

THE EASTERN CARIBBEAN SUPREME COURT
IN THE HIGH COURT OF JUSTICE
ANTIGUA AND BARBUDA

CLAIM NO: ANUHCV 2010/0395

BETWEEN:

PHILIP MORRIS PRODUCTS S.A.

Appellant

and

BRITISH AMERICAN TOBACCO (BRANDS) LIMITED

Respondent

Appearances:

Mr. John Carrington and Ms. Stacey Richards for the Appellant
Ms. Laurie Freeland-Roberts for the Respondent

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2010: October 28
2011: February 25
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JUDGMENT

- [1] MICHEL, J.: The Appellant, Phillip Morris Products S.A., is a Swiss company engaged in the manufacture, sale and distribution of cigarettes, tobacco products and other related products, including Marlboro cigarettes.
- [2] The Respondent, British American Tobacco (Brands) Limited, is a British company engaged in the manufacture, sale and distribution of cigarettes and tobacco products, including Embassy cigarettes.

1. The Respondent's mark is not confusingly similar to the Appellant's mark but is clearly distinct and, even at a glance, the ordinary consumer would not associate one with the other.
2. The Respondent's mark bears the British emblem affixed as a crest on the ribbon device with the end of the ribbon reflecting the narrow "v" which is the usual shape for a ribbon associated with objects such as medals and, unless the average consumer is likely to scrutinize the mark of the product to assess its similarities or differences before purchasing the product, the consumer would not likely associate the end of the ribbon with the substantive "roof device" for Marlboro. The established principle is that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details.
3. The fact that the classes of goods are similar does not add or give credence to the contention that the average consumer of tobacco will more easily be confused than any other consumer. Consumers are attracted to a product by its packaging and/or reputation and consumers of Marlboro will not likely assume that the Embassy brand is associated with it in any way because of the 1% similarity in the devices.
4. Both marks/devices have coexisted in the international world without any evidence of confusion between the two. The Respondent has a well established reputation for quality tobacco products since 1992 and the Embassy mark and device is a well established international mark since 1912.

[7] The evidence for the Appellant in support of its opposition came by way of a Statutory Declaration by Irina Lucidi, a Senior Counsel at Phillip Morris International Management S.A. (a related company of the Appellant) in charge of matters concerning trademarks registered in the name of the Appellant, and a Statutory Declaration by Mark Layne, the Manager of Gomez Stationary & Antigua Business Interiors, the authorized distributor of Marlboro products in Antigua and Barbuda. The declarations were filed on 15th June and 8th July 2009 respectively.

- [8] Ms. Lucidi stated that the Appellant's "roof device" trademark was first registered in International Class 34; that Marlboro cigarettes have been manufactured and sold by the Appellant since 1924 and the Appellant introduced the Marlboro cigarette brand bearing the distinctive roof design trademark in the United States in 1955; and that the roof design is a five-sided figure with a horizontal top and two vertical sides with two upwardly and inwardly sloping diagonals. She stated that the similarities of the roof shape design, the positioning of the regal crest, the potential for use in similar colours (including red), the identity of the goods and the intent of the Respondent to trade on the fame and notoriety of the Appellant's world-famous Marlboro roof device is highly likely. She exhibited two reports and stated that the first report shows that Marlboro is the top world brand for tobacco products and ranks Marlboro as the No. 1 cigarette brand in the world and that the second report ranks Marlboro 10th among the top 100 international brands. She also exhibited a decision of the Korean Intellectual Property Office that the Respondent's mark and device not be registered because, due to the similarity of the goods, consumers are likely to be misled as to the source of the goods.
- [9] Mr. Layne gave evidence of the number of cases of Marlboro cigarettes sold during a six-month period in Antigua and Barbuda and exhibited photographs which he took of Marlboro products on sale at various locations in Antigua and Barbuda.
- [10] The evidence for the Respondent in response came by way of a Statutory Declaration by Clyde Elliot Woods, the Trade Mark Manager of BAT Mark Limited (a related company of the Respondent) in charge of matters concerning trademarks registered in the name of the Respondent. The declaration was filed on 23rd October 2009.
- [11] In the declaration, Mr. Woods stated that the Statutory Declarations filed on behalf of the Appellant related to trademark application No. 42 of 2008 and that the Respondent's trademark was filed under application No. 7 of 2008. He stated that consumers request tobacco products by name and therefore do not identify the products by virtue of the designs alone. He stated that the Respondent's trademark is entirely dissimilar phonetically, visually and conceptually from the Appellant's trademark. He stated that the Respondent has secured in excess of 900 trademark registrations for its other cigarette

brands, which all contain a similar or varied inverted design characteristic. He exhibited a report detailing the registrations. He also exhibited examples of packaging used on cigarette and tobacco products which include a "v" or an inverted "v" shape design, which the Respondent contends is a common design in the tobacco industry. He stated that the Respondent's trademark is not substantially identical or deceptively similar to the Appellant's trademark as there are numerous visual and aesthetical differences between them.

[12] The Appellant thereafter submitted further evidence in response to the Statutory Declaration filed on behalf of the Respondent. The further evidence came in the form of a Statutory Declaration by Maximilien Yaouanc, a Senior Counsel with one of the Appellant's affiliated companies, in charge of the Appellant's trademark matters in Latin America & Canada region, which includes Antigua and Barbuda. The declaration was filed on 2nd March 2010.

[13] In the declaration, Mr. Yaouanc stated that, although the reference number on the Statutory Declarations of Irina Lucidi and Mark Layne was incorrect, the Respondent did have notice of the precise mark which was being opposed. He stated that the trademark the Respondent was seeking to register incorporates a colourable imitation of the Appellant's trademark and that its use in connection with goods identical or related to those covered by the Appellant's mark is likely to cause consumer confusion or deception as to the origin, sponsorship or affiliation of the Respondent's goods. He stated that the inclusion of the word "EMBASSY" in the Respondent's mark is inapt to distinguish it from the Appellant's trademark. He stated that the alleged visual differences pointed out by the Respondent between the Appellant's and the Respondent's trademarks are minor and inapt to distinguish the marks. He stated that the Respondent's description of its trademark would appear to be inaccurate or at least incomplete and the Respondent's trademark is confusingly and deceptively similar to the Appellant's prior design trademark. He stated that the Respondent's allegation of peaceful coexistence of the Appellant's and the Respondent's trademarks in distant foreign jurisdictions is wholly irrelevant to the issue of confusion in Antigua & Barbuda and should not therefore be given any consideration and, furthermore, the Appellant is currently opposing the Respondent's or its affiliated

companies' attempts to register the Embassy label in a form identical or substantially similar to what it is seeking to register in Antigua and Barbuda in 12 named countries.

[14] On 19th April 2010 the Registrar of Intellectual Property delivered her decision to the effect that the Respondent's trademark is allowed to proceed to registration because it is not confusingly similar nor does it resemble the earlier trademark of the Appellant as to be likely to deceive or cause confusion. The reasons given by the Registrar for her decision were the following:

1. Despite the incorrect application number on some of the documents filed by the Appellant, the notice of evidence given by the Appellant has the correct trademark number and the affidavit of Maximilien Yaouanc gives evidence concerning the correct application number and the opposition will not be dismissed on that basis.
2. The issue of peaceful coexistence of the trademarks of the Appellant and the Respondent has not been explored because it is irrelevant to the case at issue.
3. There are two issues for determination. Firstly, whether the Respondent's mark and device is identical or confusingly similar to or constitutes a translation of a mark or trade name which is well known in Antigua and Barbuda for identical or similar goods or services of another enterprise. Secondly, if the Respondent's mark so nearly resembles the Appellant's earlier device as to be likely to deceive or cause confusion.
4. It is clear from several cited cases decided by the European Court of Justice that (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/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; (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 therefore be assessed by reference to the

overall impressions created by the marks bearing in mind their distinctive and dominant components; (e) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods and vice versa; (f) there is a greater likelihood of confusion where the earlier trademark has a highly distinctive character, either per se or because of the use that has been made of it; (g) there is no minimum threshold level of similarity that has to be shown; (h) the reputation of a mark, where it is demonstrated, is thus an element which amongst others may have a certain importance, but the reputation of a mark does not give grounds for presuming the existence of a likelihood of association in the strict sense.

5. The main design element of the Respondent's trademark is the vertical ribbon extending from top to bottom of the label, being interrupted only by the positioning of the word "EMBASSY." Further, the colours burgundy and gold appear on the label along with a gold and black crest.
6. The main design in the Appellant's trademark is the five-sided roof design with a horizontal top and two vertical sides with two upwardly and inwardly sloping diagonals.
7. The Registrar is of the view that these designs are visually and conceptually dissimilar.
8. The visual difference is reinforced by the difference in the colours of the trademarks and the word "EMBASSY" on the Respondent's trademark further distinguishes the mark from the Appellant's earlier trademark.
9. The matter must be judged through the eyes of the average consumer of the goods 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. The Registrar is of the view that the average consumer will not confuse the Respondent's trademark with the Appellant's earlier trademark.

10. The Appellant is well known in Antigua and Barbuda, but this does not give grounds for presuming the existence of a likelihood of confusion with the Respondent's trademark. The Registrar is of the view that the trade channels and targeted consumers are the same, but does not find that there is any likelihood of confusion between the two marks.

11. The Respondent's trademark is not confusingly similar to or constitutes a translation of the Appellant's earlier trademark and the Respondent's trademark does not resemble the Appellant's trademark as to be likely to deceive or cause confusion. There exists no likelihood of confusion on the part of the public.

[15] By fixed date claim filed on 18th June 2010, the Appellant appealed to this Court against the decision of the Registrar permitting the registration of the Respondent's trademark and sought an order setting aside the decision of the Registrar, an order that the registration of the trademark be not proceeded with or cancelled, costs and such further or other relief as to the Court seems just.

[16] The Appellant's grounds of appeal contained in the Fixed Date Claim Form are as follows:

1. The Registrar failed to consider, in concluding that there was no visual similarity between the Respondent's mark and the Appellant's mark, the existence and positioning of the crest in both marks and the potential for the use of colours (including red) by the Respondent's mark that are similar to those of the Appellant's mark.
2. In making her finding that the marks were visually and conceptually dissimilar, the Registrar failed to compare the dominant elements of the marks and in particular failed to consider the lower part of the Respondent's mark which carries the same five-sided design as the dominant characteristic of the Appellant's mark.
3. The Registrar failed to give any reasons for her conclusion that the registration of the Respondent's mark was unlikely to cause confusion.

4. In finding that the registration of the Respondent's mark was unlikely to cause confusion, the Registrar failed to consider or to give appropriate weight to the similarity of the goods associated with the Respondent's mark and the Appellant's mark or that the goods will be likely to be marketed at the same outlets.
5. In finding that the average consumer will not confuse or associate the Respondent's mark with the Appellant's mark, the Registrar failed to address and thereby consider the attention level of the consumer who would purchase the products associated with these marks

[17] On 16th July 2010 the Respondent filed a Reply opposing the Appellant's appeal on the following grounds:

1. The Registrar did consider the design of both marks in accordance with section 3 (2) of the Trade Marks Act 2003 when she applied the test of the average consumer, which is internationally established by case law, and came to the conclusion that the marks were neither confusingly similar nor resemble each other so as to likely deceive or cause confusion among the average consumers.
2. The Registrar did compare the dominant elements of both marks when she identified "the vertical ribbon extending from top to bottom of the label being interrupted only by the positioning of the word, EMBASSY" as the dominant feature of the Respondent's trademark and "the five-sided roof design with a horizontal top and two vertical sides with two upwardly and inwardly sloping diagonals" as the dominant element of the Appellant's trademark and concluded that they were not confusingly similar. The end of the ribbon was not deemed to be a dominant feature in the Respondent's mark.
3. The Registrar gave her reason for concluding that the registration of the Respondent's mark was unlikely to cause confusion, which was on the basis of the dissimilarity in the visual and conceptual design of the marks. In examining the test of the average consumer, the Registrar pointed out that "the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details," which is a rule

that was established by case law. On the basis of that test it was unlikely for the Registrar to conclude that the average consumer would naturally focus on the minor detail of one mark and compare it with the major detail of another and be confused over the identity of the good.

4. The Registrar rejected the argument of peaceful coexistence of the marks in many markets around the world as being relevant to the issue of likelihood of confusion and, although the Respondent disagrees with the Registrar's finding in this regard, it is of the view that the Registrar rejected the argument on the basis that the marks were dissimilar and would not confuse the average consumer or fool him into purchasing the wrong product.
5. The Registrar adequately dealt with the issue before her in accordance with section 3 (2) (i), (v) and (vi) of the Trade Marks Act 2003 and a rehearing of the matter will result in the same outcome. There is no error, misdirection or improper admission contained in her decision that resulted in a substantial wrong or a miscarriage of justice which would compel the Court to allow the appeal pursuant to Rule 60.8 (5) of the Civil Procedure Rules 2000.
6. Further, the Respondent relies on evidence in the affidavit of Clyde Elliot Woods that was filed on 23rd October 2009.
7. The Respondent asks that the fixed date claim filed by the Appellant be dismissed with costs.

[18] At the first hearing of the fixed date claim on 23rd July 2010, the parties were given liberty to file further evidence by 15th September 2010, the Appellant was ordered to file and serve the Record of Appeal by 30th September 2010, the parties were ordered to file and serve written submissions and authorities by 21st October 2010 and the case was fixed for hearing on 26th October 2010.

- [19] No further evidence was filed by the parties, the Record of Appeal was filed (and presumably served) on 30th September 2010, written submissions and authorities were filed on 22nd and 25th October 2010 and the case was heard on 28th October 2010.
- [20] At the hearing, Counsel for both of the parties supplemented their written submissions with oral presentations to the Court and both parties indicated their reliance on the evidence filed by them in the proceedings before the Registrar.
- [21] The Court accepts entirely the submission of Learned Counsel for the Appellant, which is substantially in accord with the submission of Learned Counsel for the Respondent, that the issue in these proceedings is whether the registration of the Embassy mark by the Registrar of Intellectual Property should be set aside on the ground that it was not validly registered because - contrary to section 3 of the Trade Marks Act 2003 - (a) it is identical with or confusingly similar to the Appellant's Marlboro Roof Design, which is well known in Antigua and Barbuda for similar goods, that is, goods within Class 34; (b) it so nearly resembles the Appellant's mark that is already on the register in respect of the same goods as to be likely to deceive or cause confusion. The Court also accepts the summary of the facts and contentions of the parties contained in the written and oral submissions of Learned Counsel for the Appellant, the findings of the Registrar as summarised in the written submissions of the Appellant and the statement of legal principles therein contained, as amended in the course of the oral presentation of Counsel, none of which differ significantly from the submissions on the same issues by Learned Counsel for the Respondent. The Court, however, parts company with Learned Counsel for the Appellant, Mr. Carrington, on some of his submissions about the errors made by the Registrar and on what he urges upon the Court as a result.
- [22] The submission by Mr. Carrington in his treatment of the errors of the Registrar that the reasoning of the Registrar "is at best pithy on the issue of comparison of the marks," suggests that pithiness in the presentation of one's reasoning is erroneous or otherwise improper, which view the Court does not subscribe to. In fact, the Court endorses the pithy presentation by the Registrar of her reasoning on this issue and endorses too the content of the reasoning and states, with no less pithiness, that a comparison of the trademarks of

the Appellant and of the Respondent which are in issue in this case, as judged by this Court as best as it can through the eyes of the average consumer of the products in question, leads the Court ineluctably to conclude that the Respondent's Embassy trademark is not identical with or confusingly similar to or constitutes a translation of the Appellant's Marlboro Roof Design trademark, which is well known in Antigua and Barbuda for identical or similar goods, and that it does not so nearly resemble the Appellant's aforesaid mark as to be likely to deceive or cause confusion.

- [23] The Court concurs with Learned Counsel for the Appellant that the test is not one of visual and conceptual dissimilarity, but rather one of whether the marks so nearly resemble each other so as to be likely to deceive or cause confusion, but does not agree with Counsel's suggestion that the Registrar applied the former and not the latter test. It would appear that the Registrar made the determination that the marks were visually and conceptually dissimilar en route to making her finding that the marks did not so nearly resemble each other so as to be likely to deceive or cause confusion. In any event, this Court on the rehearing of the matter on this appeal, has found that the marks do not so resemble each other as to be likely to deceive or cause confusion, as it has likewise found that the Respondent's mark is not identical with or confusingly similar to or constitutes a translation of the Applicant's mark, which mark is well known in Antigua and Barbuda for identical or similar goods.
- [24] Learned Counsel for the Appellant criticises the Registrar for concluding that the average consumer will not confuse the marks or associate the Respondent's mark with the Appellant's by stating that, in considering the characteristics of the average consumer, the Registrar does not consider the special characteristics of the average consumer who purchases tobacco products, e.g. that he is likely not to deliberate before purchasing. But there is not now and there was not before the Registrar any evidence of these special characteristics of the average consumer who purchases tobacco products.
- [25] Learned Counsel also criticised the Registrar for indicating that the trade channels and targeted customers of the products of the Appellant and the Respondent are the same but failing to make the obvious finding and therefore to consider that the products are also the

same. But the Registrar did (at paragraph 24 of her Ruling) specifically find that "the goods ... are identical."

[26] Learned Counsel's consequential conclusion, stemming from his just stated criticisms, that "the Registrar therefore misdirected herself on the law," is as unjustified as were his criticisms.

[27] Taking all relevant factors into account (including both the relevant facts and the applicable law) and judging the matter through the eyes of the average consumer of the goods in question here, this Court finds that, although a pictorial image of the bottom part of a ribbon separated from the top part (as depicted in the Respondent's Embassy trademark) can vaguely resemble a roof (as depicted in the Appellant's Marlboro roof design trademark), the resemblance is not such as to be likely to deceive or cause confusion even to a hurried purchaser of tobacco products, neither are the two marks identical with or confusingly similar to each other such as to create any confusion.

[28] In the result, the Registrar's decision stands and the appeal is dismissed with costs to the Respondent to be agreed or otherwise assessed.

[29] The following authorities were cited and furnished to the Court by Counsel and considered by the Court:

By Counsel for the Appellant –

1. The Trade Marks Act 2003 (No. 18 of 2003);
2. The Eastern Caribbean Supreme Court Civil Procedure Rules 2000 (Part 60);
3. The (British Virgin Islands) Watersports Centres Limited v (1) Registrar of Corporate Affairs/Trademarks & Patents and (2) Royal Virgin Islands Yacht Club;¹
4. Berliè (UK) Ltd v Ball Brassiere Co Inc;²

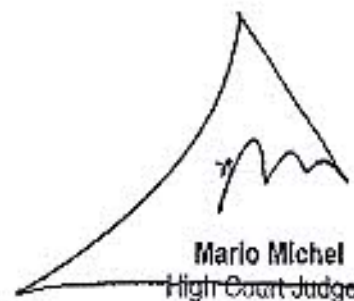
¹ BVTHCV 2006/0039

² [1969] 2 All ER 812

5. Sparletta (Pty) Ltd v Namibia Breweries Ltd;³
6. esure Insurance Ltd v Direct Line Insurance Plc;⁴
7. Amazing Global Technologies Limited v Prudential Trustee Company Limited;⁵
8. Kerly's Law of Trade Marks and Trade Names (twelfth Edition).

By Counsel for the Respondent –

1. Calvin Klein Trademarks Trust v OHIM;⁶
2. Laboratoire Lacharte SA v Armour-Dial Inc;⁷
3. Puma AG Rudolf Dassler Sport v Global Warming (Pty) Limited;⁸
4. Sabel BV v Puma AG, Rudolf Dassler Sport;⁹
5. Re: Opposition by Philip Morris Products Inc. to registration of trade mark application number 642151 in the name of NV Sumatra Tobacco Trading Company;
6. In the Matter of Application No. 5082.07 by British American Tobacco (Brands) Limited to register the trademark and the Opposition thereto by Phillip Morris Products S.A.;
7. In the Matter of the Trade Marks Act, Cap. 257 Laws of Belize, Revised Edition 2000 and In the Matter of Application No. 5082.07 by British American Tobacco (Brands) Limited to register the trademark and the Opposition thereto by Philip Morris Products S.A.



Mario Michel
High Court Judge

³[1992] LRC (Comm) 448

⁴[2008] All ER (D) 313

⁵HCVAP 2008/008

⁶Case c - 254/09 P

⁷1976 (2) SA 744 (T) [South Africa]

⁸(408/080) [2009] ZASCA 89

⁹Case C- 251/95 European Court Reports Page 1 - 06191