

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO 2121554  
IN THE NAME OF IMPERIAL TOBACCO LIMITED**

**AND**

**IN THE MATTER OF OPPOSITION THERETO  
UNDER NUMBER 47290 IN THE NAME OF  
BERRY BROS. & RUDD LIMITED**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF application No 2121554  
in the name of Imperial Tobacco Limited**

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**and**

**IN THE MATTER OF opposition thereto under No 47290  
in the name of Berry Bros. & Rudd Limited**

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**Background**


15 On 24 January 1997, Imperial Tobacco Limited of PO Box No 244, Southville, Bristol, BS99  
7UJ, applied to register the trade mark CUTTY SARK in Class 34 in respect of the following  
goods:

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Tobacco whether manufactured or unmanufactured; substances for smoking  
sold separately or blended with tobacco; tobacco products.

On 31 July 1997, Berry Bros, & Rudd Limited filed notice of opposition to this application, in  
which they say that they are the proprietors of a number of trade mark registrations, in  
particular:

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<b>Number</b>	<b>Mark</b>	<b>Class</b>	<b>Specification</b>
435661	CUTTY SARK	33	Spirits.
1189885		34	Smokers' articles included in Class 34

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The grounds of opposition are in summary:

1. **Under Section 5(2)(b)** Because the goods specified in the application are similar to those of the opponent's earlier mark and there exists a likelihood of confusion, and,
2. **Under Section 56** Because at the date of application the opponent's marks were well known marks within the meaning of Article 6 of the Paris Convention,
3. **Under Section 5(3)** in the alternative, that if the goods in the application are not similar to those of the opponent's trade marks, use of the applicant's mark on the goods specified would take unfair advantage of or be detrimental to the distinctive character or repute of the opponent's trade marks,
4. **Under Section 5(4)(a)** under the law of passing off,
5. **Under Section 3(3)(b)** Because use of the mark by the applicants is likely to deceive the public as to the trade origin of the mark,
6. **Under Section 3(6)** Because the application was made to preserve the rights in an unused registration and without a bona fide intention of using the mark, the application was consequently made in bad faith.

The applicants filed a Counterstatement in which they deny all of the grounds on which the opposition is based.

Both sides request that costs be awarded in their favour.

Both sides filed evidence in these proceedings. The matter came to be heard on 9 January 2001, when the applicants were represented by Mr James Mellor of Counsel, instructed by Stevens, Hewlett & Perkins, their trade mark attorneys, and the opponents by Mr Guy Tritton of Counsel, instructed by Trade Mark Owners Association Limited, their trade mark attorneys.

### **Opponent's evidence**

This consists of six Statutory Declarations. The first is dated 23 July 1998, and comes from Dawn Moodie, a trade mark agent with Trade Mark Owners Association Limited, the opponent's trade mark attorneys in these proceedings.

Ms Moodie refers to two exhibits, consisting of a booklet headed "Tobacco advertising, sponsorship and promotion; the case for a comprehensive ban" (DM1), and a gifts catalogue produced by Benson & Hedges under an incentive scheme known as GRATIS (DM2). She says that she contacted Rothmans Customer Services who told her that they also have a

catalogue (not exhibited) and that the Rothmans shop stocks items of sporting promotional material, as well as clothing and books

5 Ms Moodie next goes to exhibit DM3 which consists of a number of leaflets produced by the Tobacco Manufacturers Association, referring in particular to a voluntary agreement with tobacco manufacturers, a tobacco industry briefing and a document entitled "Support for Sport".

10 Ms Moodie says that she contacted Imperial Tobacco Customer Relations, who provided her with information that they issue to the public, and which is shown at exhibit DM4. This consists of a booklet produced by Imperial Tobacco Limited detailing the history the company and some of its brands and sponsorship activities, and two further copies of Tobacco Manufacturers Association leaflets previously referred to in exhibit DM3

15 She next recounts a visit to Davidoff who provided her with copies of the Winter 1996 and Spring 1997 editions of the European Cigar Journal, which are shown at exhibit DM5. Ms Moodie says that she also purchased a bottle of Davidoff cognac (exhibit DM6) at the store and that she also visited Dunhill's shop and obtained details of items that they sell under the Dunhill brand, and which are shown at exhibit DM7. The exhibit consists of a number of  
20 leaflets showing that Dunhill sell tobacco, pipes, fragrances, watches, lighters, writing instruments, wallets, brief cases, cufflinks, key rings under the Dunhill name.

Ms Moodie refers to the results of a search carried out in respect of cigarette and cigar brands, (exhibit DM8) and which consists of details of trade marks registered by tobacco companies in  
25 respect of goods other than tobacco products. She refers to an article that appeared in the 18 January 1998 edition of The Sunday Times (exhibit DM9) and the 8 July 1998 edition of the Evening Standard (exhibit DM10). The articles refer to the intention of tobacco companies to diversify the use of cigarette brands, primarily into coffee, the Evening Standard also referring to two that have done so in relation to clothing.

30 Ms Moodie refers to the results of a check of the Internet for references to selected cigarette brands (exhibit DM11), which show, inter alia, that the John Player brand has been used in the sponsorship of sporting events since at least 1972 and is used as the name for a Scotch whisky (although not from when). She refers to exhibits DM12 and DM13 which consist of articles  
35 that appeared in the April 1997 edition of a Courtaulds company magazine, and the 5 April 1998 edition of the Independent on Sunday, both of which refer to the participation of a yacht under the Silk Cut cigarette brand in a round the world race.

Ms Moodie summarises the results of her enquiries saying that these have established that  
40 cigarette companies sponsor sporting events, have diversified promotional products and also use their brands in relation to alcoholic drinks. She also notes that some whiskey companies also sell flavoured tobacco under their whiskey brands, and refers to exhibit DM14 which consists of an (undated) entry from a publication entitled The World Guide to Whisky. This refers to the use of a brand of Irish whisky in a fruit cake, marmalade and tobacco. Ms Moodie  
45 concludes her Declaration by referring to exhibit DM15, which consists of the BAA retail report for 1996/97.

The next Statutory Declaration is dated 3 August 1998 and comes from Michael James Ferguson, Company Secretary of Berry Bros. & Rudd Limited. Mr Ferguson says that he joined the company in September 1986 as Assistant Company Secretary and became Company Secretary on 1 January 1991.

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Mr Ferguson says that he is responsible for maintaining his company's trade mark registrations, liaising with Marketing and Brand managers on trade mark protection and overseeing budgets and expenditure relating to trade marks. He refers to exhibit MJF1 which consists of a book setting out the history of his company as a wine and spirit merchant and retailer, selling, inter alia, their own label wines and ports, and a whisky under the name CUTTY SARK. He refers to exhibits MJF2 and MJF3 which consists of a photographs of whiskey bottles bearing a label with the words CUTTY SARK and the device of a sailing vessel.

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Mr Ferguson says that his company adopted the trade mark CUTTY SARK in 1923 and that whisky sold under the trade mark is the most important and commercial element of his company's business. He refers to exhibits MJF4 and MJF5 which consists of a fact sheet produced by his company and a copy of a letter dated written in 1955, referring to a meeting that took place in 1923 at which the opponents mention the intention to adopt the name CUTTY SARK for a new whisky.

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Mr Ferguson refers to the worldwide market for CUTTY SARK whisky, and to his company's trade mark registrations throughout the world, including the United Kingdom, details of which are shown at exhibit MJF6. He goes to exhibit MJF7 which consists of a photograph of three CUTTY SARK whisky bottles, saying that this shows the labels used in 1923, a second from the 1950s to 1985, and that used from thereafter, noting that these are little changed. He notes the style of writing of the words CUTTY SARK, the device of a ship, and the prominent yellow label which he says is a unique and identifiable selling point.

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Mr Ferguson refers to exhibit MJF8 which consists of his company's Annual Reports dating from December 1987 to 31 December 1996, and to exhibit MJF9 which gives financial details relating specifically to the CUTTY SARK brand for the years 1993 to 1996 although gives little information that can be seen to relate solely to the United Kingdom. The exhibits do however show that CUTTY SARK is an important aspect of the opponent's business. Exhibit MJF10 is a chart depicting case sales for the years 1982 to 1996, although again does not give the market. Exhibit MJF11 gives forecast figures for 1997 showing the United Kingdom to be 121<sup>st</sup> in their list of markets although it is not possible to determine what the forecast figures amount to. Exhibit MJF12 lists contacts for CUTTY SARK whisky showing the opponents as being the United Kingdom contact.

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Mr Ferguson outlines the action taken by his company to protect its trade mark in various jurisdictions throughout the world, referring in particular to the United States and Canada. He refers to exhibit MJF13 which consists of a copy of the decision in an opposition action in Canada. He sets out the rationale for his company having launched the actions, saying that it is common knowledge that drinking and smoking are habits which go hand in hand.

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He says that the CUTTY SARK brand is considered to be one of the principle blended Scotch whiskies, and in support refers to exhibit MJF14. This consists of a publication entitled The

World Guide to Whisky noting that at page 22 there is an entry for CUTTY SARK under the heading “Principal blended Scotch whiskies”. The entry refers to CUTTY SARK as being better known in the United States, a position acknowledged by Mr Ferguson who refers to it as a whisky for the American market.

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Mr Ferguson goes on to refer to the licensing of the CUTTY SARK brand in relation to various products, and gives his view that use of the same trade mark in relation to cigarettes, cigars and tobacco products by another party would deprive his company of a business opportunity, noting that his company already sells cigars, albeit not branded CUTTY SARK.

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The next Statutory Declaration is dated 3 August 1998, and comes from Calumn Murray, Director of Operations and Development Of Berry Bros. & Rudd Limited, a position he has held for two years having previously spent seven years as Operations Director.

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Mr Murray refers to his company’s promotion and licensing of CUTTY SARK, referring in particular to licensing in respect of confectionery and clothing. He refers to exhibit CM1 which consists of copies of two licenses granted in May and June 1998, to use the mark in respect of leather goods, sporting goods, clothing and chocolates. Exhibit CM2 consists of a catalogue from 1993 detailing a range of clothing promoted under the CUTTY SARK trade mark.

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Mr Murray says that CUTTY SARK is in the top 50 of all spirits sold worldwide by retail value, and refers to exhibit CM3 which shows CUTTY SARK to be at position 42 in 1997 against all spirits, not just whisky.

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Mr Murray sets out what he considers to be natural or likely areas for brand extension, and refers to exhibit CM4 which consists of his company’s price lists for May 1995, October 1995 and May 1998, noting in particular the sundry items at the back which includes a range of glassware, cigars, foodstuffs, wine books and gift packs. He says that he is aware that his company is trying to exploit an area similar to that for tobacco products, noting that his company already sells cigars and that some tobacco companies extend their brands into whisky. He refers to exhibit CM5 which consists of an extract from the 18 January 1998 edition of The Sunday Times referred to earlier as exhibit DM9. Mr Murray says that in 1997 his company invested some £100,000 in brand extension as part of a three year plan to promote and diversify CUTTY SARK, and which would be affected by a tobacco company competing in the same general market under the same brand.

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Next is a Statutory Declaration dated 4 August 1998, which comes from Roger Turner, International Duty Free Manager of Berry Bros. & Rudd Limited, a position he has held for 6 years. He says that he has been involved with the company since 1983 and has generally been involved in the duty free market.

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Mr Turner states that he is responsible for his company’s international duty free sales, saying that whilst domestic sales in the United Kingdom are relatively modest in comparison to their international business, sales through United Kingdom duty free for 1997 amounted to some 3,588 cases representing a value of £140,000. Mr Turner says that passenger leaving through Heathrow and Gatwick would see CUTTY SARK in their shop or in a display.

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Mr Turner refers to an event between 1994 and 1995 at which CUTTY SARK was promoted alongside a cigarette brand in a duty free area on the Mexican /US border, and gives details of similar promotions run by other companies. He asserts that these joint promotions show the nexus between alcohol and tobacco. He refers to exhibit RT1 which consists of a March 1998 edition of a publication entitled Duty-Free News Orlando, in particular, to page 5 which relates to the exhibition at the IAADFS Show, an international duty free exhibition at which his company supported an event sponsored by a tobacco company. Mr Turner says that his company regularly supports the event by donating bottles of CUTTY SARK whisky. He refers to a similar event held in Hamburg some 8 years previously and to other events shown in exhibit RT1 as having been sponsored by tobacco and liquor companies.

He gives details of trade fairs for duty free products which his company normally attend and have a stand, and refers to exhibit RT2 which consists of a guide to the Tax Free World Exhibition held in Cannes in October 1997 which shows CUTTY SARK as exhibitors. There is also an advertisement for CUTTY SARK whisky. Exhibit RT3 consists of further copies of Duty-Free News Orlando from March and April 1998, Mr Turner noting the reference to the trade fair held in the United States.

Mr Turners says that in negotiating sales of his company's products through duty free shops, the buyers and departments that he deals with will generally be the same as those in contact with tobacco companies, from which he surmises that both types of goods will travel through similar distribution channels to the shelf. He expresses his view that it would be undesirable for cigarettes/tobacco products to be marketed under the trade mark CUTTY SARK because this will be seen as either brand extension or a joint promotion with his company. He asserts that there is a close connection between alcohol and cigarettes and the average passenger will have a perception of quality based on product presentation, noting that both types of goods are featured in duty free magazines, referring to exhibit RT4 which consists of two leaflets promoting duty free sales, inter alia, tobacco products and liquor.

Mr Turner says that his company has worked to establish brand excellence for CUTTY SARK. He says the name will have been seen by millions of passengers, not only those purchasing the whisky, which, he says, is sold alongside cigars in their own duty free outlets. He refers to exhibit RT5 which consists of a further copy of his company's price list, noting the reference to cigars which he says will have created the image of a connection between fine cigars and good whisky.

The next Statutory Declaration is dated 3 August 1998, and comes from Karen Dimmock, the International Marketing Manager of Berry Bros. & Rudd Limited, a position she has held since February 1998. Ms Dimmock confirms that she has been with the Marketing Department since May 1993 although does not say in what capacity.

Ms Dimmock begins by saying that her company spends a major part of its advertising budget in the promotion of the CUTTY SARK brand. Direct advertising is done in conjunction with distributors in the form of commercials on radio, television and in cinemas, advertisements in newspapers, magazines and on bill boards. She refers to exhibits KD1 to KD4, which consist of the 1997 media schedules for Spain, Portugal and Puerto Rico, and the 1998 schedule for Greece, noting the reference to the type of media used. Ms Dimmock sets out details of exhibit

KD5(i) to KD5(vi), which consists of various advertisements placed on bill boards and magazines in France, Greece, Portugal, Spain and Japan. She next introduces exhibit KD6, which consists of a video compilation of advertisements used in 1996 and 1997, and gives details of when and where each advertisement was shown, none appearing to have been used in the United Kingdom. Ms Dimmock next refers to exhibit KD7 which consists of a further video compilation of promotions and advertising used in Puerto Rico, Prague, Spain Korea and the United States.

Ms Dimmock says that the brand is advertised and promoted through point of sale materials and promotional items, some provided by her company with others being produced locally, and refers to exhibits KD8 to KD10 which consist of examples of such promotional materials. She goes on to say that her company sponsors events, giving examples of sponsorship undertaken in various countries (none in the United Kingdom) and refers to exhibits KD11 to KD16 which show examples of the advertising and promotion. Ms Dimmock says that for the year ending 1997 her company's direct expenditure on advertising and promotion amounted to over £13,000,000, which, when added to the expenditure by distributors, etc, increases to over £36,000,000. Ms Dimmock does not say so but I take both figures to be worldwide.

Ms Dimmock continues saying that her company's two main promotional events are the CUTTY SARK Tall Ships' Race and the CUTTY SARK Crossing Challenge. She says that the Tall Ships' Race has been held since 1956, and that since 1972 her company has sponsored the race as the CUTTY SARK Tall Ships' Race. She refers to exhibit KD17 which consists of various press releases generated by the event, and exhibit KD18 which is a media analysis report that shows that between October 1995 and September 1996, the race generated 1,231 press cuttings, examples of which are shown at exhibit KD19.

Ms Dimmock refers to an evaluation of the CUTTY SARK events compiled by her company's public relations department which is shown as exhibit KD20. The exhibit consists of a report dated September 1996 and is an public relations evaluation of the Cutty Sark Tall Ships' Races. Much of the evaluation refers to exposure of CUTTY SARK in the media and at events outside of the United Kingdom, although does refer to an estimate by Reuters to some 500,000,000 people worldwide as having seen the race on television, and I consider reasonable to infer that this would include people within the United Kingdom.

Ms Dimmock says that her company has a website which gives information regarding promotions, advertising and other facts on CUTTY SARK. She refers to a download of their homepage (exhibit KD21) which was taken on 28 July 1998. She goes on to refer to the CUTTY SARK CROSSING, an event sponsored by her company in conjunction with their distributors in Greece, details of which are shown as exhibits KD22, KD23 and KD24. Ms Dimmock says that between 1993 and 1996 her company has spent some £1.1 million on the event.

Ms Dimmock says that in 1991 her company opened a visitors centre in Speyside Scotland, which receives some 400 invited VIP visitors each year, exhibits KD25 and KD26 consisting of photographs of the interior and exterior, and a book provided to visitors. She says that her company also has a brand ambassador who travels the world promoting CUTTY SARK, and refers to exhibit KD27 which consists of a photograph of the said Ambassador, and to exhibit



KD28 which consists of a photograph of one her company's Regional Sales Managers who also acts as a brand ambassador.

5 Ms Dimmock gives her belief that CUTTY SARK is advertised and promoted to an extent that it is an international brand known to whisky drinkers who do not necessarily drink CUTTY SARK and to non-drinkers, and is a mark which is famous and well known.

10 The final Statutory Declaration is dated 5 October 1998 and comes from Michael Antony Gadsby Peet, Senior International Vice president of IMG (International Management Group). Mr Peet gives his principle area of responsibility as trade mark, patent and copyright licensing, but says he has also been involved in sponsorship which is one of his company's core activities.

15 Mr Peet says that his company is a management company renowned for its activities inter alia, in sport, and that they represent individuals, events and federations. He says that their television company, TransWorld International is the largest independent producer of sports programming, and lists their involvement with various sporting teams and events.

20 Mr Peet says that the rationale for sponsorship is to communicate by association to a particular audience, and that in sport sponsors will try to associate themselves with events of interest to their existing or potential customers. He outlines the differences between television advertising and sponsorship, which is essentially cost, and goes on to give examples of how brands choose the events they sponsor. Mr Peet says that cigarette companies have for a long time been banned from advertising on television, and have consequently spent large sums on sponsorship, although even this avenue is now closing, and gives examples of brands that have been associated with particular sports. He refers to an informal agreement under which spirit companies agreed not to advertise on television, saying that this resulted in a disproportionate amount being spent on sponsorship although in recent years expenditure on television advertising has increased. He gives some examples of sponsorships that have been undertaken by whisky companies.

30 Mr Peet says that a number of brands have been successful in converting the values vested in their core brands into an extended range of merchandise, citing Dunhill as an example. He says that in some cases this has been as an extension to the sponsorship, mentioning Johnnie Walker who sponsor golf events and have opened a golf range, and the sponsorship of motor racing by tobacco companies.

### **Applicant's evidence**

40 This consists of two Statutory Declarations. The first is dated 7 April 1999 and comes from Richard Charles Hannaford, Company Secretary of Imperial Tobacco Limited. Mr Hannaford confirms that he has been associated with his company for over 24 years and has held his current post for over 9 years.

45 Mr Hannaford says that his company was founded at the turn of the century as Imperial Tobacco (of Great Britain and Ireland) Limited, and he outlines a number of changes of name and organisation through to the current company. He refers to the trade mark application, the subject of these proceedings, and to the examination of the application by the Registrar, the

report being shown as exhibit RCH1. The examination report shows that the application had been open to objection because of the opponent's earlier trade mark, but had been allowed to proceed on deletion of the term "smokers articles from the specification of goods. Mr Hannaford refers to a subsequent amendment involving the deletion of matches which had been suggested by the opponents.

Mr Hannaford goes to the Declarations filed in support of the opposition, noting that the declarations of Roger Turner and Dawn Moodie attempt to draw an association between tobacco products and whisky, inter alia, through joint promotions and the use of tobacco names on whisky. Mr Hannaford notes that the joint promotions had been outside the United Kingdom and states that diverse products may be involved in joint promotions or be marketed under the same trade mark, but that this does not mean that whisky and tobacco products are similar goods.

Mr Hannaford refers to the fact that the notice of opposition states that the opponents rely on trade mark registration 1189885, details of which he exhibits at RCH2. He notes that the mark is in the form of a bottle label containing the words CUTTY SARK and the device of a ship, and as evidenced by exhibits KD8 to KD10 he asserts that all of the articles referred to (covered by the registration) are for the promotion of the CUTTY SARK whisky brand. He says that smokers' articles are commonly used as promotional items for alcohol.

He refers to the Declaration by Calum Murray in which Mr Murray says that the opponents are interested in developing marketing and licensing under the CUTTY SARK name, noting that only one licence has been effected, one other planned, but that both are after the relevant date. Mr Hannaford also notes that none of the cigars said to be sold by the opponents is under the name CUTTY SARK.

The next Statutory Declaration is dated 14 April 1999, and comes from David Ronald Berry, a trade mark agent employed by Stevens Hewlett & Perkins, a position he has held for five years.

Mr Berry goes to the Declarations filed in support of the opposition. He notes that Calum Murray and Michael Ferguson do not give information on sales of CUTTY SARK in the United Kingdom, but that it is clear that the whisky is primarily produced for export and has made little impact on the United Kingdom market. He goes on to consider the various exhibits provided by the opponents, asserting that the goods shown in the catalogue (exhibit CM2) would be associated with the ship CUTTY SARK. He notes that no details of the sales of goods have been provided.

Mr Berry recounts a visit to the CUTTY SARK ship at Greenwich, and the purchases of merchandise that he made (exhibits DRB1 to DRB7). He says that he did not see any merchandise or any reference to CUTTY SARK whisky, nor any tobacco products. He goes on to refer to exhibit DRB8 which consists of pages taken from the CUTTY SARK website downloaded on 16 March 1999, and exhibit DRB9 being an extract from the Independent magazine. These give details of merchandise for sale on the CUTTY SARK ship, and a range of educational and entertainment services provided.

Mr Berry next goes to the Declaration of Michael Ferguson in which Mr Ferguson says that he

is responsible for policing and protecting the CUTTY SARK name, Mr Berry concluding that it is reasonable to assume that he is aware of the activities of the CUTTY SARK ship, and comments of the validity of the opponent's registrations shown at exhibit MJF6, DRB11 and DRB12. He next refers to the Declaration of Karen Dimmock, in which Ms Dimmock gives details of the opponents's sponsorship of the CUTTY SARK TALL SHIPS' RACES, commenting that exhibit KD20 does not say whether the public associates the races with the opponents' whisky or with the ship.

Mr Berry goes to exhibit DRB13 which consists of the results of an Internet search carried out on 16 March 1999, which brought back reference to the CUTTY SARK TALL SHIPS' RACE, the CUTTY SARK SHIP and CUTTY SARK SCOTS WHISKY.

Mr Berry goes to the decision of the Federal Court of Canada referred to by Michael Ferguson in paragraph 14 of his Declaration and shown as exhibit MFJ13, commenting that the decision relates to use and notoriety of the mark CUTTY SARK in Canada and is not relevant to these proceedings.

Mr Berry concludes his Declaration by giving his views as to why the opponent's mark is not entitled to protection under the Paris Convention as a well known mark, summarising the position to be that:

there is no evidence to show use by the opponent of the mark CUTTY SARK in relation to tobacco products or similar,

there are no sales figures for CUTTY SARK whisky in the United Kingdom, nor any evidence that the trade mark would be seen as the opponents', or regarded as well known, except in relation to whisky,

there is no evidence that the Maritime Trust has licenced the opponents to use CUTTY SARK, or has any relationship with the opponents.

### **Opponent's evidence in reply**

This consists of a Statutory Declaration dated 23 November 1999, and is a second Declaration by Michael James Ferguson.

Mr Ferguson goes to the evidence filed on behalf of the applicants. He refers to the Maritime Trust which is responsible for the ship The CUTTY SARK, saying that his company has been associated with the trust and has been one of the main supporters for restoration work and regularly contribute to the upkeep. He refers to the museum shop stating that his company has never seen any conflict in the sale of goods marked CUTTY SARK as this does not compete with his company's business, nor lead to deception or confusion.

### **Opponent's evidence Rule 13(8)**

This consists of a Statutory Declaration dated 30 October 1998 and is a second Declaration by Calum Murray.

Mr Murray says that on or about 8 or 9 September he received a message saying that a company called Pacific Cigar Co. wanted to speak to the Marketing Director, and that on returning the call he spoke to Mr Thomas O'Connor who told him that the company wished to have a licence to use CUTTY SARK in relation to cigars, exhibit CM7 being a copy of a fax confirming the conversation. Mr Murray says the approach was unsolicited.

That concludes my review of the evidence insofar as it is relevant to these proceedings.

### Decision

At the hearing Mr Tritton withdrew the grounds founded under Section 3(3)(b) and Section 3(6), which leaves the opposition as founded under Section 56, Section 5(2)(b), Section 5(3) and Section 5(4)(a). I turn first to look at the ground under Section 56 as this is most easily disposed of. That section reads as follows:

**56 - (1)** References in this Act to a trade mark which is entitled to protection under the Paris Convention as a well known trade mark are to a mark which is well-known in the United Kingdom as being the mark of a person who-

(a) is a national of a Convention country, or

(b) is domiciled in, or has a real and effective industrial or commercial establishment in, a Convention country,

whether or not that person carries on business, or has any goodwill, in the United Kingdom.

References to the proprietor of such a mark shall be construed accordingly.

Section 56(1) of the Act says that for a person to qualify for protection under the Paris Convention as the proprietor of a well known trade mark, they must either be a national of a convention country, or, be domiciled in or have a commercial establishment in a convention country. Section 55(1)(b) of the Act defines a "Convention country" as a country, *other than the United Kingdom* which is a party to the Paris Convention.

The opponent's address indicates that they are located in the United Kingdom, and there is no claim to a domicile or commercial establishment in any other country party to the convention which in turn would appear to mean that they do not meet the qualifying criteria set out in Section 55(1)(b). Mr Tritton submitted that 55(1)(b) was ambiguous, and that in such cases I was obliged to interpret the section within the meaning of the Directive, citing *Marleasing SA v La Comercial Internacional de Alimentation SA* (1992 1 CLMR). He invited me to take the view that the qualification "*other than the United Kingdom*" appearing in Section 55(1)(b) did not exclude persons domiciled or trading exclusively within the United Kingdom, but to all intents meant the section could be taken as a form of inclusion in the negative; "who are the people in this room other than myself?"

Mr Mellor submitted that what Mr Tritton was seeking was not an interpretation of the statute

but a rewrite, which I was not entitled to do. He further submitted that although the International Convention had no force in law in the United Kingdom until it had been brought into effect by an Act of Parliament (as it had been in the 1994 Trade Marks Act), protection for well known marks had always been available through the law of passing off and that Section 55 simply filled a gap not covered by the law of passing off.

I agree with Mr Mellor on all counts, and would also say that on my reading, Section 11 of the 1938 Act also afforded protection for marks which could be established as being well known in the United Kingdom. In my mind the qualification in Section 55(1)(b) “*other than the United Kingdom*” means just what it says and excludes persons domiciled or commercially active solely within the United Kingdom from utilising the provisions of Section 56, who instead are able to look to the law of passing off contained within Section 5(4)(a) of the 1994 Act. Consequently, the grounds based under Section 56 of the Act must fail.

Turning next to the ground under Section 5(2)(b). That section reads as follows:

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

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

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.

The term “earlier trade mark” is itself defined in Section 6 as follows:

**6 (1)** In this Act an earlier trade mark means -

(a) a registered trade mark, international trade mark (United Kingdom) 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,

In my determination of whether there is a likelihood of confusion I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* [1998] E.T.M.R. 2, *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] 45 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 BV v Puma AG*;

(b) the matter must be judged through the eyes of the average consumer of the goods/services in question; *Sabel BV v Puma AG*, 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 10 his mind; *Lloyd Schufabrik Meyer & Co. GmbH v Klijsen Handel B.V.*;

5 (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details; *Sabel BV v Puma AG*, paragraph 23; 15 (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 v Puma AG*;

10 (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 Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*;

15 (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 BV v Puma AG*;

20 (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 BV v Puma AG*;

25 (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 CV v Adidas AG*;

30 (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 Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*;

35 The opponents rely on two registrations, one for the words CUTTY SARK which is self evidently identical to the mark tendered for registration. The second is for a label type device consisting of the words CUTTY SARK in an italicised script, placed above the image of a ship presumably an illustration of the ship of that name. The mark also includes the words Blended  
40 Scots Whisky which is clearly a statement of the goods and of no trade mark significance, even more so given its relative size and positioning. It is well established that in composite marks, words speak, and that being the case, I consider that the composite mark will be seen as, referred to and later recalled as a CUTTY SARK mark, and that these words are the most dominant distinctive component.

45 The applicants are seeking to register the mark in respect of cigarettes and tobacco products. These are not expensive goods, but in my experience consumers tend to know the various names and will usually be loyal to a particular brand because of price or taste. Some items such as cigarettes, cigars, tobacco are obtainable by self-selection, for example, from vending machines or duty free shops and in such instances the selection will be by visual recognition. However, because of legal (age) restrictions, in most retail environments such goods are more often than not kept behind a counter. A person wishing to buy a particular brand may look

5 along the shelf to see if it is stocked and then ask, or may simply ask outright. Either way, the goods will have to be asked for by name and aural similarity therefore has a significant part to play, although visual similarity is still of importance. However, given that the respective marks are all CUTTY SARK marks it would not seem to matter whether aural or visual similarity is of greater importance. Whilst in most word marks conceptual similarity may have little part to play, in this case the words describe a unique item, a famous sailing ship, and to that extent there is also a strong conceptual similarity in the marks.

10 The words CUTTY SARK have no relevance for the goods that I am aware of, and there is nothing in the evidence to suggest otherwise. It is undoubtedly the name of a well known sailing ship and it seems quite likely that a person seeing it used in connection with tobacco, smokers' articles (or indeed any goods) may call to mind the vessel of that name, but I see no reason why they should take it to be an indication that such goods were shipped on, or have some connection with the ship.

15 By their own admission the opponents have not made much use of, or expended much resource in the promotion of the mark within the United Kingdom, the brand of whisky being primarily for export, and it follows that much of their reputation will be similarly located. Mr Tritton sought to persuade me that this reputation, although located outside of the United Kingdom was of such a magnitude that it was almost inevitable that it will have been imported into this country, but there is nothing in the evidence that enables me to gauge if, and to what extent this may be the case. They have used the mark in duty free establishments, there is some reference to domestic deliveries (on a small scale) in 1993, and the brand has received some exposure in the media primarily through their sponsorship of the Tall Ships' Race, in reviews in drinks publications and in some advertising in 1993. There is, however, insufficient detail to be able to say whether, and if so, to what extent this may have established the reputation of CUTTY SARK within the United Kingdom. That said, it is, in my view, a highly distinctive mark, per se.

30 On the question of whether the respective goods are similar I look to the guidance of Jacob J. in *British Sugar Plc v James Robertson & Sons Ltd* (1996) RPC 281 and in the judgement of the European Court of Justice in *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* Case C-39/97 case. With these cases in mind I propose to consider the question of similarity by a consideration of the following factors:

- 35 (a) The nature of the goods or services;
- (b) The end-users of the goods or services;
- 40 (c) The way in which the goods or services are used
- (d) Whether the respective goods or services are competitive or complementary. This may take into account how those in trade classify goods and the trade channels through which the goods or services reach the market;
- 45 (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) In determining whether similarity between the goods or services covered by two trade marks is sufficient to give rise to the likelihood of confusion, the distinctive character and reputation of the earlier mark must be taken into account.

5 One of the opponent's registrations covers "spirits" which are quite clearly not the same goods,  
as the tobacco, tobacco products and substances for smoking covered by the application.  
Whilst they are self evidently different in their nature, I see it quite likely that they will have  
some overlap in their respective users. Although used in different ways, one being drunk, the  
other inhaled, if looked at as being a form of recreational or social activity they could be said to  
10 share some commonality of purpose, a position which in my view is indicated by the joint  
promotions undertaken by tobacco and drinks companies. That said, not all smoker's drink  
(and vice versa) and there is nothing in the evidence which establishes that a shot of spirits may  
be taken as an alternative to a cigarette. Although the evidence suggests that some  
15 manufacturers trade in both classes of goods, in the main the two sectors appear to be quite  
distinct. I consider it would be going too far to consider the respective goods to be  
complementary or competitive. Apart from the instances where they are available in duty free  
outlets or vending machines, tobacco products are not usually available for self selection, being  
displayed in a discrete area and well segregated from other items. Taking all of this into  
20 account, I have no difficulty in reaching the position that spirits and tobacco products are not  
similar goods, and it follows that the ground founded on the registration in Class 33 must fail  
accordingly.

The second of the opponent's earlier marks is registered in Class 34, the same goods class as the  
application, but in respect of "smokers' articles", whereas the application is for tobacco and  
25 tobacco products. Given that tobacco and tobacco products are for use by smokers it could  
quite easily be taken that the term smokers' articles includes such goods. However, I consider  
this to be too broad an interpretation, a view that I believe is given some support by the  
International system for the Classification of Goods and Services, the "Nice" system. The Class  
heading for Class 34 says that that class comprises "Tobacco; smokers' articles; matches."  
30 which seems to be an indication that for the purposes of classification the Nice system does not  
consider smokers' articles to include tobacco. I accept that matches may well be used by  
smokers, but they are not exclusively made for this purpose and consequently are not  
considered to be a smokers' article. Further, the explanatory notes under the heading "Does not  
include, in particular" states that certain smokers' articles in precious metal are proper to Class  
35 14. It seems unlikely that tobacco and tobacco products would be made of metal, precious or  
otherwise, and that as far as the Nice system is concerned the term smokers' articles covers  
goods that are complementary to the act of smoking, such as cigarette holders, ashtrays and the  
like, and not tobacco or tobacco products, in essence, goods of a quite different nature.

40 Tobacco can be smoked in a number of ways, for example, in a pipe, a roll-your-own cigarette,  
or as cigarettes and cigars. Whichever form in which they indulge it is most likely that smokers  
will use an item covered by the term "smokers' articles", for example, an ashtray, or may use  
more than one. Consequently, it seems that their respective uses and users should be deemed to  
be one and the same.

45 I have no evidence as to how the trade classifies tobacco products and other articles used by  
smokers, nor whether it would be usual for a manufacturer of tobacco products to also be



involved in a trade in smokers' articles. It is clear that some articles used by smokers, such as cigarette holders, cigarette rolling machines and cigar cutters are items which complement the use of tobacco and tobacco products.

5 Taking all of the above into account, I come to the view that although not the same goods as those covered by the opponent's registration, the goods covered by the term smokers' articles should nonetheless be considered to be similar to tobacco and tobacco products.

10 In the Canon case it was said that on a proper construction of Article 4(1)(b) of the Directive, the distinctive character of the earlier trade mark, and in particular, its reputation, must be taken into account when determining whether similarity between the goods or services covered by two trade marks is sufficient to give rise to the likelihood of confusion. I have already given my  
15 view that the opponent's composite mark is a CUTTY SARK mark, and that these words should be considered the dominant distinctive component, and in this respect, the marks are the same in appearance, sound and idea. Most of the opponent's use has been outside of the United Kingdom and even accepting the Cutty Sark Tall Ships' Race as a well known and high profile event, it is not possible to say what, if any, enhancement it has brought to the reputation of the trade mark, but in any event, the words CUTTY SARK have a high degree of distinctiveness in  
20 relation to the goods for which it has been registered. Taking into account my finding that there is similarity in the respective goods, when appreciated globally I have no difficulty in coming to the view that there is a real and definite likelihood of confusion, and that the objection founded under Section 5(2)(b) succeeds.

25 Although my decision under Section 5(2)(b) effectively decides the matter, I will go on to consider the remaining grounds under Section 5(3) and Section 5(4)(a). Section 5(3) reads as follows:

**5(3)** A trade mark which -

30 (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,

35 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.”

40 Both of the opponent's registrations cited in the notice of opposition are earlier trade marks within the meaning of Section 6(1) of the Act (set out earlier), and although both are for marks which are the same or similar to the mark applied for, only one, number 435661 meets the criteria for an objection under Section 5(3) in that it is registered in respect of dissimilar goods.

45 In *Pfizer Ltd v Euro Food-Link (UK) Ltd* ((ChD) [1999] 22(4) IPD 22039) Mr Simon Thorley QC sitting as a Deputy High Court Judge said:

"What is necessary is that the trade mark proprietor should prove the required reputation and should then satisfy the Court that the defendants use of the sign is:

- (a) without due cause; and
- (b) takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark."

The opponents have used the mark almost exclusively in respect of whisky for export. They refer to sales in duty free establishments, reviews in drinks publications and to their sponsorship of the Tall Ships' Race, but there is insufficient detail to be able to say that this has established a reputation within the United Kingdom, and if it has, to what extent. They cite instances where a brand established on one product, namely tobacco, has subsequently been used or promoted in relation to quite different goods thereby fixing the concept in the minds of the public. Whilst there certainly have been such instances (including the opponent's whisky as an ingredient in a cake) the evidence does not establish that at the relevant date this was anything like customary, be it in respect of tobacco products, whisky or spirits.

Setting aside the question of "due cause", on my reading the evidence does not establish that at the relevant date the opponents had built a reputation within the United Kingdom to the extent that if another trader were to use the same or a closely resembling mark in respect of dissimilar goods, that the distinctive character or repute of their mark would suffer, or that any benefit will be derived by the other user. Consequently the ground under Section 5(3) fails.

Finally there is the ground under Section 5(4)(a). That section reads as follows:

**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, or

(b) .....

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an earlier right in relation to the trade mark.

Mr Geoffrey Hobbs QC sitting as the Appointed Person in the *Wild Child* (1998 RPC 455) set out a summary of the elements of an action for passing off. The necessary elements are said to be 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.

5 Section 5(4)(a) of the Act offers protection to the goodwill and reputation built up by a trader through the use of a sign. I have already highlighted the weakness of the opponent's claim to a reputation within the United Kingdom and they are in no better a position with respect to goodwill. Consequently, I do not see how I can find that they will suffer damage by the applicants' use of the mark in respect of the goods they seek to protect and the objection under Section 5(4)(a) fails.

10 The opposition having been successful the opponents are entitled to a contribution towards their costs. I order the applicants to pay the opponents the sum of £ 1000 as a contribution towards their costs. This sum to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is  
15 unsuccessful.

**Dated this 2 day of July 2001**

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**Mike Foley**  
**for the Registrar**  
25 **The Comptroller General**

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