

O-058-17

**TRADE MARKS ACT 1994**

**IN THE MATTER OF THE APPLICATION BY  
PINNACLE LIQUOR GROUP PTY LTD  
UNDER NO. 3139640 FOR THE TRADE MARK**

The logo for Baily & Baily, featuring a large, stylized ampersand (&) on the left, followed by the word "Baily" in a serif font, and another "Baily" in a smaller serif font below it.

**AND  
IN THE MATTER OF OPPOSITION THERETO  
UNDER NO. 406291 BY  
CAVES BAILLY LAPIERRE S.C.A.**

## The background and the pleadings

1) On 8 December 2015 Pinnacle Liquor Group Pty Ltd (“the Applicant”) filed application no. 3139640 to register the following trade mark:

The logo consists of a large, stylized ampersand (&) on the left, followed by the word "Baily" in a serif font above another "Baily" in the same serif font.

The application was published for opposition purposes on 18 December 2015. Registration is sought for *wine* in Class 33.

2) The application is opposed by Caves Bailly Lapierre S.C.A. (“the Opponent”) under section 5(2)(b) of the Trade Marks Act 1994 (“the Act”), for the purposes of which the Opponent relies upon the following earlier EU trade mark (“EUTM”) registrations:

**EUTM 1803113** was filed on the 10 August 2000, with a priority date of 7 March 2000, and completed its registration procedure on 10 August 2007 for the following sign:

**BAILLY-LAPIERRE**

The goods relied on by the Opponent under EUTM 1803113 are *wines, sparkling wines, crémant de Bourgogne* in Class 33.

**EUTM 8813743** was filed on the 15 January 2010, and completed its registration procedure on 13 June 2010 for the following sign:

The logo is the name "Bailly Lapierre" written in a highly decorative, cursive script.

The goods relied on by the Opponent under EUTM 8813743 are *wines, sparkling wines, crémants (wine)* in Class 33.

3) The significance of the above dates is that (1) both of the marks relied on by the Opponent constitute an earlier mark in accordance with section 6 of the Act, and (2) both are subject to the proof of use conditions contained in section 6A of the Act, their respective registration procedures both having been completed more than five years before the publication of the Applicant's mark.

4) The Opponent claims that because of similarity between the respective marks and identity or similarity between the respective goods there exists a likelihood of confusion. The Applicant filed a counterstatement, in which it did not admit similarity between its mark and either of the Opponent's EUTMs, or that there exists a likelihood of confusion between the marks so as to satisfy the requirements of section 5(2)(b) of the Act. It also put the Opponent to proof of use of the earlier marks in respect of the goods relied on. The period during which genuine use of the marks must be proved ("the relevant period") is 19 December 2010 to 18 December 2015. The Opponent is represented by Taylor Wessing LLP. The Applicant is represented by Hogan Lovells International LLP. The Opponent filed evidence and submissions during the evidence rounds. The Applicant filed written submissions during the evidence rounds. Neither side requested a hearing. I therefore give this decision after a careful review of all the papers before me.

### **Proof of use**

5) In its notice of defence the Applicant requested the Opponent to provide proof of use of both earlier marks in respect of the goods relied on. The Opponent filed evidence in response. In the submissions filed subsequently by the Applicant the issue of proof of use is not addressed at all, and there is no discussion whatever of the evidence filed by the Opponent. The Applicant makes no explicit concession on the point, so genuine use of the earlier marks must still be established if they are to be relied on in these proceedings. In view of the fact that the Opponent's evidence of use was left completely unchallenged by the Applicant, however, I consider it

appropriate and sufficient in this case to keep my description and assessment of the evidence relatively brief.

### **The law on proof of use**

6) In *The London Taxi Corporation Limited v Frazer-Nash Research Limited & Ecotive Limited*, [2016] EWHC 52, Arnold J. summarised (at paragraph 217) the case law on genuine use of trade marks. He said:

“I would now summarise the principles for the assessment of whether there has been genuine use of a trade mark established by the case law of the Court of Justice, which also includes Case C-442/07 *Verein Radetsky-Order v Bunderversammlung Kamaradschaft 'Feldmarschall Radetsky'* [2008] ECR I-9223 and Case C-609/11 *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR 7, as follows:

(1) Genuine use means actual use of the trade mark by the proprietor or by a third party with authority to use the mark: *Ansul* at [35] and [37].

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Centrotherm* at [71]; *Leno* at [29].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Centrotherm* at [71]; *Leno* at [29].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14]. Nor does the distribution of promotional items as

a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34]; *Leno* at [29]-[30], [56].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32].”

7) Where earlier marks are EUTMs, he added (at paragraph 227) the following further points:

“(9) The territorial borders of the Member States should be disregarded in the assessment of whether a trade mark has been put to genuine use in the Community: *Leno* at [44], [57].

(10) While it is reasonable to expect that a Community trade mark should be used in a larger area than a national trade mark, it is not necessary that the mark should be used in an extensive geographical area for the use to be deemed genuine, since this depends on the characteristics of the goods or services and the market for them: *Leno* at [50], [54]-[55].

(11) It cannot be ruled out that, in certain circumstances, the market for the goods or services in question is in fact restricted to the territory of a single Member State, and in such a case use of the Community trade mark in that territory might satisfy the conditions for genuine use of a Community trade mark: *Leno* at [50]”.

### **The evidence of use**

8) In a witness statement of 22 August 2016, Mr Emmanuel Hamon states that he has been Director/Manager of the Opponent since 2013. The facts and figures which he provides in his witness statement are supported by documents contained in 18 annexed exhibits. I accept that they establish the following. The earlier marks were first used in relation to the marketing and sale of wine in the EU in 2010. Since then, they have been used continuously throughout the EU in connection with the sale of wine, on the Opponent’s websites, its wine products, marketing materials, signs, invoices and labels. It sells its wine directly through its retail store in France (which has an average of 15,000 visitors per year) and via its distributors (I think Mr Hamon uses the term “distributor” broadly to cover commercial outlets generally) across the EU. Exhibit 3 shows annual turnover rising from €5,257,649 in 2010 to € 6,279, 567 in 2015. Exhibit 4 shows a list of 64 distributors supplied in 18 countries

of the EU in the period 1 January 2012 to 31 December 2015. In some the quantities are relatively small, but they are larger in countries like Germany, the UK, Denmark, the Netherlands, Belgium and Sweden. The number of “units of wine” (which I take to be bottles and similar items) supplied in those countries in that period ranged from 18,382 in the Netherlands to 1,119,052 in Germany. The figure for the UK was 35,137. Exhibit 5 shows representative examples of invoices issued by the Opponent to its distributors in Germany, France and the UK during the Relevant Period. They show use of the earlier word mark as registered; it is also used on the Opponent’s website pages in English, French and German and on third party websites and blogs. Various exhibits show use of the earlier figurative mark, as registered, on a range of the Opponent’s wine products.

9) The figures may be relatively modest in terms of the huge EU market for wine, but they are by no means insignificant. The picture that emerges is of a company with a fairly strong foothold of sales of wine under the earlier marks in its base market in France, but also using the mark more widely in a number of other EU countries. Though the figures for the other EU countries are more modest, they show considerable geographic spread, continuity and consistency of purpose. I consider that the use of both marks was clearly warranted in the marketplace to create and maintain market share for the Opponent’s wine products. Accordingly, I am satisfied that there has been genuine use of both the earlier marks in the EU in respect of the relevant products in the relevant period.

### **Section 5(2)(b)**

10) Section 5(2)(b) of the Act reads as follows:

“5(2) A trade mark shall not be registered if because – [...]

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

11) The following principles are gleaned from the decisions of the Court of Justice of the European Union (“the CJEU”) 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 (“*Bimbo*”):

(a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors;

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;

(f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive



role in a composite mark, without necessarily constituting a dominant element of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;

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

(i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;

(j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

(k) if the association between the marks creates a risk that the public will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

### **Comparison of goods**

12) It is not in dispute that the goods covered by the contested mark are identical to those covered by the earlier marks.

### **The average consumer and the purchasing process**

13) The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer, Case C-342/97*. 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.”

14) It is not in dispute that the relevant public for the relevant goods is the general public in the UK, and that wine is an everyday consumable item.

15) Wine may be bought in shops, supermarkets and the online equivalents where the purchasing process will normally be one of visual self-selection. It may also be bought in bars and restaurants. Even where ordered orally, there will normally be some visual aspect to the purchasing process<sup>1</sup>, but I shall not ignore the aural aspect in my assessment. Apart from for wine connoisseurs, who constitute a relatively small part of the relevant public, the level of attention employed in buying wine will not be of the highest level. Wine is available in a range of prices, and there may be a greater degree of care employed in the selection of more expensive wines. Overall, however, an average degree of care and attention will be used.

### **Comparison of the marks**

16) It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant

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<sup>1</sup> See, for example, the observations of the General Court in *Simonds Farsons Cisk plc v OHIM* Case T-3/04 at paragraphs 58-59.

components. The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo*, 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.”

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

18) The marks to be compared are shown below:

The contested mark	The earlier word mark	The earlier figurative mark
	<p><b>BAILLY-LAPIERRE</b></p>	

19) The contested mark consists of the word **Baily** shown twice in a plain, dark font, the first word appearing above, and shifted slightly to the left of, the second. To the left of both appears an ampersand, also in plain font, in a lighter tone, but greatly enlarged so as in effect to fill and fit into the space to the left of the slightly staggered lines of the two words, giving an optically balanced look to the mark. The graphic presentation of the mark, while not exceptionally striking or original, does add visual interest and makes some contribution to the overall visual impression of the mark. It

is the word element **Baily & Baily**, however, which clearly constitutes the dominant and distinctive element of the mark.

20) I see no reason why the single word **Baily** as such should be regarded as the contested mark's dominant element, as suggested by the Opponent. The graphic treatment of the repeated word is identical. The average consumer is familiar with the idea of a commercial name consisting of the names of partners or founders connected by an ampersand – and that the name may be repeated in what is, or was, a family business. The dominant and distinctive element of the contested mark lies in its word element **Baily & Baily** as a whole.

21) Nor can I see any reason why either of the two constituent words of the earlier word mark should be seen as dominant. There is no difference in their graphic presentation and neither is more distinctive than the other. With or without the hyphen, I consider that the most natural way for the average UK consumer to see the mark is as a compound name, probably French, whether personal or geographical. The distinctiveness lies in the mark as a whole, with neither component dominating.

22) This is also true of the word element of the earlier figurative mark. Here, the hyphen is omitted, but the underlining curlicues tend to bind the component words of the mark visually. The figurative element consists of the presentation of the word element in a fancy script. Though not particularly original, this does add visual interest, and makes some contribution to the overall visual impression of the mark. It is the word element **Bailly Lapierre** as a whole, however, which constitutes the dominant and distinctive element of the mark.

23) Although I have found that the elements of graphical presentation of the contested mark and the earlier figurative mark do make some contribution to the overall visual impressions of those marks, I consider that these figurative elements play a subordinate role in comparison with the word elements, and that the similarities and differences between all the competing marks lie heavily in their respective word elements. I accept that the presence or absence of an extra L in BAIL(L)Y may well go unnoticed or be misremembered, and that the presence of the

word BAILLY or BAILY in the marks constitutes a point of similarity. There is a rough rule of thumb in the settled case law, to which the Opponent draws my attention, that the consumer normally attaches more importance to the beginnings of word marks. However, this is no more than a rule of thumb. Each case must be considered on its merits. My assessment must take account of the overall impression created by the marks<sup>2</sup>.

24) All the competing marks have two words. In none of the marks are the constituent words differentiated in terms of their respective graphical treatment, so as to give one word more prominence than the other. In the contested mark, however, the second word is simply an exact repeat of the first word BAILY. In the two earlier marks, the second word LAPIERRE is visually completely different from the preceding BAILLY. This constitutes a manifest difference between the competing marks. Overall, there is not more than a medium degree of visual similarity between the contested mark and the earlier word mark. Technically, the figurative element of the earlier figurative mark takes it even further from the contested mark; but I have found that this figurative element plays a subordinate role in the comparison, and I consider that the visual similarity between the contested mark and the earlier figurative mark still falls within the range which can appropriately be described as not more than medium.

25) The respective figurative elements will play no part in the pronunciation of the competing marks. It may be that consumers who are more familiar with French may pronounce BAILLY as BAY-EE. I think it likely, however, that the average UK consumer will pronounce BAILLY and BAILY identically as BAY-LEE. LAPIERRE will be pronounced LAR-PEE-AIR. Overall, I find that there is not more than a medium degree of aural similarity between the contested mark and the earlier marks.

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<sup>2</sup> Cf. *Spa Monopole, compagnie fermière de Spa SA/NV v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-438/07*:

“23 Admittedly, the consumer normally attaches more importance to the first part of words (Joined Cases T-183/02 and T-184/02 *El Corte Inglés v OHIM – González Cabello and Iberia Líneas Aéreas de España (MUNDICOR)* [2004] ECR II-965, paragraph 81). However, that argument cannot hold in all cases (see judgment of 16 May 2007 in Case T-158/05 *Trek Bicycle v OHIM – Audi (ALL TREK)*, not published in the ECR, paragraph 70 and the case-law cited) and does not, in any event, cast doubt on the principle that the assessment of the similarity of marks must take account of the overall impression created by them.”

26) None of the competing marks have any conceptual content beyond the fact that they are both, in my view, likely to be seen as consisting of names.

### **The distinctiveness of the earlier mark**

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

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

28) The Opponent did not plead that the distinctiveness of the earlier marks had been enhanced by use, nor did it make any submission to this effect. The evidence

would in any case have fallen far short of establishing that the earlier marks were likely to be known by a significant proportion of the relevant public in the UK when the Applicant applied for its mark. I therefore have only the inherent distinctive character of the earlier marks to consider. I have already found that the graphic element of the earlier figurative mark plays only a subordinate role in that mark, the mark's distinctiveness lying overwhelmingly in its word element, BAILLY LAPIERRE. These words are neither descriptive nor allusive of the relevant goods. With or without a hyphen, I consider that they will be perceived by the average consumer, particularly in the light of the second word, as a French name, whether personal or geographical, not commonly encountered in the UK. This being so, I consider both earlier marks to have a reasonably high degree of inherent distinctiveness.

### **Likelihood of Confusion**

29) The Opponent draws my attention to a decision of the EUIPO First Board of Appeal: *CARRERA Y CARRERA S.A. v BATTILANA SRL*, Case R 983/2013-1, which concerned comparison of the marks ROSSELLA CARRARA (stylised) and CARRERA Y CARRERA. The Opponent points out that the First Board of Appeal found that the repetition of the word CARRERA and the letter "Y" used to conjoin the two words in the latter mark was "not enough to counterbalance the general impression of similarity given by the words CARRERA and CARRARA". The Opponent also observes that "the common word in the marks at issue (CARRERA/CARRARA) was the second (and less dominant word) in the later mark (ROSSELLA CARRARA)", but that, despite this, the Board of Appeal still considered the marks at issue to be similar overall.

30) I note that that case proceeded on the basis that the earlier marks had a reputation, and that the contested mark would be perceived by the relevant public as consisting of a name and forename; the competing marks were held to be conceptually similar in that they both evoked a Spanish name, and that the relevant case law was held to show that, in a mark composed of a name and surname, the consumer tends to attribute a higher distinctive character to the surname. I bear in mind that in *Becker v Harman International Industries*, C-51/09 the CJEU pointed out (at paragraph 40) that it is an error to base an assessment of the conceptual

similarity of the marks on general considerations taken from the case law without analysing all the relevant factors specific to the case, in disregard of the requirement of an overall assessment of the likelihood of confusion, taking account of all factors relevant to the circumstances of the case, and based on the overall impression produced by the marks at issue.

31) I have borne the Board of Appeal's decision in mind but must point out that decisions before EUIPO are not binding on the Registrar, and I am not bound to come to the same conclusions. As territorial scope differs, so also do issues, factual backgrounds, cultural perceptions and linguistic factors. I must reach my decision in the present proceedings on the particular facts of the present case, and on the particular marks that are before me, judged from the point of view of the average consumer in the UK, since it is in the UK market that any relevant confusion may take place.

32) I should mention that the Opponent also refers me to paragraph 34 of Case R 983/2013-1, in which the First Board of Appeal found that

“... given that the earlier mark is composed of the same word repeated twice, the possibility cannot be ruled out that at least a part of relevant consumers may only pronounce the first word ‘CARRERA’, due to the consumer’s natural tendency to shorten long signs when pronouncing them. In this case, the aural similarity between the marks will be even higher.”

Although I consider that most UK consumers will not truncate the competing marks when referring to them orally, I also think it possible that some consumers may shorten them in oral use by referring to them by their first word. As I have already noted at paragraph 15, however, even where ordered orally, there will normally be some visual aspect to the purchasing process, which will tend to counterbalance such oral abbreviation. I also remind myself of the comments of Iain Purvis, Q.C., sitting as the Appointed Person, in *The Royal Academy of Arts v Errea Sport S.p.A* (BL O/010/16) where, in relation to marks which had little visual similarity but which were aurally identical, he stated:



“15. In essence [the opponent’s] argument was that there was bound to be a likelihood of confusion in this case because of the aural ‘identity’ between the marks (if one tried to ask for goods using an aural version of the earlier mark, one would ask for ‘RA’ goods, just as one would ask for the applicant’s goods). This argument seems to me to fly in the face of the necessary ‘global’ assessment, bearing in mind the visual, conceptual and aural similarities, which the tribunal must carry out.”

33) It is not in dispute that the competing goods are identical and that wine is an everyday consumable, the average consumer being a member of the general public in the UK. I have found that an average degree of care and attention will be used in the selection of the goods, that there is not more than a medium degree of visual and aural similarity between the contested mark and either of the earlier marks, and that none of the competing marks have any conceptual content beyond the fact that their word elements are likely to be seen as consisting of names. I accept that the presence or absence of an extra letter L in the word which constitutes the first word component of all the marks may well go unnoticed or be misremembered, and that this first word component creates a point of similarity between them all. However, the first word component is repeated identically in the contested mark, whereas in the both the earlier marks it is followed by a word which is completely different from the first. This creates a significant difference.

34) Bearing in mind my findings on the average consumer and the purchasing process, I have come to the conclusion that, even in the case of identical goods, even given that the earlier mark has a reasonably high degree of inherent distinctiveness, and even taking into account the effect of imperfect recollection, the differences between the contested mark and both earlier marks, are sufficient to rule out a likelihood that the consumer will directly confuse them, i.e. mistake them for one another. Leaving aside differences arising from the figurative elements, the consumer will in any event not confuse the contested mark, with its repetition of the word BAILY, with either of the earlier marks in which the word BAILLY is combined with a totally different word.

35) However, I must also consider the possibility of indirect confusion, and in this connection it is helpful to bear in mind the observations of Mr Iain Purvis QC, sitting as the Appointed Person, in *L.A. Sugar Limited v By Back Beat Inc*, Case BL O/375/10 (“L.A. Sugar”), where he noted that:

“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” ”.

17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:

(a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right (“26 RED TESCO” would no doubt be such a case).

(b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as “LITE”, “EXPRESS”, “WORLDWIDE”, “MINI” etc.).

(c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension (“FAT FACE” to “BRAT FACE” for example).”

36) Mr. Purvis's category (b), as quoted in paragraph 35 above, is manifestly inapplicable to the marks in this case. I have found the earlier marks, taken as a whole, to have a reasonably high degree of inherent distinctiveness, but I do not consider the BAILLY element to be so distinctive that the average UK consumer would assume that only the brand owner would be using it.

37) I have found that the average consumer is familiar with business names consisting of personal names – often repeated in what are, or were, family businesses – connected by an ampersand. It is possible that some consumers may perceive the words BAILLY LAPORTAIRE as a foreign phrase, the meaning of which is unclear to them. In this case, it is unlikely that they will see a perceived likeness of its first word with the perceived personal name in the contested mark as more than a coincidence. However, I have explained that, with or without the hyphen, I consider that the most natural way for the average UK consumer to see the words BAILLY LAPORTAIRE is as a compound name, probably French, whether personal or geographical. If it is seen as a geographical name, even though the difference between BAILLY and BAILY may go unnoticed, the inclusion of a perceived personal name in one mark and a geographical name in the others will be seen as a coincidence. If BAILLY LAPORTAIRE is seen as a compound of two different personal names, I do not consider that the presence of the BAILY/BAILLY element in the competing marks will lead the average consumer of wine in the UK to see the contested mark as a logical and consistent brand extension of the earlier marks – or vice versa; and this would be even less likely if BAILLY were seen as a forename in the earlier marks.

38) I appreciate that the examples given by Mr Purvis in his decision *in L.A. Sugar Limited v By Back Beat Inc* were intended to be illustrative in the context of that case, and not to impose rigid rules. The categories of case where indirect confusion may be found are not closed. Each case must be assessed on its own facts, and my assessment must take account of the overall impression created by the marks. In this case I struggle to see the mechanism whereby the presence of the word BAILLY (or BAILY) in the competing marks would lead the average consumer of wine in the UK to conclude that they belong to the same or economically linked undertakings. I

conclude that there is no likelihood of confusion. Accordingly, **the opposition fails in its entirety.**

### **Costs**

39) The Applicant has been successful and is entitled to a contribution towards its costs. I bear in mind that the pleadings and submissions were relatively short and straightforward, and that the Opponent's evidence was not commented on. I hereby order Caves Bailly Lapierre S.C.A to pay Pinnacle Liquor Group Pty Ltd the sum of £800. This sum is calculated as follows:

Preparing a statement and considering the other side's statement	£300
Considering the Opponent's evidence	£200
Preparing written submissions	£300

The above sum should be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 14<sup>th</sup> day of February 2017**



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