laws of the Member States Relating to Trade Marks, No. 89/104 EEC of 21 December, 1988 (“the Directive”), he concluded that “*the sort of considerations the court must have in mind are similar to those arising under the old Act¹ in relation to “goods of the same description”*”. With that in mind, he proposed consideration of the following factors to determine whether or not there is similarity:

- (a) the respective uses of the respective goods,*
- (b) the respective users of the respective goods,*
- (c) the physical nature of the goods,*
- (d) the respective trade channels through which the goods reach the market,*
- (e) in the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and, in*

¹ The U.K. Trade Marks Act, 1938, of which our Trade Marks Act, 1963 was the equivalent.

particular, whether they are, or are likely to be, found on the same or different shelves,

(f) the extent to which the respective goods are competitive; this enquiry may take into account how those in trade classify goods, for instance whether market research companies put the goods in the same or different sectors.

21. In *Imperial Tobacco Ltd. –v- Berry Bros & Rudd Ltd.* (unreported decision of 31 October, 2001) (*CUTTY SARK*), Jacob J returned to the question of the criteria for comparing goods. Recalling his earlier decision in *TREAT* and subsequent case law of the European Court of Justice (ECJ), he remarked,

“The Court of Justice has corrected me in a manner which undoubtedly has to be worked out in a number of future cases. It indicated that the distinctiveness of the mark is a relevant consideration in considering the similarity of goods.”

22. That remark appears to have been in reference to the decision of the ECJ in the case of *Canon Kabushiki Kaisha –v- Metro-Goldwyn Mayer Inc.* (Case C-39/97) (*CANNON*). In that case, which came to the ECJ by way of a reference from the German Federal Court of Justice under Article 177 E.C., the question arose as to whether the fact that an earlier mark was particularly distinctive should be taken into account when assessing the similarity of the goods or services covered by that mark and those in respect of which a subsequent application for registration of a similar mark was made. The question put to the ECJ was as follows:

“May account be taken, when assessing the similarity of the goods or services covered by the two marks, of the distinctive character, in particular the reputation, of the mark with earlier priority (on the date which determines the seniority of the later mark), so that, in particular, likelihood of confusion within the meaning of Article 4(1)(b) of Directive 89/104² must be taken to exist even if the public attributes the goods and/or services to different places of origin?”

² equivalent to Section 10(2) of the Act

23. In addressing that question, which it broke down into two separate elements, the ECJ noted, firstly, that the tenth recital of the preamble to the Directive states that,

the protection afforded by the registered trade mark, the function of which is in particular to guarantee the trade mark as an indication of origin, is absolute in the case of identity between the mark and the sign and goods or services ... the protection applies also in the case of similarity between the mark and the sign and the goods or services ... it is indispensable to give an interpretation of the concept of similarity in relation to the likelihood of confusion ... the likelihood of confusion, the appreciation of which depends on numerous elements and, in particular, on the recognition of the trade mark on the market, on the association which can be made with the used or registered sign, and on the degree of similarity between the trade mark and the sign and between the goods or services identified, constitutes the specific condition for such protection

24. Having regard to the intent expressed in that recital and in light of its earlier case law, the ECJ gave the following answer to the question referred to it:

“On a proper construction of Article 4(1)(b) of First Council Directive 89/104 to approximate the laws of the Member States relating to trade marks, the distinctive character of the earlier trade mark, and in particular its reputation, must be taken into account when determining whether the similarity between the goods or services covered by the two trade marks is sufficient to give rise to the likelihood of confusion.

There may be a likelihood of confusion within the meaning of Article (4)(1)(b) of Directive 89/104 even where the public perception is that the goods or services have different places of production. By contrast, there can be no such likelihood where it does not appear that the public could believe that the goods or services come from the same undertaking or, as the case may be, from economically-linked undertakings.”

25. It might appear that, by that answer, the ECJ sought to conflate the assessment of similarity of goods with that of likelihood of confusion, so that the prohibition on registration contained in Section 10(2) could apply in cases involving goods that would not be regarded as similar on an objective assessment if it appeared that there would, nevertheless, be a likelihood of confusion because the earlier mark was highly distinctive. That would not be consistent with the language of Section 10(2), which speaks of the likelihood of confusion as consequential upon the similarity of the respective marks and the respective goods and not the other way around, i.e., a perceived likelihood of confusion cannot make dissimilar goods similar. Indeed, at paragraph 22 of its decision in *CANNON* the ECJ stated,

“It is, however, important to stress that, for the purposes of applying Article 4(1)(b), even where a mark is identical to another with a highly distinctive character, it is still necessary to adduce evidence of similarity between the goods or services concerned. In contrast to Article 4(4)(a)³, which expressly refers to the situation in which the goods or services are not similar, Article 4(1)(b) provides that the likelihood of confusion presupposes that the goods or services covered are identical or similar.”

26. Rather than conflating the questions of similarity of goods and likelihood of confusion, the ECJ in *CANNON* appears to have stressed the fundamental interdependence that exists between the relevant factors that must be taken into account in deciding whether confusion is likely in a given case. Those factors are, firstly, the similarity of the respective marks and, secondly, the similarity of the respective goods and it is well established that a lesser degree of similarity in one area may be offset by a greater degree of similarity in the other. But that is not to say that an absence of any similarity in respect of the respective goods may be ignored if the marks are identical, regardless of how distinctive the earlier mark is. Conversely, a high degree of similarity as between both the respective goods and the respective marks will not inevitably lead to a likelihood of confusion, for example, if there are particular circumstances in the relevant trade that make actual confusion in practice unlikely or, perhaps, impossible. I am satisfied, therefore, that the correct approach in a given case is to consider the questions of

³ equivalent to Section 10(3) of the Act

similarity of marks and similarity of goods separately and to then make a global assessment of the likelihood of confusion, having regard to all of the relevant factors (including similarity of marks, similarity of goods, circumstances of trade, perception of the average consumer, etc.) and to the practical effects of the interaction of those factors.

27. The reason for the foregoing, rather long-winded, treatise on the interpretation of Section 10(2) and the process by which that provision is to be applied in a given case is that this is an example of a case in which an apparent dissimilarity of the respective goods, on the one hand, might be seen to be counteracted by an intuitive perception of a likelihood of confusion on the other, which perception stems from the identity of the marks and the high degree of distinctiveness of the earlier mark. Cigarettes, tobacco products, smokers' articles, etc. would not normally be regarded as similar to vodka but it is easy to think that the average Irish person who encountered JAN III SOBIESKI cigarettes and JAN III SOBIESKI vodka on sale, whether together or separately, would perceive a link between the two because the trade mark is so distinctive and the coincidence of separate and independent use of it by different undertakings would be perceived as unlikely. In the circumstances, it is tempting to brush over the requirement that there be some similarity between the goods and simply proceed to address the question of likelihood of confusion. In his submissions at the hearing in support of the application, Mr. Heneghan pointed out the error of such an approach and stressed that I could not proceed to consider whether there was a likelihood of confusion if I did not first find that the respective goods were similar. As I have indicated above, I agree that he is correct in this and that some similarity between the respective goods must be found or else the objection under Section 10(2) is inapplicable.

28. In comparing the respective goods, the criteria set out in *TREAT* are relevant and I will consider each below. In considering them, I keep in mind that I am engaged essentially in a practical, rather than a theoretical, enquiry. That is to say that the function of the Controller in considering an objection to registration based on Section 10(2) is to reach a decision as to whether or not confusion of the public in the ordinary course of trade will be likely. The comparison of the respective

goods (or, indeed, of the respective marks in cases where they are not identical) is not an academic exercise but one which must be undertaken having regard to the context in which it is performed. Hence the statement in the tenth recital of the preamble to the Directive that “*it is indispensable to give an interpretation of the concept of similarity in relation to the likelihood of confusion*”. With that in mind, I turn to the comparison of the goods in this case.

The uses of the goods

29. Strictly speaking, cigarettes and vodka are used differently, one by smoking and the other by drinking. It can be argued, as Mr. Heneghan did on behalf of the Applicant, that cigarettes are used to satisfy a craving for nicotine while the purpose of an alcoholic drink such as vodka is to satisfy thirst. In my estimation, however, cigarettes and other tobacco products are used for essentially the same purpose as vodka, i.e., as an integral part of relaxation and social intercourse. Nicotine and alcohol are the two legal so-called “recreational drugs” used in our society and they are commonly used together by those who use both. Both are non-essential items and both produce negative health effects. Nevertheless, they are both used on a massive scale by consumers and I would say that consumers generally perceive the use of each as having a common purpose.

The users of the goods

30. Both cigarettes and vodka are used by consumers generally and each can only be consumed legally by persons aged 18 years and over. Of course, not all smokers drink and *vice versa* but, for the purposes of this comparison, the users are the same.

The physical nature of the goods

31. In terms of their physical nature, the respective goods are completely different and so obviously so as to make it unnecessary for me to go into detail about the differences.

The trade channels

32. I have no evidence before me as to the trade channels through which the respective goods reach the market and I cannot say for certain that these are the

same or different. Clearly, the manufacturers would be different in each case as the raw materials and methods of manufacture are different. As to the retail element of the trade, I would assume that large retail chains would purchase centrally direct from manufacturers or specialist distributors so that they would not be likely to acquire the Applicant's and the Opponent's goods from the same source. On the other hand, smaller retailers would be more likely to acquire product via intermediaries such as general distributors and wholesalers and might well source their tobacco products and alcoholic drinks from the same supplier. As regards the final point of sale to the ultimate consumer, I think this would be the same in some cases (because outlets licensed to sell alcohol invariably carry cigarettes also) and different in others (because not all retailers of cigarettes are licensed to sell alcohol).

Where the goods are found in retail outlets

33. The respective goods are not normally displayed together in retail outlets that carry both, such as supermarkets and off-licences. Cigarettes are normally kept at or near the counter or pay-point and must be asked for by brand name by the customer. Alcohol is a self-serve item that is selected from open shelves by the customer before he approaches the till to pay.

The extent to which the respective goods are competitive (or complementary⁴)

34. The respective goods do not compete with each other in the marketplace as one is not a substitute for the other. Nor are they complementary in the proper sense insofar as one is not required to be used with the other for the purpose of "completing" it. Having said that, I think it is normal for persons who use both cigarettes and alcohol to use them together and that, for such persons, one drug stimulates the desire for the other and increases the enjoyment of it. While that alone does not make the goods similar (the beer and crisps analogy is apposite), it does support the notion that cigarettes and alcohol "go together" and it cannot be denied that there is a certain link between the two.

⁴ not specifically included in the list of criteria set out in *TREAT* but mentioned in *CANNON* and other ECJ cases

35. On an overall assessment, I would say that the respective goods, while dissimilar in nature and method of manufacture, display sufficient similarity in terms of their respective uses as to be above the level of *de minimis* and so fall within the scope of Section 10(2) of the Act. Having regard to the context in which the assessment of similarity is to be undertaken, I think that I must ask myself whether cigarettes and vodka are goods that are so dissimilar as to obviate any possibility of confusion notwithstanding the use in relation to both of the same trade mark. In light of the comparison that I have carried out, I think that the respective goods could not be said to be that dissimilar and it follows, therefore, that they are similar, if only slightly so, for the purposes of Section 10(2).

36. In view of that finding, it is necessary to go to the next part of the assessment and consider whether there is a likelihood (as opposed to a mere possibility) of confusion. It is established that the likelihood of confusion in a given case must be appreciated globally, taking into account all factors relevant to the circumstances of the case⁵. In the present case, we are dealing with goods having a low degree of similarity but that is offset to some extent by the fact that the marks are identical. The earlier mark is highly distinctive as it is a name that bears no relation to the goods; while it is the name of a historical figure⁶, I do not think that it would have any meaning or significance to the average Irish consumer, anymore than “Brian Boru” or “Silken Thomas” would mean anything to the average Eastern European. The average consumer of the relevant goods is apt to be brand conscious and loyal to a particular brand, in the case of cigarettes particularly but also in the case of vodka, when purchased in off-licences, supermarkets, etc., i.e., other than in licensed premises in which the drink is normally ordered simply as “vodka” and not by reference to a particular brand name. I also believe that the average consumer would be apt to perceive a link between cigarettes and alcohol although he would know that they are normally manufactured by different undertakings.

37. In all of these circumstances, what is the likelihood of confusion on the part of the public? As regards direct confusion, whereby custom intended for the Opponent

⁵ ECJ in *Lloyd Schuhfabrik Meyer & Co. GmbH –v- Klijsen Handel BV* (Case C-342/97)

⁶ 17th century King of Poland and victor over the Turks in the battle of Vienna, 1683

might go to the Applicant because of the latter's use of the same trade mark on its goods, that is simply not possible as the respective goods are not substitutes for each other and do not compete directly in the marketplace. However, the risk that the public might believe that the respective goods come from the same undertaking or from economically linked undertakings constitutes a likelihood of confusion with the meaning of Section 10(2)⁷. It seems to me that such a risk is manifest in this case as I believe that the inference that would be drawn by the average Irish consumer from the concurrent use of the trade mark JAN III SOBIESKI in relation to both vodka and cigarettes is that the respective goods were put on the market by, and originated under the control of, a single undertaking. Certainly, some consumers might assume the respective goods to have different commercial origins because of their different natures but I think the majority would be unlikely to assume that there were two different undertakings putting products on the market under the name JAN III SOBIESKI, one in the cigarette business and one in the drinks business. Given the high degree of distinctiveness of the trade mark, the coincidence does not seem likely.

38. I find, therefore, that, because of the identity of the mark propounded for registration and the Opponent's Registered Trade Mark No. 216014 and the similarity of the mark and the Opponent's Registered Trade Mark No. 215832, and because of the similarity, albeit slight, of the goods for which registration is sought and those for which the Opponent's trade mark is protected, there exists a likelihood of confusion on the part of the public and the application must be refused under Section 10(2) of the Act.

Tim Cleary
acting for the Controller
3 November, 2005

⁷ *CANNON* paragraph 29

Opponent's Registration no. 215832

