

O-285-20

TRADE MARKS ACT 1994

IN THE MATTER OF REGISTRATION Nos. 3348771 & 3351691

STANDING IN THE NAME OF

PEMBROKESHIRE DISTILLERY LIMITED

AND

IN THE MATTER OF REQUESTS FOR A DECLARATION

OF INVALIDITY THERETO UNDER Nos.502518 & 502519

BY THE WRECKING COAST DISTILLERY LLP

BACKGROUND

1) The following trade marks are registered in the name of Pembrokeshire Distillery Limited (hereinafter PDL):

Mark	Number	Filing & registration date	Class	Specification
WRECKERS	3348771	26.10.18 18.01.19	33	Distilled spirits.
Wreckers Welsh Rum	3351691	07.11.18 25.01.19	33	Spirits; Spirits [beverages]; Spirits and liquors; Distilled spirits.

2) By applications dated 21 March 2019 The Wrecking Coast Distillery LLP (hereinafter WCD) applied for declarations of invalidity in respect of these registrations. WCD is the proprietor of the following trade mark:

Mark	Number	Filing & registration date	Class	Specification RELIED UPON
THE WRECKING COAST	3146840	28.01.16 29.04.16	33	Alcoholic beverages (except beers); alcoholic wines; spirits and liqueurs; gin; rum; whiskey.

3) The ground of invalidity is identical in both cases and is, in summary, that there is a high degree of visual and phonetic similarity between the marks applied for and the earlier mark of WCD, and they are conceptually similar both evoking imagery of the sea and in particular shipwrecks. The goods are identical and there is a likelihood of confusion. The marks in suit therefore offend against section 5(2)(b) of the Trade Marks Act 1994.

4) PDL provided counterstatements to the invalidity actions, both dated 3 June 2019, which basically denied that the marks were similar although it accepted that the goods were similar.

5) Both sides filed evidence. Both sides ask for an award of costs. The matter came to be heard on 5 May 2020 when Ms Le Bretton of Messrs Wynne-Jones IP represented PDL;

WCD was not represented but Mr McDonagh of Messrs HGF Ltd had provided written submissions.

WCD's Evidence

6) WCD filed a witness statement, dated 20 August 2019, by Craig Penn who states he is an "LLP designated member", a position he has held since May 2016. He confirms that he is authorised to make his Statement on behalf of WCD. He states that WCD has been operating its distillery since June 2016 and producing a range of gin products. The mark THE WRECKING COAST appears on the front of each bottle as is shown in exhibit CP1 which consists of a number of images, from WCD's social media sites, of bottles of gin with the mark shown prominently on the front of the bottle, although because the bottle is somewhat square in shape there is no "neck" label. The company has won awards for its products and also received attention from the media, including coverage in The Independent, Exhibit CP2 shows evidence of these achievements. It is claimed that having established itself as a distiller of gin the company is looking to expand into distilling other spirits, which it intends to market under the same trade mark. At exhibit CP3/4 are copies of the "cease and desist" letter etc sent to PDL and evidence from PDL's website of its use of the marks under attack. WCD also filed additional evidence in the form of exhibits CP1(2) and CP2(2), but did not comment on what precisely they showed that was different to previous exhibits. The exhibits consist of, inter alia, travelogues which in one instance mention "the wrecking coast", there are mentions of maritime museums, and tourist attractions which reference wrecking in the south west of England. There are also pages of "hits" from Google searches, most of which refer to WCD itself and its product. There are further pages relating to the maritime history of the south-west with references to smuggling and wrecking, and natural ship wrecks. The fact that Cornwall has, over the centuries, seen a great many ship wrecks is abundantly clear from this evidence.

PDL's Evidence

7) PDL filed a witness statement, dated 20 October 2019, by Ian Michael Griffiths a shareholder and part owner of PDL. He states that he has worked for PDL since its inception on 14 March 2017. PDL's rum is distilled very near the high tide mark and a decision was made to "make something that is intrinsically associated with the sea which

Rum certainly is". He states that it is common to have nautical themes in the rum and gin industry. He states that WCD's mark is derived from the geographical location where it is distilled which is known as the Wrecking Coast in Cornwall and is an area subject to storms. PDL's distillery is in an area which has historic links to smuggling and looting of ships after luring them onto rocks. Mr Griffiths claims that this history provided the name adopted by PDL and they were not influenced by WCD's branding. He contends that there are so many nautical themes in the spirit market that there is little chance of any confusion.

- IMG1. Numerous examples of use of nautical themes on bottles of rum on sale in the UK.
- IMG2. Numerous examples of use of nautical themes on bottles of gin on sale in the UK.
- IMG3. It is clear that part of the coast of Cornwall, where the distillery of WCD is located is known as The Wreckers Coast.
- IMG4: PDL's mark is in the dictionary and definitions are provided, which show it has a meaning of someone who lures ships to their doom, and then proceeds to loot the cargo and the ship itself.
- IMG5: Evidence of smuggling and ship wrecking and looting in Wales.

8) That concludes my summary of the evidence filed, insofar as I consider it necessary.

DECISION

9) The invalidity is brought under Section 47 of the Trade Marks Act 1994 ("The Act") which reads:

"47. (1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3 or any of the provisions referred to in that section (absolute grounds for refusal of registration).

Where the trade mark was registered in breach of subsection (1)(b), (c) or (d) of that section, it shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered.

(2) Subject to subsections (2A) and (2G), the registration of a trade mark may be declared invalid on the ground-

(a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or

(b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

(2ZA) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 5(6).

(2A) The registration of a trade mark may not be declared invalid on the ground that there is an earlier trade mark unless –

(a) the registration procedure for the earlier trade mark was completed within the period of five years ending with the date of the application for the declaration,

(b) the registration procedure for the earlier trade mark was not completed before that date, or

(c) the use conditions are met.

(2B) The use conditions are met if –

(a) the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with their consent in relation to the goods or services for which it is registered-

(i) within the period of 5 years ending with the date of application for the declaration, and

(ii) within the period of 5 years ending with the date of filing of the application for registration of the later trade mark or (where applicable) the date of the priority claimed in respect of that application where, at that date, the five year period within which the earlier trade mark should have been put to genuine use as provided in section 46(1)(a) has expired, or

(b) it has not been so used, but there are proper reasons for non-use.

(2C) For these purposes –

(a) use of a trade mark includes use in a form (the “variant form”) differing in elements which do not alter the distinctive character of the mark in the form in which it was registered (regardless of whether or not the trade mark in the variant form is also registered in the name of the proprietor), and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(2D) In relation to a European Union trade mark or international trade mark (EC), any reference in subsection (2B) or (2C) to the United Kingdom shall be construed as a reference to the European Community.

(2DA) In relation to an international trade mark (EC), the reference in subsection (2A)(a) to the completion of the registration procedure is to be construed as a reference to the publication by the European Union Intellectual Property Office of the matters referred to in Article 190(2) of the European Union Trade Mark Regulation.

(2E) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.

(2F) Subsection (2A) does not apply where the earlier trade mark is a trade mark within section 6(1)(c)

(2G) An application for a declaration of invalidity on the basis of an earlier trade mark must be refused if it would have been refused, for any of the reasons set out in subsection (2H), had the application for the declaration been made on the date of filing of the application for registration of the later trade mark or (where applicable) the date of the priority claimed in respect of that application.

(2H) The reasons referred to in subsection (2G) are-

(a) that on the date in question the earlier trade mark was liable to be declared invalid by virtue of section 3(1)(b), (c) or (d), (and had not yet acquired a distinctive character as mentioned in the words after paragraph (d) in section 3(1));

(b) that the application for a declaration of invalidity is based on section 5(2) and the earlier trade mark had not yet become sufficiently distinctive to support a finding of likelihood of confusion within the meaning of section 5(2);

(c) that the application for a declaration of invalidity is based on section 5(3)(a) and the earlier trade mark had not yet acquired a reputation within the meaning of section 5(3).

(3) An application for a declaration of invalidity may be made by any person, and may be made either to the registrar or to the court, except that-

(a) if proceedings concerning the trade mark in question are pending in the court, the application must be made to the court;

and

(b) if in any other case the application is made to the registrar, he may at any stage of the proceedings refer the application to the court.

(4) In the case of bad faith in the registration of a trade mark, the registrar himself may apply to the court for a declaration of the invalidity of the registration.

(5) Where the grounds of invalidity exist in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.

(5A) An application for a declaration of invalidity may be filed on the basis of one or more earlier trade marks or other earlier rights provided they all belong to the same proprietor.

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made: Provided that this shall not affect transactions past and closed.”

10) The only ground of invalidity is under section 5(2)(b) which 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.”

11) An “earlier trade mark” is defined in section 6, the relevant part of which states:

“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.”

12) WDC is relying upon its trade mark shown in paragraph 3 above which is clearly an earlier trade mark. The marks in suit were applied for in October 2018 (3348771) and November 2018 (3351691) at which point WDC’s mark had not been registered for over five years, having been registered in April 2016. Nor was WDC’s mark registered five years prior to the invalidity action being filed on 21 March 2019. Therefore, the proof of use requirements do not bite.

13) When considering the issue under section 5(2)(b) I take into account the following principles which 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.

(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.

The average consumer and the nature of the purchasing decision

14) As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective parties' goods. I must then determine the manner in which

these goods are likely to be selected by the average consumer in the course of trade. 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.”

15) The goods at issue in these proceedings relate to, broadly speaking, to alcoholic beverages. The average consumer for such goods will be the public at large (including businesses), albeit insofar as those goods which have an alcoholic content in excess of 0.5% are concerned, the average consumer will be over the age of 18.

16) All of the beverages at issue may be sold through a range of channels, including retail premises such as supermarkets, and off-licences (where the goods are normally displayed on shelves and are obtained by self-selection) and in public houses (where the goods are displayed on, for example, shelves behind the bar and where the trade marks will appear on dispensers at the bar etc.). When the goods are sold in, for example, public houses the ordering/selection process is likely to be an oral one. However, there is nothing to suggest that the goods are sold in such a manner as to preclude a visual inspection. In *Simonds Farsons Cisk plc v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-3/04, the Court of First Instance (now the General Court) said:

“In that respect, as OHIM quite rightly observes, it must be noted that, even if bars and restaurants are not negligible distribution channels for the applicant’s goods, the bottles are generally displayed on shelves behind the counter in such a way that consumers are also able to inspect them visually. That is why, even if it is possible that the goods in question may also be sold by ordering them orally, that method cannot be regarded as their usual marketing channel. In addition, even though

consumers can order a beverage without having examined those shelves in advance they are, in any event, in a position to make a visual inspection of the bottle which is served to them.”

17) Consequently, while the goods may be ordered orally in public houses, it is likely to be in the context of, for example, a visual inspection of the bottles containing the goods prior to the order being placed. Considered overall, the selection process is likely to be **predominantly a visual one, although I accept that aural considerations will also play their part.** Turning now to the level of attention the average consumer will display when selecting the goods, given that for the most part the cost of the goods is likely to be relatively low, but bearing in mind that the average consumer will wish to ensure they are selecting the correct type, flavour, strength etc. of beverage, they are, in my view, **likely to pay a slightly above average level of attention to the selection of the goods in class 33 at issue.**

Comparison of goods

18) In the judgment of the Court of Justice of the European Union (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”.

19) 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 uses of the respective goods or services;
- (b) The respective users of the respective goods or services;

(c) The physical nature of the goods or acts of service;

(d) The respective 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 in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;

(f) 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.

20) In *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T- 133/05, the General Court (GC) 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”.

21) In *YouView TV Ltd v Total Ltd*, [2012] EWHC 3158 (Ch), Floyd J. (as he then was) stated that:

“... 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) (IP TRANSLATOR)* [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."

22) In *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another*, [2000] F.S.R. 267 (HC), Neuberger J. (as he then was) stated that:

"I should add that I see no reason to give the word "cosmetics" and "toilet preparations"... anything other than their natural meaning, subject, of course, to the normal and necessary principle that the words must be construed by reference to their context."

23) The goods of the two parties in class 33 are as follows:

PDL's goods	WDC's goods
3348771: Class 33: Distilled spirits.	Alcoholic beverages (except beers);
3351691: Class 33: Spirits; Spirits [beverages]; Spirits and liquors; Distilled spirits.	alcoholic wines; spirits and liqueurs; gin; rum; whiskey.

24) PDL accepted that the goods were similar in its counterstatement. It is obvious that the terms "alcoholic beverages; spirits and liqueurs" encompass the whole of both of PDL's specifications. **The goods of the two parties are therefore identical.**

Distinctive character of the earlier trade mark

25) 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).”

26) WCD’s mark consists of an indeterminate geographical location, as it alludes to it being on the coast gives no indication as to where this coast would be. Whilst there is some evidence that an area is termed by some as “the wreckers coast” the evidence that this term is used or known of by even a small proportion of the population is absent. The mark has no descriptive element in regard of beverages of any kind. **As such it is inherently distinctive to a average degree, although in the absence of evidence of use of the mark WCD cannot benefit from enhanced distinctiveness through use.**

Comparison of trade marks

27) 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 them, bearing in mind their distinctive and dominant components. The CJEU 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.”

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

PDL’s trade marks	WCD’s trade mark
3348771: WRECKERS 3351691: Wreckers Welsh Rum	THE WRECKING COAST

27) I take into account the comments from Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV, quoted at paragraph 25 above.

28) WCD submitted:

“The Wrecking Coast” will not be understood by the average UK consumer to be a reference to a specific place or geographical coastline. In this regard, the tribunal is referred to Paragraph 3 of Statement CP2 (Exhibit CP1(2)) which makes clear that these words will not form a “conceptual unit” in the consumer’s mind;

c. The nautical theme is common in the spirits industry, as admitted by the Proprietor at Paragraph 3 of Statement IMG (Exhibits IMG1 and IMG2), and, as such, the word “COAST” is non-distinctive, alternatively, of weak distinctiveness.

9. The distinctive element in the Contested Marks is the word WRECKERS. This is because:

a. The word “WELSH” is, or at the very least, has the potential to be, descriptive of the geographical origin of the Proprietor’s goods. This is the case even in the absence of

any known association for the goods in question, given the size and population of Wales. The word “WELSH” does not indicate commercial origin;

b. “RUM” is descriptive of the Proprietor’s goods.

10. It follows that the distinctive elements in both marks are WRECKING and WRECKERS, respectively. This renders the marks similar to a high degree. Visually and phonetically, these components are highly similar. Conceptually, these elements THE WRECKING COAST are identical, alternatively highly similar, insofar as both words make reference to the historic practice of smuggling and looting shipwrecks, as demonstrated at Paragraph 4 of Statement CP2 (Exhibit CP2(2)) and Paragraph 6 of Statement IMG (Exhibit IMG5).”

29) Whilst PDL submitted that the words of the two marks are all different and the marks have a different length; the marks are aurally different in terms of the pronunciation, number and order of the syllables, and that no single word within the Registrations shares the same pronunciation as a single word in the Earlier mark. Regarding the conceptual comparison, PDL state that WCD’s mark is a geographical location, an area of coastline in Cornwall known for rough seas whereas a “WRECKER” is a person that causes ruin and destroys things. The conceptual meaning of WRECKERS WELSH RUM is rum from a group of “Wreckers” originating from Wales, or the rum belonging to, or stolen by a Wrecker. The marks therefore have different conceptual meanings, although both evoke the concept of a shipwreck, one being the place where it happens the other being the people who caused it. If both fall under a broader “nautical” category this is not equate to conceptual similarity. Overall there is a low degree of conceptual similarity.

30) I shall first compare PDL’s mark 3348771 with WCD’s mark. The term “wreckers” can refer to those who break up items such as cars or ships for their scrap value although originally the term was coined for those who lured ships onto the coast in order to plunder their cargo once the vessel floundered and either broke up on rocks or ran ashore. Whether one attached a modern or ancient meaning to the word will probably depend upon where one encounters the term. In the instant case, when used on a bottle of spirits, it is more likely to evoke the older meaning of the term as spirits, particularly rum, are connected to the sea in most people’s minds. By contrast the mark of WCD is clearly an indication of a

geographical area, but other than being on the coast it is unidentified. All around the coast of the UK there are wrecks where ships have floundered, some areas merely being more prone to this than others. Clearly, the coast of Cornwall is notorious for ships sinking, as is the North of Scotland, in both cases this is more to do with the wind and wave action than any human intervention. Visually, WCD's mark starts with the definite article, and ends with a geographical term which do not appear in PDL's mark although the terms "wreckers" and "wrecking" clearly emanate from the same origin "wreck". Aurally, there are a number of obvious differences and only a small amount of similarity. Conceptually, they both allude to the same act of a ship wreck, but one indicates where it occurred and the other who carried out the deed. **Overall, there is a low degree of similarity.**

31) Turning to PDL's other mark (3351691), clearly a number of the comments made earlier in this decision also apply in respect of this comparison and need not be repeated. The word "rum" is obviously a descriptive term for the product to be found in the bottle on which the mark is attached. The term "Welsh" identifies its country of origin and more particularly the water used in the distilling process. I believe that the overall outcome is the same as previously in that, for all the reasons stated in the previous paragraph, **there is a low degree of similarity.**

Likelihood of confusion

32) In determining whether there is a likelihood of confusion, a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods and vice versa. As I mentioned above, it is also necessary for me to keep in mind the distinctive character of WCD's trade mark as the more distinctive the trade mark is, the greater the likelihood of confusion. I must also keep in mind the average consumer for the goods, the nature of the purchasing process and the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them he has retained in his mind. Earlier in this decision, I concluded that:

- the average consumer for the goods is a member of the general public including businesses albeit insofar as those goods which have an alcoholic content in excess

of 0.5% are concerned, the average consumer will be over the age of 18. They will select the goods by predominantly visual means, although I do not discount aural considerations and that they are likely to pay a slightly above average level of attention to the selection of goods in class 33.

- the marks of the two parties have a low degree of similarity.
- WCD's mark has an average degree of inherent distinctiveness but cannot benefit from an enhanced distinctiveness through use.
- the goods of the two parties in class 33 are identical.

33) I also take into account the case of *L.A. Sugar Limited v By Back Beat Inc*, Case BL O/375/10, where Mr Iain Purvis Q.C., as the Appointed Person, explained that:

“16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: “The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.

34) In *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17, Mr James Mellor Q.C., as the Appointed Person, stressed that a finding of indirect confusion should not be made merely because the two marks share a common element. In this connection, he pointed out that it is not sufficient that a mark merely calls to mind another mark. This is mere association not indirect confusion.

35) In *Whyte and Mackay Ltd v Origin Wine UK Ltd and Another* [2015] EWHC 1271 (Ch), Arnold J. considered the impact of the CJEU's judgment in *Bimbo*, Case C-591/12P, on the court's earlier judgment in *Medion v Thomson*. The judge said:

“18 The judgment in *Bimbo* confirms that the principle established in *Medion v Thomson* is not confined to the situation where the composite trade mark for which registration is sought contains an element which is identical to an earlier trade mark, but extends to the situation where the composite mark contains an element which is similar to the earlier mark. More importantly for present purposes, it also confirms three other points.

19 The first is that the assessment of likelihood of confusion must be made by considering and comparing the respective marks — visually, aurally and conceptually — as a whole. In *Medion v Thomson* and subsequent case law, the Court of Justice has recognised that there are situations in which the average consumer, while perceiving a composite mark as a whole, will also perceive that it consists of two (or more) signs one (or more) of which has a distinctive significance which is independent of the significance of the whole, and thus may be confused as a result of the identity or similarity of that sign to the earlier mark.

20 The second point is that this principle can only apply in circumstances where the average consumer would perceive the relevant part of the composite mark to have distinctive significance independently of the whole. It does not apply where the average consumer would perceive the composite mark as a unit having a different meaning to the meanings of the separate components. That includes the situation where the meaning of one of the components is qualified by another component, as with a surname and a first name (e.g. BECKER and BARBARA BECKER).

21 The third point is that, even where an element of the composite mark which is identical or similar to the earlier trade mark has an independent distinctive role, it does not automatically follow that there is a likelihood of confusion. It remains necessary for the competent authority to carry out a global assessment taking into account all relevant factors.”

36) To my mind, WCD's mark has a unitary meaning. In my opinion, taking into account all of the above, despite the goods being identical the marks are so different that there is no likelihood of consumers being directly or indirectly confused into believing that the goods in class 33 applied for and provided by PDL are those of WCD or provided by an undertaking linked to it. **The invalidity under Section 5(2) (b) therefore fails in respect of all the goods for which the two marks are registered.**

CONCLUSION

37) The invalidity action under section 5(2)(b) failed and the trade marks 3348771 and 3351691 will remain on the register.

COSTS

38) As PDL has been successful it is entitled to a contribution towards its costs. It has been professionally represented.

Preparing a statement and considering the other side's statement	£200
Preparing evidence	£300
Attendance at hearing	£600
TOTAL	£1100

39) I order The Wrecking Coast Distillery LLP to pay Pembrokeshire Distillery Limited the sum of £1,100. This sum to be paid within two months of the expiry of the appeal period or within twenty one days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 19th day of May 2020

G W Salthouse

For the Registrar

the Comptroller-General