

O-335-03

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 2213334
BY ABSOLUTE INTERNET LIMITED
TO REGISTER THE TRADE MARKS:**

ABSOLUTE INTERNET

ABSOLUTE INTERNET

IN CLASSES 35 & 42

AND

**THE OPPOSITION THERETO
UNDER No. 80260
BY V&S VIN & SPRIT AKTIEBOLAG**

BACKGROUND

1) On 4th November 1999 Absolute Internet Limited applied to register a series of two trade marks. The two trade marks are identified on the front page of this decision. Registration is sought for the following services:

Class 35: Advertising services.

Class 42: Design of web pages.

2) On 17th October 2001 V&S Vin & Sprit Aktiebolag (referred to hereafter as V&S) filed a notice of opposition to the application. Their grounds, in summary, are:

Section 5(2)(b) The mark applied for is similar to the earlier trade marks owned by the opponent and is to be registered for goods which are identical with or similar to those for which the earlier marks are protected and there is a likelihood of confusion by the public.

Section 5(3) In the alternative, the mark applied for is similar to the earlier marks and is to be registered for goods which are not similar goods to those for which the earlier marks are protected, the earlier marks having a reputation in the UK. The use of the mark applied for without due cause would take unfair advantage of, or be detrimental to the distinctive character and repute of the earlier marks.

Section 5(4) Use of the mark applied for in the UK is liable to be prevented by the nature of the common law of passing off. The goods to which the applicant's mark would be applied would be referred to as ABSOLUTE INTERNET goods and would be confused with the consumer image surrounding the ABSOLUT brand. The applicant's mark mirrors the usage of ABSOLUT in advertising and in respect of identical or similar goods and services, some of which include the word ABSOLUT in conjunction with another word.

The opponent's trade marks are detailed in the annex to this decision.

3) The applicant filed a counterstatement in which they deny the grounds on which the opposition is based and puts the opponent to strict proof of its claim to reputation and use. Both sides seek an award of costs.

4) Only the opponent filed evidence. Following the completion of the evidence rounds the parties were advised that a decision could be made without recourse to an oral hearing, but were, nevertheless, given an opportunity to request a hearing or to file written submissions. Neither party requested a hearing. However, the opponent did file written submissions. Accordingly, I will make a decision following a careful study of all the papers before me.

EVIDENCE

Opponent's evidence

Witness statement of Eva Kempe-Forsberg dated 24th October 2002

5) Ms. Kempe-Forsberg is Vice President of Marketing at The Absolut Company, a business area of V&S. She states that ABSOLUT vodka was first created in 1879 using a revolutionary new distillation method and that it was first exported towards the end of the 19th century. She states that in order to emphasise the purity of the vodka it was decided not to use paper labels on the bottle but to instead print the text directly onto the bottle itself. Exhibit EKF1 contains photographs of such bottles.

6) Ms. Kempe-Forsberg states that in 1974 V&S began a programme to increase international export sales. After some experimenting with various packaging they selected ABSOLUT vodka for export. Although of no relevance to the position in the UK, she states that the product was first marketed in the United States, the first shipment being in May 1979.

7) Ms. Kempe-Forsberg then states that ABSOLUT is the largest selling premium vodka in the UK. In 2001 1.2 million units were sold, which she says represents 49% of the premium vodka market. The term "premium" vodka is not defined and remains so throughout the opponent's evidence. Exhibited at EFK2 and EFK3 are documents relating to ABSOLUT's market share and brand awareness. There is little explanation of what the various figures are meant to represent and consequently what I am meant to take from them. The document relating to brand awareness is particularly unhelpful: awareness is broken down into 3 sub-categories – aided brand awareness, unaided brand awareness, top of mind – without further explanation. Nevertheless, Ms. Kempe-Forsberg states that sales of ABSOLUT vodka have been rising by thirty per cent per year.

8) Ms. Kempe-Forsberg states that since the early 1980s ABSOLUT vodka has been extremely successful. In 1988 21.9 million litres were sold and produced. By 2001 this had more than tripled to 65.8 million litres. In 1995 ABSOLUT was classed as a "billion dollar" brand with an estimated purchase value of US\$ 2.1 billion. ABSOLUT is now the second biggest premium spirit brand in the world and ranked 6th in all the world's spirit brands. Exhibit EKF4 is an article from "Drinks International Bulletin" dated 22nd December 2000. The following is an extract which highlights the words "famous" and "Absolut":

"The three companies which formed Maxxium would like to attract Absolut. This alliance is one of the lowest cost distribution operations in the world, and V&S is said to be considering an agreement with Maxxium for the distribution of its **famous** brand. Much of **Absolut's** success has been due to its excellent marketing."

Although Ms. Kempe-Forsberg states that the publication is circulated in the UK, she does not state where it originates from and how widely it is circulated in the UK.

9) ABSOLUT vodka is distributed by Maxxium (UK) Limited (the opponent's UK distributor) throughout all the major conurbations of the UK, including Brighton, Edinburgh, Glasgow, Leeds, Liverpool, London and Manchester. Ms. Kempe-Forsberg states that it is sold in bars, restaurants and pubs (off-trade) and in retailers (on-trade). Exhibit EKF5 is a list of the "on-trade" customers in the United Kingdom. Exhibit EKF6 is a list of the top thirty "off-trade"

retailers to which Maxxium distributes, and includes a number of well known off-licences and supermarket chains. The volume of ABSOLUT vodka sold to each of these retailers during 1999 and 2000 is provided, though the unit of volume is not given.

10) The following tables show i) figures for volumes of ABSOLUT shipments in the United Kingdom, ii) UK general ledger of ABSOLUT between 1 January 1996 and 31 December 2001, in Swedish Krona, with approximate UK sterling equivalent:

i) UK shipments duty paid in litres

| Yr | Total (litres) |
|------|----------------|
| 1996 | 284,161 |
| 1997 | 501,110 |
| 1998 | 726,610 |
| 1999 | 751,861 |
| 2000 | 1,041,116 |
| 2001 | 1,070,447 |

ii) General ledger sales of ABSOLUT

| Year | Total SEK/UK £ |
|------|----------------------|
| 1996 | 8,113,000/793,000 |
| 1997 | 18,111,000/1,480,000 |
| 1998 | 25,735,000/1,960,000 |
| 1999 | 37,318,000/2,835,000 |
| 2000 | 53,064,000/3,777,000 |
| 2001 | 49,411,000/3,333,000 |

11) Ms. Kempe-Forsberg states that a typical visitor to the “on-trade” outlets would fall in the ABC category (professional, managerial and junior manager types) aged between 25-45 and would be brand conscious and aware of what they purchase. This, I assume is the “the communication target group” (an undefined term) for ABSOLUT customers.

12) Consequently, the opponent’s marketing campaigns have concentrated on areas of interest to this group, particularly fashion and art. ABSOLUT has been directly publicised through print media, outdoor sign advertisements, promotion of events such as art exhibitions, fashion shows and collections, various cultural events and also through interactive media including the internet.

13) Ms. Kempe-Forsberg states that ABSOLUT has become renowned for its advertising campaigns. She states that campaigns have been running in the UK for 20 successive years. Reference is made to a book, “ABSOLUT BOOK – The Absolut Vodka Advertising Story”, which was published in 1996 to cover the marketing story of ABSOLUT. Exhibit EKF7 consists of a copy of the front cover of the book. 150,000 copies of the book have been sold, although it is not indicated how many copies were sold in the UK. Also exhibited (EKF8 & EKF9) are extracts from the publication “Business Life” for December 1999; both extracts mention the book and the brand’s successful advertising campaign. The publication is said to be circulated in the UK (no circulation figures are provided). From the content of the first extract it would appear to be a United States publication given that the article is written from the perspective of ABSOLUT’s position in the United States market.

14) Ms. Kempe-Forsberg then exhibits numerous copies of advertisements. They all follow the same pattern of using the word ABSOLUT followed by another word eg ABSOLUT FASION, ABSOLUT ART, ABSOLUT HOLIDAYS etc. It is not possible to identify where these advertisements were used or what date they were published. She states that since their launch in the UK (in 1985) there have been hundreds of different advertisements using the above theme. She states that thousands of articles and countless sound bites on television provide free exposure for ABSOLUT each year.

15) Ms. Kempe-Forsberg states that since 1989 full page colour advertisements for ABSOLUT have been run in a number of UK magazines and provides a list of magazines in which they have been run. Copies of some of the advertisements are shown in exhibit EKF20. Exhibit EKF21 consists of details of the publications in which ABSOLUT has been advertised in the years 1999, 2000 and 2001. She also states that ABSOLUT has been advertised in UK national newspaper supplements and regional papers and press. Examples include 'The Guardian Weekend', 'The Sunday Times Culture' and 'Time Out'.

16) Ms. Kempe-Forsberg then details the notoriety of ABSOLUT's advertising in the United States. She refers to awards that have been won for the advertising. Clearly the position in the United States has little bearing on this case within UK jurisdiction, but she does add that this notoriety also extends to the UK. Details on the amount spent on advertising are then provided. It is stated that in excess of £1 million per year is spent in the UK alone, although it is not clear if this was the case at the relevant date in the proceedings. Further figures are provided to illustrate that between 1999 and 2001 approximately £1,500,000 was spent on print advertising.

17) Ms. Kempe-Forsberg then refers to the use of the ABSOLUT website as an advertising and communication vehicle. She states that there are 50,000 user sessions per week on average lasting 6 minutes. Nothing is said as to the geographical source of these hits. Ms Kempe-Forsberg states that in order not to diminish the premium nature of the product, ABSOLUT does not banner advertise on other general interest sites. When they do advertise on other sites the choice of site is selected carefully so as to fit the message and communication target group. An example is given at EKF24 of a recent campaign on the website of eyestorm.com an online art and photographic gallery. I should add that no information is provided as to when this campaign was run.

18) Ms. Kempe-Forsberg states that the advertising and marketing of the ABSOLUT brand on the internet is, like its print campaigns, intended to be elaborate but entertaining. Exhibit EKF25 lists a number of awards that have been won for the advertising and marketing campaigns through interactive media and the Internet. Only 2 awards appear to have been awarded by UK organisations prior to the relevant date in these proceedings. She also states that ABSOLUT's campaigns are designed not only to attract existing customers or vodka drinkers, but also to expose the brand to individuals who are attracted to interactive websites and the various themes which the brand follows in its advertising. Exhibits EKF27 & EKF28 consist of a number of press articles that are said to highlight the success and appeal of the ABSOLUT website: none are dated before the relevant date.

19) Ms. Kempe-Forsberg states that V&S has, since June 1989, distributed in 60-70 countries a publication called "ABSOLUT REFLEXIONS". She states that the magazine is distributed two or three times a year to people involved in the production, marketing, international distribution and sale of ABSOLUT. She states that over the years between 30,000 and 40,000 copies of each issue have been distributed. She states that the periodical is as a means of disseminating information about the sales and promotion of ABSOLUT worldwide. Exhibit EKF29 consists of various editions of the publication.

20) Ms. Kempe-Forsberg then details the promotions that have taken place in the field of art and fashion. The arts programme began in 1985 when Andy Warhol was commissioned to produce a painting of the ABSOLUT bottle. She states that since 1985 over 600 artists have been commissioned to undertake similar works. Similar projects are undertaken in the field of

fashion, examples include ABSOLUT VERSACE and ABSOLUT GUCCI. A number of press cuttings and other material are exhibited to demonstrate the various promotions.

21) Ms. Kempe-Forsberg states that ABSOLUT also carries out themed promotional events within the UK. One example given is in the department store Harvey Nichols (in London) where ABSOLUT KURANT was sold as perfume in an atomiser. Another took place in Brighton where vending machines were installed containing specially crafted pinhole cameras which could be purchased for £2.

22) Ms. Kempe-Forsberg states that the ABSOLUT trade mark has been used over the past ten years on a variety of other goods, including pens, coasters, cocktail stirrers, freezers, glasses, aprons, ties, t-shirts, polo shirts, shirts, waistcoats, dresses, blankets, parasols, rings, tie-clips, cufflinks, hair clips, watches, necklaces and earrings. She states that most of the items of clothing have a label sewn into them which displays the ABSOLUT trade mark, the ABSOLUT trade mark also appears on the front of the garment. It appears that these articles are used for promotional purposes. Ms Kempe-Forsberg exhibits a catalogue of the various items available for promotional purposes and also pictures of some shirts bearing the trade mark ABSOLUT. Ms. Kempe-Forsberg then cites the results of a survey, completed at the end of 2001, relating to brand effectiveness. The timing places the survey two years subsequent to the relevant date. Though not necessarily fatal to the conclusions one may fairly draw from the survey, I am given nowhere near enough information on its methodology to place any faith in it: the survey is based on 'readers' of the website *brandchannel.com* (produced by Interbrand) and appears to be a self-selecting subdivision of those readers. This can hardly be considered representative of consumers in the UK. Further, on the latter point, the survey relates to Europe, and not specifically the United Kingdom.

23) Ms. Kempe-Forsberg then proceeds to give her opinions as to why the application in suit should be refused registration; this is more akin to submissions rather than evidence, therefore I do not propose to go into any further detail here.

Witness statement of Laura Ann Aldington dated 24th October 2002

24) Ms. Aldington is a senior account manager of TWBA/London responsible for the marketing and advertising campaigns of a number of brands including ABSOLUT. She states that the ABSOLUT brand is a well known brand and has achieved a substantial reputation both in the UK and worldwide. She states that she understands that in the UK it has a 49% share of the premium vodka market and approximately between a 3% - 4% share of the entire vodka market. She states that the target group for ABSOLUT are males and females of professional, managerial and junior manager types aged between twenty five and thirty five years of age and who have a hectic social life and who are discerning consumers, knowledgeable of the market place and very trendy, brand and label aware.

25) Ms. Aldington states that, apart from its reputation for high quality vodka, the brand has also developed a reputation in marketing circles for its unique advertisements and promotions. She points out that the use of the word ABSOLUT is usually followed by another word, descriptive of the theme of the particular advert. She states that the ABSOLUT brand is just as famous for being an advertising and communications vehicle as it is for vodka.

26) Ms. Aldington then refers to the advertisement and promotion of ABSOLUT on the Internet. She mentions that the website is interactive and includes games and other

promotions. She understands that a number of awards have been picked up for its interactive media campaigns on the Internet. Also mentioned are the promotional activities carried out in the fields of art and fashion and other promotional activities on drink related merchandise.

27) Ms. Aldington states that she has yet to see the word ABSOLUT, whether spelt with an “e” at the end or not, being used as a brand name on any other type of goods or service in the UK. She states that if she were to see ABSOLUTE INTERNET used in connection with advertising or internet related services then she would immediately think it was connected to the ABSOLUT brand or that whoever is using the name is playing off the reputation and fame of the ABSOLUT brand.

Witness statement of Eileen Frances Livingston dated 18th October 2002

28) Ms. Livingston is a senior marketing manager of Maxxium (UK) Limited, the opponent’s UK distributor. She states that to her knowledge ABSOLUT has definitely become a well known brand and has achieved a substantial reputation both in the UK and worldwide. She states that in the UK ABSOLUT have a 49% share of the premium vodka market and approximately a 4-5% share of the entire vodka market. She mentions the same target group as is detailed in Ms. Aldington’s statement.

29) Ms. Livingston states that ABSOLUT is renowned for its continuous and long running advertising campaigns and its marketing and promotions. She details the various arts and fashion promotions that are mentioned in Ms Kempe-Forsberg’s statement.

30) Ms. Livingston then mentions advertisements and promotions on the Internet. She states that although she is unaware of the time period that ABSOLUT have been using the Internet and its website for promotional and marketing use, she does say that over at least the last 18 months the ABSOLUT brand has increased its appeal via this media. Given the date of her statement, this places this increased emphasis on website promotion at the beginning of the year 2000 i.e. after the relevant date in these proceedings. She then refers to various Internet promotions that have been run.

31) Ms. Livingston states that ABSOLUT often receive requests for sponsorship such as providing the setting for various events. These quite often come from large publishing houses that also run web design agencies. She also mentions the eyestorm.com promotion that took place in 2001, but again this is after the relevant date. Ms Livingston also refers to the use of the ABSOLUT name on promotional products and through themed corporate events.

32) Ms. Livingston states that she has yet to come across the word ABSOLUT, whether spelt with an “e” at the end or not, being used as a brand name on any other type of goods or services in the UK. She states that if she were to see ABSOLUT(E) followed by or alongside another word, it would cause confusion. She states that if she were to hear or see the term ABSOLUTE INTERNET in relation to advertising she would immediately confuse it with the ABSOLUT brand. The same comments are stated in relation to ABSOLUTE INTERNET in relation to web design or internet services; she states that she would think it is either another ABSOLUT website, is linked to the ABSOLUT website, or that ABSOLUT has branched out in to offering or sponsoring web design services.

Applicant's evidence

33) The applicant did not file any evidence in these proceedings, consequently no evidence in reply has been filed.

DECISION

SECTION 5(2)(b) OBJECTION

34) The first ground is under Section 5(2)(b), the relevant legislation reads:

“5(2) A trade mark shall not be registered if because-

(a) ... ,

(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.”

35) An earlier right is defined in Section 6, the relevant parts of which state:

“6.-(1) In this Act an “earlier trade mark” means –

(a) a registered trade mark, international trade mark (UK) or Community trade mark which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks”

36) In approaching s. 5(2)(b) I am mindful of the following decisions of the European Court of Justice (ECJ) on this provision (equivalent to Article 4(1)(b) of Directive 89/104/EEC) in *Sabel BV v Puma AG* [1998] E.T.M.R. 1, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] E.T.M.R. 1, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v Adidas AG* [2000] E.T.M.R. 723. It is clear from these cases that:

(a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors; *Sabel*, paragraph 22;

(b) the matter must be judged through the eyes of the average consumer of the goods/services in question; *Sabel BV*, paragraph 23, 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; *Lloyd*, paragraph 27;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details; *Sabel BV*, paragraph 23;

(d) the visual, aural and conceptual similarities of the marks must therefore be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components; *Sabel BV*, paragraph 23;

(e) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and *vice versa*; *Canon*, paragraph 17;

(f) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either *per se* or because of the use that has been made of it; *Sabel*, paragraph 24;

(g) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Section 5(2); *Sabel*, paragraph 26;

(h) further, 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; *Marca Mode*, paragraph 41;

(i) but if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section; *Canon*, paragraph 29.

Similarity of goods/services

37) In order to assess the similarity of the goods/services, I note the test set out by Mr. Justice Jacob in *British Sugar Plc v James Robertson & Sons Ltd* [1996] RPC 281 at page 296; one must consider:

(a) the uses of the respective goods or services;

(b) the users of the respective goods or services;

(c) the physical nature of the goods or services;

(d) the trade channels through which the goods or services reach the market;

(e) in the case of self-serve consumer items, where in practice they are respectively found or likely to be found on the same or different shelves; and

(f) the extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods or services, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

38) The above factors were referred to in the opinion of the Advocate General in *Canon*; paragraphs 45-48. In its judgment, the ECJ stated at paragraph 23:

‘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 end users and their method of use and whether they are in competition with each other or are complementary.’

39) The applicant’s specification covers two different service classes. The specifications in each are phrased quite narrowly. They cover “advertising services” in Class 35 and “design of web pages” in Class 42. The opponent’s earlier trade marks cover a broad range of goods and services, the majority of which appear, at first glance, quite distinct from the services sought by the applicant.

40) In their written submissions the opponent refers to Community Trade Mark (CTM) application No. 483230 specifying “advertising and marketing services” and CTM registration 1521681 covering “information provided on-line from a database or from the internet relating to the provision of food and drink through restaurants, bars and catering” as representing their best case. Having examined the earlier marks I tend to agree. The opponent’s other earlier marks are such a distance from the applicant’s specifications that little analysis is required for me to determine that they do not specify similar goods.

41) CTM application No. 483230 lists advertising and marketing services. This clearly represents a clash of identical services with that sought by the opponent. However, I do not consider that this term, nor indeed any other term covered by CTM 483230, to represent a clash with the web design services also sought.

42) Whilst I acknowledge that advertising is often carried out on the Internet (on web-sites that must have been designed by someone), I consider the physical nature of the two services to differ. Advertising services deal with advertising campaigns etc, web design is the simple construction of web pages and sites. Even if the advertising is to be placed on the web, the web designer is not providing an advertising service but merely displaying the product of the person creating the advert. I do not consider the service to be competitive; but they may be complimentary. Although the users may be similar in some circumstances, e.g. businesses etc, the users can also differ – there will be many organisations that will utilise the services of a web designer but who have no interest in advertising. Taking all this into account, I consider that the advertising and marketing services covered by CTM No. 483230 are not similar to the applicant’s web design services.

43) The other earlier mark referred to by the opponent is CTM No. 1521681. In perusing the details of this mark provided by the opponent I note that it carries a date of 31st January 2000. The date of filing of the application in suit is 4th November 1999, therefore the opponent’s mark is not an earlier trade mark. I will say no more about it. I do not see that any of the other earlier marks place the opponent in any better position under this ground.

44) In view of the above, I dismiss the opponent’s opposition under Section 5(2) insofar as it relates to web design services in Class 42. Without a similar service the opponent’s case cannot get off the ground. I note the following from *Harding v. Smilecare Limited* [2002] F.S.R. 37, where P. W. Smith Q.C. (sitting as a Deputy Judge of the High Court) stated:

“... for an action under section 10(2)(b) [equivalent to s. 5(2)(b)] to succeed there is a threshold which has to be crossed namely that the goods or services are identical with or similar to those for which the trade mark is registered.”

and from *RALEIGH INTERNATIONAL Trade Mark* [2001] R.P.C. 11, paragraph 21:

“Similarities between marks cannot eliminate differences between goods or services; and similarities between goods and services cannot eliminate differences between marks”.

I will consider, now, the opposition to advertising services in Class 35 given that their earlier trade mark CTM No. 483230 contains identical services to the application in suit.

Similarity of marks

45) When considering the question of similarity, I do so with reference to any visual, aural and conceptual similarities. For ease of reference, I reproduce the marks below:

Applicant's marks

ABSOLUTE INTERNET

ABSOLUTE INTERNET

Opponent's mark



46) Visually, both marks contain the word ABSOLUTE/ABSOLUT. The fact that the letter “e” is missing from the opponent’s mark makes some difference, but not much. I am conscious that the opponent’s mark has a pictorial element which again takes it further away. The applicant’s marks also have the additional word INTERNET and in the case of the second mark in the series a block background to that word. This again aids distinction. However, I must pay particular attention to the dominant and distinctive elements in both marks which I consider to reside in the words ABSOLUT/ABSOLUTE. The pictorial element in the opponent’s mark can not be described as particularly dominant or distinctive, neither can the word INTERNET in the applicant’s mark, given the somewhat descriptive nature of this word. Taking all this into account I consider there to be a reasonable level of visual similarity between the marks.

47) I consider there to be little difference in the pronunciation between the words ABSOLUTE and ABSOLUT. Even if some people pronounce the words differently, they will at the very least be pronounced in an extremely similar way. The applicant’s marks have the additional word INTERNET, my observations on the distinctiveness of this word also apply here. I consider there to be a reasonable degree of oral similarity.

48) Although spelt differently, I believe that the average consumer will give both the words ABSOLUT and ABSOLUTE the same meaning e.g. complete, perfect, pure. The addition of the word INTERNET to the applicant’s mark will merely be seen as the word to which the characteristic of “absolute” is applied. ABSOLUTE INTERNET has no specific meaning of its own. I consider there to be some conceptual similarity.

Distinctiveness of the earlier mark

49) When considering a claim under Section 5(2)(b), an assessment of the distinctive character of the earlier mark is conducted in order to ascertain whether it is entitled to enhanced protection (see point (f) in paragraph 36 above). The distinctive character may reside in the inherent qualities of the marks and/or through the use made of them.

50) Looking firstly at the inherent characteristics of the opponent's mark, I do not consider it to be highly distinctive. The word ABSOLUT makes an allusion of a laudatory nature. And 'absolute alcohol' is pure alcohol. The addition of the pictorial element adds something to the mark, but not a great deal. I consider the trade mark, when assessing its inherent characteristics, to be of only an average level of distinctiveness.

51) Use has been filed to support the opponent's position, but does this use bolster the distinctiveness of the opponent's earlier trade mark and so making it highly distinctive? The use filed relates to the provision of vodka. This is where sales have been made and advertising directed. This, to my mind, can not strengthen their position in respect of advertising services. Much has been made of the fact that ABSOLUT has been advertised and marketed in innovative and imaginative ways, but I do not consider that this should provide the opponent with a higher degree of protection in respect of advertising services. ABSOLUT may have a reputation for utilising imaginative advertising techniques, but this does not provide them with a reputation in the provision of advertising services. The trade is in vodka; they make use of advertising services (as most successful products do) but their evidence does not show a trade in advertising. Consequently, I do not consider that the opponent is entitled to enhanced protection in respect of their advertising services.

Likelihood of confusion

52) A lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods/services. The services in question are identical. There is a reasonable degree of similarity between the marks. Even absent of an enhanced level of protection, I still consider that the use of the applicant's mark in relation to advertising services will lead to a likelihood of confusion. Consequently, the opponent is successful under section 5(2) insofar as the application covers advertising services in Class 35. Given that the opponent has only partially succeeded under Section 5(2), I go on to consider the other grounds of opposition.

SECTION 5(3) OBJECTION

53) Section 5(3) of the Act states:

“A trade mark which –

(a) is identical with or similar to an earlier trade mark, and

(b) is to be registered for goods or services which are not similar to those for which the earlier trade mark is protected,

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,

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.”

54) In applying the law I note the following from the *RARE* trade mark case (BL 0-470-01), where the Hearings Officer stated:

“51. The purpose and scope of Section 5(3) of the Act has been considered in a number of cases including *General Motors Corp. v Yplon SA (Chevy)* 1999 ETMR 950 and 2000 RPC572, *Premier Brands UK Limited v Typhoon Europe Limited* 2000 FSR 767 (*Typhoon*), *Daimler Chrysler v Alavi (Merc)* [2001] RPC 42 and *C.A. Sheimer (M) Sdn Bh’s TM Application (Visa)* 2000 RPC 484.

52. The points that come out of these cases are as follows:

- a) ‘Reputation’ for the purposes of Section 5(3) means that the earlier trade mark is known by a significant part of the public concerned by the products or services covered by that trade mark (paragraph 26 of the ECJ’s judgment in *Chevy*);
- b) The provision is not intended to give marks ‘an unduly extensive protection’ – there must be actual detriment or unfair advantage (not merely risks) which must be substantiated to the satisfaction of the national court or tribunal (paragraph 43 of the Advocate General’s Opinion in *Chevy* and paragraph 88 of Pumfrey J’s judgment in the *Merc* case);
- c) The provision is not aimed at every sign whose use may stimulate the relevant public to recall a trade mark which enjoys a reputation with them (per Neuberger J in the *Typhoon* case);
- d) The stronger the earlier mark’s distinctive character and reputation the easier it will be to accept that detriment has been caused to it (paragraph 30 of the ECJ’s judgment in the *Chevy* case);
- e) Confusion as to the trade source of the goods or services offered for sale under the later mark is not a necessary condition before there can be detriment, but is one form of detriment (paragraph 88 of Pumfrey J’s judgment in the *Merc* case);
- f) Detriment can take the form of either making the earlier mark less attractive (tarnishing) or less distinctive - blurring (paragraph 88 of Pumfrey J’s judgment in the *Merc* case);
- g) Unfair advantage can take the form of feeding on the fame of the earlier mark in order to substantially increase the marketability of the goods or services offered under the later trade mark (per G Hobbs QC in *Visa* at page 505, lines 10-17).”

55) All of the opponent's earlier trade marks have the word ABSOLUT as a dominant and distinctive element. Given my observations on the similarity of marks it is clear that the opponent has a number of similar earlier trade marks. The first hurdle under Section 5(3) is therefore met. But does the evidence filed demonstrate a reputation in the UK?

56) I do not consider vodka to be a specialist product; it is alcoholic spirit sold for its intoxicating characteristics. The fact that vodka, as with all alcoholic drinks, can only be sold by licensed premises does not give it any greater degree of specialism; licences to sell are given to a huge number of establishments ranging from off-licences to corner shops to large supermarkets. As such, I consider vodka to be a general consumer product and therefore the relevant public is the general public. I do not see why I should limit this public to any "drinking" subgroup.

57) When considering the opponent's evidence I must bear in mind the relevant date in these proceedings. The application in suit was filed on 4th November 1999, it is on this date that matters must be assessed. With this in mind I note that much of the evidence post-dates the relevant date. The market share of 49% of the premium vodka market comes from 2000, the 4-5% of the market share comes from 2002. Given that the sales figures that are provided show a pattern of increasing revenue up to the present day, I can only presume that the market share was less at the relevant date.

58) Even if I could accept the given market share figures, what does having 4-5% of the market tell me? I do not know if the market is dominated by a number of major players, if it were then ABSOLUT would clearly not be one of those major players. Without such detailed knowledge, and knowledge within the relevant period, I cannot take a great deal from this information. Similar difficulties exist in assessing the figures for general ledger sales and duty sales in litres: without accurate market share analysis there is little I can conclude from this material. In passing, I must admit to finding an analysis of the opponent's evidence frustrating. Much material relates to the US or the world market, elided with data that applies to the UK. 'World renown' does not necessarily mean renown in the UK.

59) Though much is made of the opponent's innovative advertising and marketing campaigns, it does not follow that the relevant public has a greater knowledge of the trade mark because of them. What is more relevant is the extent of the advertising. From the evidence, it appears that print advertising is the medium of choice; few other forms of traditional advertising media are described. Adverts have been placed in many publications, but the figures provided do not demonstrate a continual presence in those publications. Furthermore, national press advertising is not particularly extensive. In summary, I cannot find that ABSOLUT is known by a significant part of the public concerned by the products covered by that trade mark (paragraph 26, in *Chevy*).

60) The marketing initiatives described, such as those in the area of art and fashion, do not take the opponent much further forward. Whilst the knowledge and reputation of the trade mark may increase in respect of those people who have an interest in these areas, this is a relatively small part of the relevant public. It seems to me that the opponent's claim that their mark is known by a significant part of the public is somewhat incongruous with the method and manner of advertising and marketing that they employ. The product is primarily marketed towards a specific target group of consumers ('the communication target group') and advertisements directed accordingly. This, in my opinion, is a relatively restricted group of consumers and does not represent the general public at large.

61) Of course, there are certain brands not directly marketed to the general public (usually due to their high cost) but will, nevertheless, be known by the m. These brands are sometimes referred to as “aspirational” brands – Rolls Royce and Rolex might be good examples. But there is no evidence before me to show that ABSOLUT falls into this category.

62) Having assessed all the relevant evidence, I come to the conclusion that at the relevant date the opponent did not possess enough of a reputation to qualify their trade marks for the additional protection offered under the provisions of Section 5(3). The claim is therefore dismissed. However, if I were to be found wrong on the issue of reputation then I go on to consider the remaining element of a claim under Section 5(3), namely unfair advantage/detriment.

63) It is usual in cases where detriment or unfair advantage exists for some form of link between the respective trade marks to exist (see paragraph 86 in *Merc*). I am conscious that the opponent does not appear to engage in any form of diversification of trade away from their core business of vodka. The only other use of the mark is on promotional goods – intended to advertise the opponent’s main business. If the public had become accustomed to seeing such a diversification of trade then it would be easier for the consumer to make such a link or connection, and none has been demonstrated here.

64) In this regard, the nature of the respective goods and services is an important factor. For example, it is not uncommon for fashion houses to diversify and produce watches. Such goods are regarded as dissimilar, but the consumer will readily make a link between the two. There is no logical link between vodka and the applicant’s services. No suggestion has been made that it is common for manufacturers of vodka to diversify into the provision of advertising or web design services. Referring to the *Typhoon* case cited above, the relevant public, where they were familiar with the opponent’s mark, might call it to mind, but this is not enough.

65) Taking the above factors into account, I do not consider that a link or connection between the respective trade marks will exist in the minds of the consumer. In view of this, I can not see how detriment would be caused to the opponent’s trade mark or how the applicant will gain any advantage. The ground of opposition under Section 5(3) is dismissed.

SECTION 5(4) OBJECTION

66) The final ground is under Section 5(4)(a). The relevant legislation reads:

“5(4) 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, ..”

67). The common law tort of passing off is clearly set out by Geoffrey Hobbs QC, acting as the appointed person, in *Wild Child* [1998] 14 RPC, 455:

“A helpful summary of the element of an action for passing off can be found in Halsbury’s Laws of England 4th Edition Vol 48 (1995 reissue) at paragraph

165. The guidance given with reference to the speeches in the House of Lords in *Reckitt & Colman Products Ltd v Borden Inc* [1990] RPC 341 and *Erven Warnink BV v J Townend & Sons (Hull) Ltd* [1979] ACT 731 is (with footnotes omitted) as follows:

(a) that the plaintiff's goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;

(b) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the defendant are goods or services of the plaintiff; and

(c) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant's misrepresentation.

The restatement of the element of passing off in the form of this classical trinity has been referred to as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House's previous statement, should not, however, be treated as akin to a statutory definition of 'passing off', and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House."

68) Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 is noted (with footnotes omitted) that:

"To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

(1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and

(2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely, the courts will have regard to:

(a) the nature and extent of the reputation relied upon;

(b) the closeness or otherwise of the respective field of activity in which the plaintiff and the defendant carry on business;

(c) the similarity of the mark, name etc used by the defendant to that of the plaintiff;

(d) the manner in which the defendant makes use of the name, mark etc complained of and collateral factors; and

(e) the matter in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.”

69) From the evidence before me I have little doubt that the opponent possessed a goodwill under the name ABSOLUT in respect of vodka at the relevant date. The other items that use has been demonstrated on (see paragraph 22 above) appear to be no more than promotional items. As no sales or production figures for these items have been supplied then I do not consider that a goodwill in respect of them has been demonstrated. Accordingly, I find that the opponent’s possess a goodwill in respect for vodka only.

70) As applied to this case, passing-off requires the consumer to be of the mistaken belief that the services offered by the applicant are in fact being offered under the control of the vodka producing opponent. Whilst the similarity between the marks clearly helps the opponent, the dissimilarity between the goods/services does not. Whilst it is well established in the law of passing off that there is no limitation in respect of the parties fields of activity, the goods/services in dispute are in such a distinct field of activity that I can not see how a misrepresentation will occur. Dependant upon a failure to show misrepresentation is a failure to show that damage will result. The ground of opposition under Section 5(4) is dismissed.

Conclusion

71) The opposition to the applicant’s mark in relation to “advertising services” in Class 35 has been successful, but the opposition to the “design of web pages” in Class 42 has failed. As grounds for refusal exist only in respect of the Class 35 specification the application will be allowed to proceed to registration if, within one month of the end of the appeal period for this decision, the applicant files a Form TM21 restricting the specification to:

Class 42: Design of web pages


72) If the applicant does not file a TM21 restricting the specification as set out above the application will be refused in its entirety.


73) The opposition having partly succeeded the opponent is entitled to a contribution towards costs. I order the applicant to pay the opponent the sum of £600. This sum to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of any appeal.



Dated this 5th Day of November 2003.

**Dr W J Trott
Principal Hearing Officer
For the Registrar**

ANNEX - DETAILS OF OPPONENT'S TRADE MARKS

| Number | Mark | Specifications |
|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1448440 | ABSOLUT REFLEXIONS | <i>Class 16 - magazines included in Class 16</i> |
| 1540883 | ABSOLUT | <i>Class 25 - shirts, T-shirts, scarves, ties, dresses and tights</i> |
| 2245198 | ABSOLUT | <i>Class 32 - beers; mineral and aerated waters and other non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparations for making beverages</i> <i>Class 33 - alcoholic beverages (class33)</i> |
| 1391988 | ABSOLUT <i>Country of Sweden</i> CITRON | <i>Class 33 - vodka included in Class 33</i> |
| 1397261 | ABSOLUT <i>Country of Sweden</i> PEPPAR | <i>Class 33 - vodka flavoured with pepper; all included in Class 33</i> |
| 1450466 | ABSOLUT | <i>Class 33 - vodka, included in Class 33</i> |
| 1494772 | ABSOLUT <i>Country of Sweden</i> VODKA | <i>Class 33 - vodkas; all included in Class 33</i> |
| 1503360 | ABSOLUT <i>Country of Sweden</i> KURANT  | <i>Class 33 - vodka; all included in Class 33</i> |
| 1504038 | ABSOLUT <i>Country of Sweden</i> VODKA | <i>Class 33 - vodka; all included in Class 33</i> |
| 2194548 | ABSOLUT <i>Country of Sweden</i> MANDRIN | <i>Class 33 - alcoholic beverages; vodka</i> |
| CTM 1521681 | ABSOLUT | <i>Class 6 - key chains, key rings</i> <i>Class 14 - jewellery, horological and chronometric instruments, cuff links, tie pins, pins</i> |

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|-----------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | <p><i>Class 16 - printed matter; pamphlets, writing paper, envelopes (stationery), correspondence cards, visiting cards, pens, paper bags, folders, cardboard boxes for gifts, car stickers, plastic bags, posters, postcards, playing cards</i></p> <p><i>Class 18 - bags, umbrellas</i></p> <p><i>Class 21 - household or kitchen utensils and containers; glass (for household purposes), bottles, corkscrews, cocktail sticks, salt and pepper shakers, pitchers, mixers for drinks (utensils), menu card holders, trays</i></p> <p><i>Class 24 - textiles and textile goods; towels (of textile), flags (not of paper), household sweepers (of textile)</i></p> <p><i>Class 28 - games</i></p> <p><i>Class 29 - cocktail snacks, crisps</i></p> <p><i>Class 30 - confectionery, pastries, spices</i></p> <p><i>Class 32 - beers; mineral and aerated waters and other non-alcoholic drinks</i></p> <p><i>Class 33 - vodka</i></p> <p><i>Class 41 - education; training; cultural activities included in this class; arranging of exhibitions and spirit tastings; arranging of seminars and courses related to food and drink; information related to the aforesaid services</i></p> <p><i>Class 42 - providing of food and drink (restaurants, bars, catering and banqueting services); information related to the aforesaid services, provided on-line from a data base or from the Internet</i></p> |
| <p>CTM 483230</p> |  | <p><i>Class 8 - table ware including, eating utensils</i></p> <p><i>Class 14 - jewellery</i></p> <p><i>Class 16 - banners, table cards, case cards, napkins</i></p> |

| | | |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | <p><i>Class 18 - umbrellas, travel bags, knap sacks</i></p> <p><i>Class 21 - floor bins, serving trays, tableware including glasses</i></p> <p><i>Class 24 - banners, napkins</i></p> <p><i>Class 32 - mixers, non-alcoholic beverages</i></p> <p><i>Class 33 - spirits</i></p> <p><i>Class 35 - advertising and marketing</i></p> <p><i>Class 42 - bar and restaurant services</i></p> |
| CTM 740043 |  | <p><i>Class 8 - cutlery</i></p> <p><i>Class 14 - jewellery</i></p> <p><i>Class 16 - printed matter and periodicals</i></p> <p><i>Class 30 - food, namely different types of snacks; snacks</i></p> <p><i>Class 33 - alcoholic beverages, namely vodka</i></p> <p><i>Class 42 - providing of food and drink</i></p> |
| 739987 |  | <p><i>Class 8 - cutlery</i></p> <p><i>Class 14 - jewellery</i></p> <p><i>Class 16 - printed matter and periodicals</i></p> <p><i>Class 30 - food, namely different types of snacks; snacks</i></p> <p><i>Class 33 - alcoholic beverages, namely vodka</i></p> <p><i>Class 42 - providing of food and drink</i></p> |
| 1023613 | <p>ABSOLUT <i>Country of Sweden</i> MANDRIN</p> <p><i>Absolut Mandrin is made from a unique blend of natural mandarin and orange flavors and vodka distilled from grain grown in the rich fields of southern Sweden. The distilling and flavoring of vodka is an age-old Swedish tradition. Vodka has been sold under the name Absolut since 1879.</i></p> | <p><i>Class 33 – vodka</i></p> |

| | | |
|---------|--------------------------------------------------------------|-------------------------|
| 1023654 | ABSOLUT <i>Country of Sweden</i> MANDRIN | <i>Class 33 – vodka</i> |
| 1009505 | ABSOLUT MANDRIN | <i>Class 33 – vodka</i> |