

BENELUX OFFICE FOR INTELLECTUAL PROPERTY
OPPOSITION DECISION
N° 2016906
of 29 August 2022

Opponent: **PROMERIT MANAGEMENT S.R.L.**
Str. G.M. Zamfirescu 46
Bl. 22A Boekarest
Romania

Representative: **Arnold & Siedsma**
Bezuidenhoutseweg 57
2594 AC Den Haag
Netherlands

Invoked right: **European Union trademark registration 18135655**

KAIKYO & HYOGO

against

Defendant: **Marussia Beverages B.V.**
Siriusdreef 41
2132 WT Hoofddorp
Netherlands

Representative: **Novagraaf Nederland B.V.**
Hoogoorddreef 5
1101 BA Amsterdam
Netherlands

Contested trademark: **Benelux trademark application 1436301**

KAIKYO DISTILLERY

I. FACTS AND PROCEEDINGS

A. Facts

1. On 18 February 2021, the defendant filed a Benelux trademark application for the wordmark "KAIKYO DISTILLERY" filed for goods and services in classes 33, 35 and 40. This application was processed under number 1436301 and was published on 22 February 2021.

2. On 20 April 2021, the opponent filed an opposition against the registration of the application. The opposition is based on the European Union trademark 18135655 of the wordmark "KAIKYO & HYOGO", filed on 11 October 2019 and registered on 19 February 2020 for goods in class 33.

3. According to the register the opponent is the actual holder of the trademark invoked.

4. The opposition was initially directed against all the goods and services covered by the contested application and is based on all of the goods covered by the trademarks invoked. In his arguments, the opponent limited the services in class 35, against which the opposition is directed to "*Retail and wholesale services, import and export services in regard to alcoholic beverages; promotion and business mediation regarding the purchase and sale, import and export of alcoholic beverages; all of the aforementioned services also provided by means of and through the internet.*". The opposition remained directed against all goods and services covered in classes 33 and 40.

5. The grounds for opposition are those laid down in article 2.14, 2 (a) of the Benelux Convention on Intellectual Property (hereinafter: "BCIP").

6. The language of the proceedings is English.

B. Course of the proceedings

7. The opposition is admissible and was notified by the Benelux Office for Intellectual Property (hereinafter: "the Office" or "BOIP") to the parties on 21 April 2021. During the administrative phase of the proceedings both parties filed arguments. The course of the proceedings meets the requirements as stated in the BCIP and the Implementing Regulations (hereinafter "IR"). The administrative phase was completed on 20 October 2021.

II. ARGUMENTS

8. The opponent filed an opposition at the Office under article 2.14, 2 (a) BCIP, in accordance with the provisions of article 2.2ter, 1 (b) BCIP: the likelihood of confusion based on the identity or similarity of trademark and sign and the identity or similarity of the goods or services concerned.

A. Opponent's arguments

9. The opponent starts by limiting the services opposed covered by the contested mark in class 35.

10. Comparing the goods and services covered, the opponent finds that both trademarks cover identical goods and that the services covered by the contested trademark are highly similar to the goods covered by the trademark invoked.

11. The opponent considers the goods and services to be directed at the public at large.
12. Comparing the signs in question, the opponent notes that the word "DISTILLERY" in the contested application lacks distinctiveness for the goods and services covered and will therefore be paid less or no particular attention.
13. The opponent argues that in general the consumer pays more attention to the beginning of a sign and that the dominant element of the contested application, placed at the beginning, is identically present in the beginning of the invoked trademark. Therefore, the opponent concludes that both trademarks are visually and aurally highly similar.
14. Conceptually, the opponent contends that, while the word "KAIKYO" refers to a bridge in Japan, this would not be known by the average consumer in the Benelux. As such, other than the non distinctive word "DISTILLERY" in the contested trademark, both trademarks do not have a meaning so a conceptual comparison cannot be made.
15. The opponent considers the earlier mark to have a normal level of distinctiveness.
16. As a result of the above, the opponent considers that there exists likelihood of confusion between the trademarks. Thus, he asks the Office not to register the contested trademark and to order that the costs be borne by the defendant.

B. Defendant's arguments

17. In the first place the defendant considers that visually and aurally the trademarks in question are at most similar to a slight degree in that the invoked trademark's very distinctive elements "& HYOGO" differ from the contested trademarks second verbal element "DISTILLERY".
18. Conceptually, the defendant agrees with the opponent that both trademarks do not have a meaning for the average Benelux consumer in that the Japanese bridge to which the word "KAIKYO" refers will not be known within the Benelux.
19. Addressing the similarity of the goods and services, the defendant argues that goods and services are different in nature and notes in particular the difference between retail services and goods themselves. It follows, according to the defendant that the services covered by the contested trademark are dissimilar to the goods of the invoked trademark.
20. As a result of the above, the defendant considers that there is no likelihood of confusion and asks the Office to register the contested trademark.

III. DECISION

A.1 Likelihood of confusion

21. In accordance with article 2.14 BCIP, the holder of a prior trademark may submit a written opposition to the Office, within a period of two months to be calculated from the publication date of the application, against a trademark which in the order of priority, ranks after its own in accordance with Article 2.2ter BCIP.

22. Article 2.2ter, para. 1 BCIP stipulates that, "A trademark shall, in case an opposition is filed, not be registered (...) where: b. because of its identity with, or similarity to, the earlier trademark and the identity or similarity of the goods or services covered by the trademarks, there exists a likelihood of confusion on the part of the public; the likelihood of confusion includes the likelihood of association with the earlier trademark."

23. According to case law of the Court of Justice of the European Union (hereinafter: the "CJEU") concerning the interpretation of Directive 2015/2436 of the European Parliament and of the Council of 16 December 2015 to approximate the laws of the Member States relating to trademarks (hereinafter: "Directive"), the likelihood of confusion of the public, which is defined as the risk that the public might believe that the goods or services in question come from the same undertaking or, as the case may be, from economically-linked undertakings, must be appreciated globally taking into account all factors relevant to the circumstances of the case (CJEU, Canon, C-39/97, 29 September 1998, ECLI:EU:C:1998:442; Lloyd Schuhfabrik Meyer, C-342/97, 22 June 1999, ECLI:EU:C:1999:323; CJBen, Brouwerij Haacht/Grandes Sources belges, A 98/3, 2 October 2000; Marca Mode/Adidas, A 98/5, 7 June 2002; Supreme Court of the Netherlands, Flügel-bottle, C02/133HR, 14 November 2003, ECLI:NL:HR:2003:AK4818; Court of Appeal Brussels, N-20060227-1, 27 February 2006).

Comparison of the goods and services

24. In assessing the similarity of the goods and services concerned, all the relevant factors relating to these goods or services themselves should be taken into account. These factors include, inter alia, their nature, their end-users and their method of use and whether they are in competition with each other or are complementary (CJEU, Canon, already cited).

25. With the comparison of the goods of the trademark invoked and the goods and services against which the opposition is filed, the goods and services are considered only on the basis of what is expressed in the register.

26. The goods and services to be compared are the following:

Opposition based on:	Opposition directed against:
CI 33 Alcoholic beverages (except beer); Preparations for making alcoholic beverages; Cider; Alcoholic preparations for making beverages; Pre-mixed alcoholic beverages; Spirits and liquors; Wine; Aperitifs; Low alcoholic drinks; Alcoholic carbonated beverages, except beer; Liqueurs; Digesters [liqueurs and spirits]; Potable spirits; Spirits [beverages]; Rum; Scotch whisky; Vodka; Whisky; Bourbon whiskey.	CI 33 Alcoholic beverages; spirits; distilled beverages; wines; sake.
	CI 35 Retail and wholesale services, import and export services in regard to alcoholic beverages; promotion and business mediation regarding the purchase and sale, import and export of alcoholic beverages; all of the aforementioned services also provided by means of and through the internet.

	CI 40 Distillery services.
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Class 33

27. According to Rule 1.21(e) of the IR, compliance with the adversarial principle referred to in Article 2.16(1) CBPI implies, inter alia, that the examination of the opposition is limited to the arguments, facts and evidence put forward by the parties. The defendant does not contest that the goods covered by the trademarks in question are identical. Since the identity of these goods is established between the parties, the Office will therefore not proceed to a comparison of these goods.

Class 35

28. In general, products and services are of a different nature, due to the fungible nature of the former and the non-fungible nature of the latter. Furthermore, they do not have the same use. However, products and services can be complementary: after all, some services cannot be rendered without using some products.

29. In this context, it should be recalled that complementarity only exists where the products and/or services are so closely related that one is indispensable or important for the use of the other so that consumers may believe that the same undertaking is responsible for them (EGC, O STORE, T-116/06, 24 September 2008, ECLI:EU:T:2008:399).

30. In the present case there is complementarity between the services "*Retail and wholesale services, import and export services in regard to alcoholic beverages; promotion and business mediation regarding the purchase and sale, import and export of alcoholic beverages; all of the aforementioned services also provided by means of and through the internet.*" and the goods "*Alcoholic beverages (except beer)*" covered in class 33 of the invoked trademark. Indeed, these services covered by the contested trademarks concern trade and promotion services of goods previously held to be identical (paragraph 27). Furthermore, it is common that retailers or companies active in the promotion of such goods also offer their own goods for sale, thus, a common origin could reasonably be assumed by the consumer making these products and services similar to a certain degree.

Class 40

31. The same applies to the contested "*Distillery services*". These services are also similar to a certain degree to the opponent's alcoholic beverages (except beers) in Class 33. Despite the basic difference in nature between a service and a good (paragraph 28), there is complementarity. A distillery is a place where spirits, i.e. strong alcoholic drinks, are manufactured by the process of distilling, i.e. purifying (a liquid) by heating it so that it vaporizes, then cooling and condensing the vapour and collecting the resulting liquid. Spirits distillery services always result in spirits which are included in the broader specification "*Alcoholic beverages (except beer)*" of the earlier mark. Confronted with the manufacturing service and the manufactured product, consumers therefore will assume a common commercial origin. This leads to a certain degree of similarity.

Conclusion

32. The goods and services covered by the contested trademark are in part similar to a certain degree and in part identical to the goods covered by the trademark invoked.

Comparison of the trademarks

33. The wording of Article 5, 1 (b) of the Directive (cf. article 2.2ter, 1 (b) BCIP) according to which "there exists a likelihood of confusion on the part of the public including the likelihood of association with the earlier trademark" shows that the perception of marks in the mind of the average consumer of the type of goods or services in question plays a decisive role in the global assessment of the likelihood of confusion. The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details (CJEU, Sabel, C-251/95, 11 November 1997, ECLI:EU:C:1997:528).

34. Global assessment of the visual, aural or conceptual similarity of the marks in question, must be based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components (CJEU, Sabel and Lloyd, already cited).

35. The overall impression created in the memory of the relevant public by a complex mark might, in certain circumstances, be dominated by one or more components of that mark (CJEU, Limonchello, C-334/05 P, 12 June 2007, ECLI:EU:C:2007:333). With regard to the assessment of the dominant characteristics of one or more components of a complex trademark, account must be taken, in particular, of the intrinsic qualities of each of these components by comparing them with those of other components. In addition, account may be taken of the relative position of the various components within the arrangement of the complex mark (EGC, Matratzen, T-6/01, 23 October 2002, ECLI:EU:T:2002:261 and El Charcutero Artesano, T-242/06, 13 December 2007, ECLI:EU:T:2007:391).

36. In general, two trademarks are similar when, from the point of view of the relevant public, they are at least partially identical as regards one or more relevant aspects (EGC, Matratzen, already cited), namely the visual, aural and conceptual aspects are relevant.

37. The trademarks to be compared are the following:

Opposition based on:	Opposition directed against:
KAIKYO & HYOGO	KAIKYO DISTILLERY

Visual comparison

38. The invoked trademark consists of the word elements "KAIKYO" and "HYOGO" composed of 6 and 5 letters respectively with an ampersand in between them. The contested trademark is composed of the word elements "KAIKYO" and "DISTILLERY" composed of 6 and 10 letters respectively.

39. As regards the contested trademark, the Office notes that the word "DISTILLERY" is descriptive for the goods and services covered by the trademark. Generally, the public will not consider a descriptive element forming part of a complex mark as the distinctive and dominant element of the overall impression conveyed by that mark (EGC, Budmen, T-129/01, 3 July 2003). Notably, the defendant does not contest the lower level of distinctiveness of this verbal element. As a result, the Office is of the opinion that the relevant public will perceive the verbal element "KAIKYO" as the dominant element of the contested trademark.

40. The consumer normally attaches more importance to the first part of a sign (EGC, Mundicor, T-183/02 and T-184/02, 17 March 2004, ECLI:EU:T:2004:79). In the case at hand, both trademarks coincide

in their first element, namely the word element "KAIKYO", which is also the dominant element of the contested trademark (paragraph 39). Therefore, the Office concludes that the overall visual impression of the trademarks is similar.

41. The trademarks are visually similar.

Aural comparison

42. Concerning the aural comparison, considering that the verbal element "DISTILLERY" is, as previously held (paragraph 39), descriptive and non distinctive for the goods and services covered, this element will probably not be pronounced by the consumer (EGC, LIBERTE, T-206/12, 3 July 2013, ECLI:EU:T:2013:342).

43. The verbal element "KAIKYO" is identically present in the beginning of both signs. As previously noted, the consumer usually attaches more importance to the beginning of a sign (paragraph 40). Therefore, the Office finds that the overall aural impression of both trademarks is similar.

44. Thus, the Office considers the trademarks to be aurally similar.

Conceptual comparison

45. The invoked trademark, "KAIKYO & HYOGO" refers to a bridge in Japan and the prefecture in which this bridge is located. The parties agree (paragraphs 14 and 18) that this bridge will not be known in the Benelux. The same is true for the term "HYOGO" which will also not be known to the average consumer in the Benelux. Therefore, the invoked trademark does not have a meaning for the average consumer in the Benelux.

46. The verbal element "DISTILLERY" of the contested trademark is, as previously held (paragraph 39), descriptive in that it refers to a production site for strong alcoholic beverages. Therefore, the fact that the invoked mark does not contain this word does not result in a conceptual difference.

47. As a result, since the distinctive elements of both trademarks do not have a conceptual meaning for the Benelux consumer, a conceptual comparison of the trademarks is irrelevant.

Conclusion

48. The trademarks in question are visually and aurally similar to a high degree and a conceptual comparison is irrelevant.

A.2 Global assessment

49. When assessing the likelihood of confusion, in particular the level of attention of the relevant public, the similarity of the goods and services in question and the similarity of the signs are important factors.

50. The average consumer is deemed to be reasonably well-informed and reasonably observant and circumspect (case Lloyd, already cited). It should also 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. In the present case, the goods and services concerned are directed at the public at large. The level of attention of the eligible public can therefore be considered normal.

51. The global assessment of the likelihood of confusion assumes that there is a certain degree of interdependence between the factors to be taken into account, particularly between the level of similarity of the trademarks and of the goods and services they cover. A lesser degree of similarity between the relevant goods and services can be offset by a greater degree of similarity between the trademarks, and vice versa (Canon and Lloyd, already cited).

52. The more distinctive the earlier trademark, the greater the likelihood of confusion. Marks with a highly distinctive character, either per se or because of the reputation they possess on the market, enjoy broader protection than marks with a less distinctive character (Canon, Sabel and Lloyd, already cited). In the present case, the Office considers that the earlier trademark has a normal distinctiveness, as it is not descriptive of the goods concerned.

53. Account must also be taken of the circumstance that normally, the average consumer perceives a mark as a whole and does not proceed to analyse its various details (Sabel and Lloyd, already cited). Furthermore, it is of importance that the average consumer only rarely has the chance to make a direct comparison between the different marks but must place his trust in the imperfect picture of them that he has kept in his mind.

54. Based on the abovementioned circumstances, the Office finds that with both trademarks being visually and aurally similar to a high degree and a conceptual comparison being irrelevant, the relevant public might believe that the goods and services which are similar or identical come from the same undertaking or from economically-linked undertakings.

B. Other factors

55. In an opposition procedure there is no question of the other party being ordered to bear the costs incurred (see paragraph 16). Only a referral of the costs set at the established opposition fee in case the opposition is totally justified (or rejected) is provided for.

C. Conclusion

56. Based on the foregoing the Office is of the opinion that there exists a likelihood of confusion.

IV. DECISION

57. The opposition with number 2016906 is justified.

58. The Benelux application with number 1436301 will not be registered in the Benelux for:

Class 33: all goods.

Class 35: Retail and wholesale services, import and export services in regard to alcoholic beverages; promotion and business mediation regarding the purchase and sale, import and export of alcoholic beverages; all of the aforementioned services also provided by means of and through the internet.

Class 40: all services.

59. The Benelux application with number 1436301 will be registered in the Benelux for:

Class 35: advertising; marketing; providing of commercial and/or advertising information via electronic means, in particular via global communication networks (internet) or private access networks (intranet); presentation of goods on communication media, for retail purposes; sales promotion for others; business management; business administration; office functions; all of the aforementioned services also provided by means of and through the internet.

60. The defendant shall pay the opponent 1,045 euros in accordance with article 2.16, 5 BCIP in conjunction with rule 1.28, 3 IR, as the opposition is justified. This decision constitutes an enforceable order pursuant to article 2.16, 5 BCIP.



The Hague, 29 August 2022

François Châtellier
(*rapporteur*)

Pieter Veeze

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Administrative officer: Guy Abrams