TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NUMBER 2121184
BY PEPSICO INC TO REGISTER A TRADE MARK IN CLASSES 29 AND 33

AND

IN THE MATTER OF OPPOSITION THERETO
UNDER NUMBER 48321
BY SPACE FOODS LIMITED

TRADE MARKS ACT 1994

IN THE MATTER OF Application Number 2121184
by Pepsico Inc to register a Trade Mark in Classes 29 and 33

and

IN THE MATTER OF Opposition thereto
under Number 48321
by Space Foods Limited

BACKGROUND

1. On 17 January 1997 PepsiCo Inc applied to register the trade mark GENERATION NEXT in Classes 29 and 33 for the following specifications of goods:-

Class 29:

"Meat, fish, poultry and game; preserved, dried and cooked fruits and vegetables; eggs, milk and milk products; edible oils and fats."

Class 33:

"Alcoholic beverages; but not including beer, low or non alcoholic wine, perry or cider."

2. The application was subsequently accepted by the Registrar and published in the Trade Marks Journal. On 11 March 1998 Space Foods Limited filed a Notice of Opposition and in summary the grounds (as subsequently amended) are under Section 5(2)(b) of the Act in that the opponent is the proprietor of the following earlier registered marks which are similar to the mark in suit and registered for similar goods and there exists a likelihood of confusion on the part of the public:-

REGISTRATION NO.	MARK	DATE OF REGISTRATION	CLASS	GOODS
1323184	NEXT GENERATION	26 September 1987	30	Preparations containing cereals; cereals and cereal preparations, all for food for human consumption; salt, puddings; food mixtures for making dumplings, puddings and for making batter; flans; condiments, chutney, pepper, mustard, vinegar; gravy powder, gravy salt; bread crumbs; onion powder; spices (other than poultry spice), ground nutmeg, ground cinnamon; cake powder, baking powder, custard powder, blancmange powder; sauces and sauce powders; all included in Class 30.

2120043	NEXTGENERATION	3 January 1997	32	Soft drinks; beers; mineral and aerated waters and other non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparations for making beverages.

3. The applicants filed a counterstatement denying the grounds of opposition. Both parties ask for their costs and no hearing was requested.

Opponent's Evidence

4. This consists of a statutory declaration dated 17 August 1999 by Peter John Sherwin Rowland Hill, a director of Space Foods Limited (the opponents).

5. Mr Hill points out that the difference between the applicant's mark and the opponent's mark is merely the reversal of the two words NEXT and GENERATION. He contends that both marks suggest a drink which is ahead of its time or intended primarily for the next generation and that the difference in the marks is of little or no significance.

6. Mr Hill states that the applicant's Class 33 goods are so similar to the opponent's Class 32 goods that confusion is bound to arise in the mind of the purchasing public. He adds that alcoholic and non-alcoholic beverages are sold side-by-side in pubs and wine bars and that goods under the respective marks would be seen side-by-side and in many cases ordered by the same customer. He continues, confusion might arise in the mind of the server in trying to recollect which drink was requested when serving a customer with several different drinks, particularly during busy periods. Mr Hill also submits that, while not on the same shelves together, alcoholic and non-alcoholic drinks are sold in the same section of supermarkets and that the line between the different types of drink is blurred by non-alcoholic or low alcohol beers and wines and the proliferation of alcopops type drinks.

7. Turning to the opponents registration No. 1323184 in Class 30, Mr Hill states that his earlier comments also apply to the applicant's Class 29 specification of goods.

Applicant's Evidence

8. This comprises a statutory declaration by Elizabeth N Bilus, the Intellectual Property Counsel of Pepsi Co Inc (the applicants), dated 5 July 2000.

9. Ms Bilus states that the opponents have not produced any evidence of confusion. She asserts that there are considerable differences between the respective goods and that purchasers would not confuse them.

10. Ms Bilus points out that her company is the proprietor of the UK trade mark registration 2120719 GENERATION NEXT which is registered in respect of "Beverages included in Class 30; ice" with effect from 14 January 1997. She adds that her company is also the proprietor of UK trade mark registration No. 2123726A GENERATIONEXT with device which is registered in Classes 9, 21, 24, 28, 29 and 33 with effect from 11 February 1997.

Opponent's Evidence in reply

11. This consists of a second statutory declaration by Peter John Sherwin Rowland Hill, which is dated 10 October 2000. Referring to the comments made by Ms Bilus on behalf of the applicant in relation to the lack of any evidence of confusion, Mr Hill states that to the best of his knowledge there has been little or no use made by Pepsi Co of the mark GENERATION NEXT.

12. This concludes my summary of the evidence filed in this case. I now turn to the decision.

DECISION

13. Section 5(2)(b) of the Act 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."

14. An earlier right is defined in Section 6, the relevant parts of which state:

> 6.-(1) .....
>
> (a) a registered trade mark, international trade mark (UK) or Community trade mark which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks,

15. 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. 1, *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] F.S.R. 77 and *Marca Mode CV v Adidas AG* [2000] E.T.M.R. 723.

16. 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,* paragraph 22;
>
> (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 his mind; *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V.* paragraph 27;

(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;

(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*, paragraph 23;

(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*, paragraph 17;

(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*, paragraph 24;

(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*, paragraph 26;

(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*, paragraph 41;

(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*, paragraph 29.

17. In essence the test under Section 5(2)(b) is whether there are similarities in the marks and goods which would combine to create a likelihood of confusion. The likelihood of confusion must be appreciated globally and I need to address the visual, aural and conceptual similarity between the marks, evaluating the importance to be attached to those different elements, taking into account the category of goods in question and how they are marketed.

18. The mark applied for consists of the dictionary words GENERATION NEXT and the opponent's registration consists of the words NEXT GENERATION. Accordingly, the only difference between the marks is the reversal in the two words. As the Sabel v Puma case acknowledges, marks are remembered by their distinctive and dominant components, which in the present case amounts to the same words. Furthermore, marks are rarely seen side-by-side

and detail is not always remembered. As stated in Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV, the customer rarely has the chance to make direct comparison between marks and must instead rely upon the imperfect picture of them he has kept in his mind. In the present case the only difference in the marks in visually or aurally is the order in which the words appear and on a conceptual comparison I am unable to discern any real difference between them. I also bear in mind that the goods covered by the respective specifications are not technically sophisticated products with relatively discerning specialist customers. The usual customer for the products is likely to be an ordinary member of the public purchasing the goods in an ordinary retail environment. I have no doubt that in the normal course and circumstances of trade, particularly when imperfect recollection is taken into account, that the marks are similar.

19. Turning now to a comparison of the respective goods, the opponents contention is that the goods covered by their Class 32 registration are similar to those specified by the applicants in Class 33 and that the goods covered by their Class 30 registration are similar to those specified by the applicant in Class 29.

20. In determining whether the goods covered by the application are similar to the goods covered by the opponents trade marks I have considered the guidelines formulated by Jacob J in British Sugar Plc v James Robertson & Sons Ltd [1996] RPC 281 (Pages 296, 297) as set out below:

> "The following factors must be relevant in considering whether there is or is not similarity:
>
> (a) The respective uses of the respective goods or services;
>
> (b) The respective users of the respective goods or services;
>
> (c) The physical nature of the goods or acts of services;
>
> (d) The respective trade channels through which the goods or services reach the market;
>
> (e) In the case of self-serve consumer items, where in particular they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
>
> (f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors."

21. Whilst I acknowledge that in view of the CANON-MGM judgement by the European Court of Justice (3-39/97) the Treat case may no longer be wholly relied upon, the ECJ said the factors identified by the UK government in its submissions (which are listed in TREAT) are still relevant in respect of a comparison of goods.

22. Firstly, I will consider the Class 32 and Class 33 comparison. It is evident that both sets of goods cover liquid refreshment. However, there are often significant differences in the uses and users of alcoholic and soft drinks resulting from e.g. the age and health and safety restrictions in relation to alcohol, the times and circumstances at/in which the respective beverages are often drunk and the general price differential (often resulting from taxation). Furthermore, in general, the goods do not share the same trade channels and in the case of sales as self serve items they are likely to be found on different shelves. They are not generally in direct competition.

23. While I do not view the soft drinks contained in the specification of the opponent's Class 32 registration to be similar to those specified by the applicant in Class 33, the considerations in relation to "beers" which are included within the opponent's specification, are different. The uses and users of beers are substantially the same as other alcoholic beverages e.g. wines and spirits as here age and health and safety considerations are the same or similar, as are the general times and circumstances of imbibing. They are also likely to produce the same effect on the user in that the drinks contain the same drug. Furthermore, beer and other alcoholic beverages often pass through the same trade channels e.g. suppliers of alcoholic beverages usually deal in beer, wines and spirits, and in the case of self serve consumer items beer, wine and spirits are all sold adjacent to each other (in the same "department") within supermarkets and stores. Furthermore, in a public house or wine bar, alcoholic beverages are often ordered by their trade mark e.g. "Two NEXT GENERATIONS or GENERATION NEXTS please".

24. To sum up, I find "beers" in Class 32 and "alcoholic beverages" at large in Class 33 to be closely associated products.

25. Next I turn to the comparison of the respective goods in Classes 29 and 30. While both sets of goods comprise foodstuffs which are all likely to be for sale in grocers or supermarkets, it does not follow that they are similar. Indeed, it seems to me that the respective goods have different uses, would be sold in different sections or shelves of the supermarkets and in general (leaving aside "own brand" goods sold by the large chains of supermarkets which can cover a vast range of products) do not usually share the same trade origin. On balance, I do not consider the respective goods in Classes 29 and 30 to be similar within the meaning of the Act.

26. On a global appreciation, taking into account the relevant factors, I come to the following conclusions in relation to the opposition under Section 5(2)(b):-

(i) The mark of the application in suit and the opponent's mark under registrations No. 1323184 and 2120043 are very similar visually, aurally and conceptually, particularly when imperfect recollection is taken into account.

(ii) "Beers" in the opponent's Class 32 registration and "alcoholic beverages" (which includes wines and spirits) in the applicant's Class 33 specification, are similar products. However, the respective specifications in Classes 29 and 30 do not involve similar goods.

27. Taking into account the category of goods in question, how they are marketed and the

degree of similarity between the marks and goods I believe that a likelihood of confusion exists in relation to the opponents use of the mark NEXT GENERATION on "beers" and the applicant's use of the mark GENERATION NEXT on "alcoholic beverages".

28. The opposition under Section 5(2)(b) of the Act succeeds.

29. The opponents are entitled to a contribution towards their costs and I therefore order the opponent's to pay the sum of £400. This sum is 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 unsuccessful.

Dated this 04 day of September 2001

JOHN MACGILLIVRAY
For the Registrar
the Comptroller-General