

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No 2184096
BY HELSHAW FOOD PRODUCTS LIMITED TO REGISTER
A SERIES OF TRADE MARKS IN CLASSES 29, 30, 32 AND 42**

AND

**IN THE MATTER OF OPPOSITION No 49615 THERETO
BY THE SOUTHLAND CORPORATION**

TRADE MARKS ACT 1994

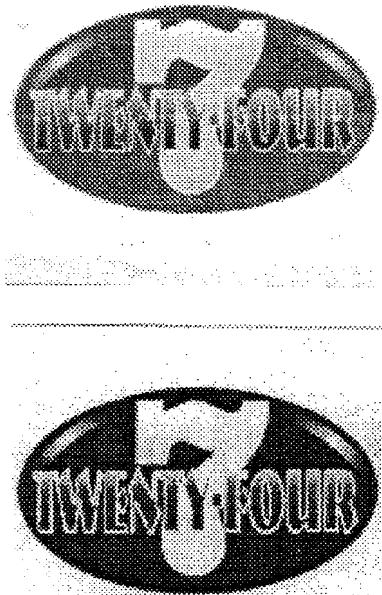
**IN THE MATTER OF Application No 2184096
by Helshaw Food Products Limited to register
a series of Trade Marks in Classes 29, 30, 32 and 42**

and

**IN THE MATTER OF Opposition No 49615 thereto
by The Southland Corporation**

BACKGROUND

1. On 9 December 1998 Helshaw Food Products Limited applied to register the following series of trade marks:



(The applicant claims the colours red, blue and yellow as an element of the first mark in the series) in respect of the following goods:

"Class 29:

Prepared meals and snacks; frozen and chilled prepared meals and snacks; meat, fish, poultry and game; products made from meat, fish, poultry and game; milk and dairy products.

Class 30:

Prepared meals and snacks; bread, sandwiches, pastries, confectionery, pasties, croissants, cakes, biscuits, cookies; coffee, tea, cocoa; sauces, condiments, paste, spices, mustard, vinegar, salt, pepper.

Class 32:

Non-alcoholic drinks; mineral and aerated water; fruit drinks and fruit juices; preparations and syrups for making drinks.

Class 42:

Restaurant, café, canteen and snack bar services; preparation of food and beverages; catering for the provision of food and beverages."

2. The application numbered 2184096 was published for opposition purposes on 10 February 1999.

3. On 30 March 1999 The Southland Corporation filed notice of opposition to this application. The grounds of opposition in summary are:

1. The Opponents are the registered proprietors of numerous British trade mark registrations comprising the opponents' trade mark "7 ELEVEN". (Detailed later in the decision).
2. The opponents are the registered proprietors of two Community trade mark registrations comprising the opponents' trade mark "7 ELEVEN".
3. Registration of the marks applied for would be contrary to the provisions of Section 5(2)(b) of the Trade Marks Act 1994 because the applicants' trade marks are similar to their earlier trade marks and is to be registered for goods or services identical with or similar to those for which the earlier marks are protected so that there exists a likelihood of confusion on the part of the public including the likelihood of association with the earlier marks.
4. Registration of the trade marks applied for would be contrary to the provisions of Section 5(3) of the Trade Marks Act 1994 because the opponents' earlier mark "7 ELEVEN" has a reputation in the United Kingdom and the applicants' marks are similar and are to be registered for goods and services which are not similar to those for which the earlier trade marks are protected. Use of the applicants' marks would take unfair advantage of or be detrimental to the distinctive character or the repute of the earlier marks.
5. Registration of the trade marks applied for would be contrary to the provisions of Section 5(4) of the Trade Marks Act 1994 as use of the marks in the United Kingdom is liable to be prevented by virtue of rule of law (in particular, the law

of passing off).

6. The opponents' marks are entitled to protection of the Paris Convention on a well known trade mark in accordance with Section 56(2).
 7. Registration of the applicants' marks would be contrary to the provisions of Section 3(1)(a) of the Trade Marks Act 1994 in that it is not capable of distinguishing the goods of the applicant from those of other undertakings.
 8. Registration of the applicants' marks would be contrary to the provisions of Section 3(1)(b) of the Trade Marks Act 1994 as they are devoid of any distinctive character.
 9. Registration of the applicants' marks would be contrary to Section 3(3)(b) of the Trade Marks Act 1994 in that they are of such a nature as to deceive the public.
 10. Registration of the applicants' marks would be contrary to the provisions of Section 3(6) of the Trade Marks Act 1994 as the application was made in bad faith.
 11. Registration of the applicants' marks would prejudice the business of the opponents and will prejudice the opponents in the course of their business.
4. The applicants filed a counterstatement denying all grounds.
 5. Both sides seek an award of costs.
 6. Both sides have filed evidence but neither party has asked to be heard. Acting on behalf of the Registrar and after a careful study of the papers I give this decision.

OPPONENTS' EVIDENCE

7. This consists of a statutory declaration dated 22 December 1999 by Arthur Rubinett, Assistant Secretary of 7 - Eleven Inc, formerly The Southland Corporation, a Texas corporation. Mr Rubinett says he has been employed by the opponents for 11 years and has full access to their books and records.
8. Mr Rubinett says that since at least 1946, 7 - Eleven has offered convenience store services under its name and mark 7 - ELEVEN and for many years has been the largest convenience store chain in the world. Goods and services provided are tailored for market demand within the country in which it operates, including the United Kingdom. This includes the sale of food and beverage products such as meat, poultry, eggs, dairy products, sauces, coffee, tea, bread, pastry goods, cookies, cakes, condiments, fresh fruit and vegetables, beer, wine, mineral and carbonated water and soft drinks, juices, other non-alcoholic beverages, prepared meals, sandwiches, snack foods, candy, gum and cigarettes. Mr Rubinett goes on to say that the opponents have operated outside the USA since 1969 and in Europe since 1971, currently 13,000 stores in at least seventeen countries. A copy of the 1998 Annual Report is provided

as Exhibit 1 of their declaration. Photographs of 7 - ELEVEN branded stores are provided at Exhibits 2A to 2M.

9. Turning to the United Kingdom, specifically, Mr Rubinett says that the first store was opened in December 1977 (Exhibits 3A - 3J provide copies of press releases related to the opening) and a total of 14 were opened in England. In 1984 further stores were opened, being operated by a licensee (Lincco Limited, a wholly owned subsidiary of Neighbourhood Stores PLC). A maximum of 76 stores in the United Kingdom are referred to by Mr Rubinett who says they all make prominent use of the 7 - ELEVEN logo, which is also used on "promotional items" such as matches, cigarette lighters, beverage cups, food containers, carrier bags, uniforms and in-store displays. Exhibits 4A - 4V provide extracts from newspapers and retailing magazines, showing use of the 7 - ELEVEN name and logo mark.

10. Mr Rubinett goes on to say that on or about 20 October 1997 the opponents terminated their licence with Neighbourhood Stores PLC. This resulted in the closure and re-branding of all 57 UK 7 - ELEVEN convenience stores by 20 April 1998. Exhibit 5 provides a list of former locations and Exhibit 6 provides photographs of some of the UK stores. Exhibits 7 - 13 contain various advertising and promotional materials from the 1980s which include a poster campaign on the London Underground (1985), a poster campaign in 1986, radio advertisements on Capital Radio during 1985, television advertisements broadcast on Thames Television and Channel 4 between December 1985 and January 1986, sponsorship of a team in the 1986 Tour de France and extracts from UK national newspapers relating to it, an extract from Fortune Magazine in 1982 featuring an article about the opponents' stores. (Exhibit 4 also shows advertisements and articles in a number of trade magazines with international circulation).

11. Prior to 20 April 1998 turnover of goods sold in the UK was as follows:

<u>Year</u>	<u>£ million</u>
1990	66
1991	66
1992	66
1993	66
1994	66
1995	47
1996	47
1997	50
1998	11 (3 months only)

Advertising over the same period was:

<u>Year</u>	<u>Expenditure £</u>
1990	250,000
1991	250,000
1992	250,000
1993	250,000
1994	250,000
1995	157,000
1996	188,000
1997	150,000
1998	(unknown)

12. Mr Rubinett explains that although all 7 - ELEVEN stores were closed in April 1998 they have no intention of abandoning its use of the mark and intend to re-establish its presence in the UK in 2000.

13. Mr Rubinett refers to the opponents' worldwide revenues which range from approximately 6,700 to 8,350 million US dollars per annum. Exhibits 14 to 16 provide details of their activities in Norway, Sweden and Denmark.

14. Exhibit 17 provides a list of the opponents' registrations and trade mark applications throughout the world, including those in the UK. Mr Rubinett goes on to say that in his view the applicants' mark is confusingly similar to their registrations because of the way it is presented, referring in particular to UK registrations B1229944-52 which, he says, cover the same or similar goods or services and therefore there exists a likelihood of confusion on the part of the public.

15. Exhibit 18 provides copies of various advertisements and promotional material which depict use of the opponents' mark in numerous countries around the world.

APPLICANTS' EVIDENCE

16. This consists of a statutory declaration dated 3 July 2000 by Paul W Browning. He says that he is Managing Director of Helshaw Food Products Limited, the applicants, and has been involved in the food and beverage trade for thirty years.

17. Mr Browning refers to the evidence provided by the opponents and says that it appears to refer only to "convenience store" services which, he says, are "retail services". Mr Browning goes on to say that the information provided does not show use of the mark on either goods or services of the same or similar nature to those for which the applicants seek protection.

18. The evidence is also criticised by Mr Browning in that while the opponents' stores were operated by a Licensee, no details of the License is provided. Furthermore, he says that no press cuttings come from nationally distributed newspapers and that other publications such as

"Gazette" (Exhibits 3C, 3E) or "Grocer" (Exhibit 3G) seem limited to a particular readership, namely the retail grocery trade.

19. Mr Browning also refers to paragraph 6 of Mr Rubinett's declaration where the products "matches, cigarette lighters, beverage cups, food containers, carrier bags, in store displays and other promotional items" are listed as carrying the opponents' logo. However, he says, by referring to the goods as "promotional items" he queries whether such use was as a result of sales rather than being promotional items. Mr Browning also suggests that the opponents' UK registrations are vulnerable to invalidity proceedings in that there was no bona fide intention to use the marks, or to revocation proceedings on the grounds of non-use for a continuous period of five years.

20. Mr Browning then refers to the reduction by a third of UK stores from 57 (in London and the South East only), as shown in Exhibits 4 and 5, by 1990. He also says that this demonstrates that the opponents' UK interests were not nationwide and that from 1990 onwards they were in the process of scaling down their UK operations until termination of its license in October 1997. Mr Browning goes on to say that brief investigations on his behalf failed to reveal any use by the opponents of 7 - ELEVEN in the UK after April 1998. He also refers to use of 7 - ELEVEN by outlets in Bradford, Merseyside and Southampton and that they appear unconnected with the opponents. Exhibit PWB1 provides an extract from the electronic Yellow Pages Web site for a search of outlets entitled "7 Eleven throughout the whole of the UK".

21. Mr Browning then says "From my own investigations and from the information provided by Mr Rubinett, particularly the cessation of operations referred to in paragraph 12, it is clear that 7 - Eleven Inc have no current use of the mark 7 - ELEVEN in the United Kingdom on any goods or services". He goes on to say that at the date of filing the applicants' application on 9 December 1998 the opponents' stores had been closed for 8 months. The applicants' products, he said, are currently available. Exhibit PWB2 shows a section of packaging for a pre-packed Doner Kebab showing the applicant's logo.

22. The advertising and sponsorship details provided by the opponents is also criticised by Mr Browning as being of limited geographical coverage or limited national coverage regarding television and radio, posters and advertising in publications. Mr Browning then refers to the opponents' Exhibit 13 entitled "Our Product Range" which shows no goods branded 7 - ELEVEN but does show a bottle of 7 - UP soft drink, a product not owned by the opponents but containing the element "7". Mr Browning then goes on to say that the opponents' UK registrations co-exist with a number of other registrations containing the element "7". Exhibit PWB3 provides an extract from a search conducted of the UK Trade Marks Register of other registrations containing the term "7" in respect of food and beverage products.

23. Exhibit PWB4 provides a document showing the applicants' mark and the opponents' mark side by side and Mr Browning then indicates the points of difference between the marks.

24. That concludes my review of the evidence.

DECISION

25. In my view no evidence has been filed to support the grounds under Sections 3(1), 3(3)

and 3(6). The remaining grounds under which the matter falls to be determined are under the provisions of Sections 5(2)(b), 5(3), 5(4) and 56. However, I consider the matter of the objection raised in the Grounds of Opposition under Section 3(1) also needs to be addressed.

26. The relevant parts of Section 3(1) state:

3.-(1) The following shall not be registered -

- (a) signs which do not satisfy the requirements of Section 1(1),
- (b) trade marks which are devoid of any distinctive character.

27. In the absence of any explanation or arguments I consider I can dismiss the ground under Section 3(1)(a). It seems to me that the marks are represented graphically and have the potential to be trade marks capable of distinguishing the goods or services of one undertaking from those of undertakings. However, the ground under Section 3(1)(b) needs to be considered, in my view. I do so, bearing in mind that I upheld this ground in my decision on a related opposition case (49725) for the numeral/numeral sign only versions of the applicants' mark (application number 2184100).

28. In relation to the applicants' catering services in Class 42, the marks contain an element which is an indication of the time of rendering of the services. In my view "24-7" or equivalent is an entirely normal way of designating an essential characteristic of the services ie. available twenty four hours a day and seven days a week. That objection does not apply directly in relation to the applicants' goods in Classes 29, 30 and 32. However, I note that these include "prepared meals and snacks" and other goods that would be typically found at a take-away food outlet. In these circumstances it appears to me that the reasons for the absence of distinctive character in relation to the services also prevent this element of the marks from providing distinctive character to the applicants' marks in this application in relation to the goods. Indeed, in so far as a take-away service is concerned, the distinction between goods and services is almost imperceptible to the average consumer.

29. For the reasons above I found that the applicants' marks in the related opposition case (49725) were devoid of any distinctive character for the goods/services at issue. However, in the present case the applicants' marks contain other matter which, in my view distinguishes it from the usual ways of designating the availability of goods or services. I bear in mind the comments made in the unreported recent decision by the European Court of Justice (ECJ) in *Procter & Gamble v OHIM (BABY-DRY)*:

- 39. The signs and indications referred to in Article 7(1)(c) of Regulation No 40/94 are thus only those which may serve in normal usage from a consumer's point of view to designate, either directly or by reference to one of their essential characteristics, goods or services such as those in respect of which registration is sought. Furthermore, a mark composed of signs or indications satisfying that definition should not be refused registration unless it comprises no other signs or indications and, in addition, the purely descriptive signs or indications of which it is composed are not presented or configured in a manner that distinguishes the

resultant whole from the usual way of designating the goods or services concerned or their essential characteristics."

30. Article 7(1)(c) of Regulation No 40/94 is, of course, the equivalent of Section 3(1)(c) of the UK's Trade Marks Act 1994. Given the added matter present in the applicants' marks I am satisfied that it distinguishes them from the usual ways of designating the availability of goods and services and therefore qualifies for registration under Sections 3(1)(b) and (c) of the UK's Trade Marks Act 1994.

31. I now turn to the ground of opposition under Section 5(2)(b) which reads as follows:

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

(a)

(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."

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

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

(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,

(b) a Community trade mark which has a valid claim to seniority from an earlier registered trade mark or international trade mark (UK), or

(c) a trade mark which at the date of application for registration of the trade mark in question or (where appropriate) of the priority claimed in respect of the application, was entitled to protection under the Paris Convention as a well known trade mark.

(2) References in this Act to an earlier trade mark include a trade mark in respect of which an application for registration has been made and which, if registered, would be an earlier trade mark by virtue of subsection (1)(a) or (b), subject to its being so registered."

33. 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.

34. 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."

35. The applicants' specification is set out earlier in the decision. The opponents' marks, including their specifications, are set out as Exhibit 17 of the opponents' evidence. The list

includes a large number of registrations around the world and it is clear that the opponents have a business of a significant size worldwide. The only registrations of relevance under this head, however, are UK and OHIM registrations and applications, for the same and similar goods. Even if I ignore the rest the list remains large. For the sake of convenience, I will, therefore, compare what I consider to be the opponents' strongest case - a device mark for identical goods eg B1229952 in Class 30. The details are:

Mark

Specification

All goods included in Class 30



36. It is clear from the above that identical goods are involved. I note the applicants' contention that no use has taken place of the opponents' marks on the goods at issue. However, the fact remains that the mark is on the register and is assumed under Section 72 to be a valid registration until such time as it is removed. Therefore, I must compare the specifications each party is claiming, as set out above, since this is a notional test. As a consequence it must follow that identical goods are involved.

37. I now turn to the marks themselves. It is clear that they are not identical. The opponents' mark consists of a large dark numeral "7" with the word "ELEVEN" written across the middle, breaking the vertical integer, the whole being surrounded by a nearly-square border around a light background and superimposed on a further dark square background as shown. The applicants' marks consist of a large light numeral "7" of a slightly different design placed in an oval border with a dark background, the words "TWENTY-FOUR" being written across the length of the oval so as to pass across the middle of the large numeral "7" in the background, as shown. The applicants claim the colours red, blue and yellow as an element of the first mark.

38. The opponents' mark, therefore, consists of a "7-ELEVEN" logo and the applicants' mark consists of a "TWENTY FOUR - 7" logo. In my view comparing only the word/numeral sign elements visually and aurally they are quite different. Conceptually the opponents' mark suggests hours of 7 am to 11 pm while the applicants' mark suggests 24 hours a day and seven days a week. Therefore, I do not consider they are conceptually similar.

39. However I must consider each mark as a whole and therefore I cannot ignore the "get-up" adopted in each mark. Clearly there are similarities in that they both consist of a large numeral "7" with a number, expressed in words, written across it. However, while in my view this brings the marks a little closer together than the mere combination of numerals alone I do not consider it is sufficient to overcome the other differences in get-up - the oval background of the applicants' mark against the squarer appearance of the opponents' mark, the use of a different style of "7", the different numerals expressed in words and, most importantly, the different idea conveyed by each combination of numbers. I bear in mind, also, that the word/numeral sign element is by far the most prominent part of each mark and that this must be considered a "weak" element for each mark as it indicates the availability of the goods - as referred to above, the applicants' mark conveys 24 hours a day and 7 days a week while the opponents' mark conveys opening hours of 7 to 11. As such, these elements of the marks are, in my view, entitled to only limited protection. In my view it is the get-up which greatly assists the registrability of each mark in the present case.

40. The Act requires me to consider the likelihood of confusion, as opposed to the mere possibility of confusion. Taking all the above into account and assuming that the "average consumer" is reasonably well-informed and reasonably circumspect and observant and that he or she "normally perceives a mark as a whole and does not proceed to analyse its various details", I consider that confusion is unlikely. I come to this conclusion because in my view the differences outweigh the similarities when taken as a whole. Therefore, even allowing for imperfect recollection, the fact that marks are rarely compared side-by-side and that the goods are generally low-cost and bought with less care than expensive or rare purchases, I consider the public are unlikely to confuse the marks. At best, one mark may bring the other to mind, especially if similar colour combinations are used, but this is insufficient to find that the marks are confusable.

41. In coming to the above decision I bear in mind the evidence filed by the opponents. In my view the evidence does not support an enhanced reputation for the mark in respect of goods. No evidence or exhibits demonstrate that the opponents' mark was used in relation to the goods at issue. Therefore this evidence does not assist the opponents' case.

42. I should at this point refer to the opponents' application No 2024666. (See Exhibit 17 to the opponents' declaration.) This application is for a series of three marks including one mark the same as that shown above for B1229952. However, the opponents have applied under 2024666 for:

"Retail services; convenience store services; etc"

and it is clear that the evidence filed by them in relation to these opposition proceedings would be directed towards these services as opposed to the goods in the other registrations and the other services of this application.

43. It is not clear whether eg "convenience store services" are similar services to the applicants' goods and services. However, having found previously that the marks are not confusingly similar for identical goods it follows that there is even less likelihood of confusion should similar goods or services be involved. 7-ELEVEN in the context of services must be

considered a very non-distinctive element, conveying opening hours of 7 to 11. I note the evidence of use filed by the opponents which appears to relate to convenience store services. The use appears to be in decline, although likely to retain any residual reputation after such a short period (8 months) between cessation of use and the relevant date. The use primarily covers only a part of the UK, namely the South East of England and there is insufficient evidence to indicate their reputation went significantly wider in the UK. Turnover of £47 to 66 million per annum in the most recent years is not insignificant but I do not consider it sufficient to turn a weak mark into a strong one. Therefore, for the reasons given previously, I consider the marks taken as a whole are unlikely to be confused even if the opponents' services are similar to the applicants' goods and services and taking account of any enhanced reputation resulting from the use made of the opponents' marks.

44. I now turn to Section 5(3) which requires consideration of:

- (i) whether the trade mark opposed is identical with or similar to the earlier trade mark
- (ii) whether the trade mark opposed is sought to be registered for goods or services which are not similar to those for which the earlier trade mark is protected
- (iii) whether, and to what extent, the earlier trade mark has a reputation in the United Kingdom
- (iv) whether the use of the later trade mark
 - (a) takes unfair advantage of; and/or
 - (b) is detrimental tothe distinctive character or the repute of the earlier mark.
- (v) if so, whether the use of the later trade mark is "without due cause"

45. I have found that the marks are dissimilar under Section 5(2) and the goods of several registrations in the name of the opponents are the same as those in this application. I consider they have no stronger case under this head. Therefore the opposition fails under Section 5(3) also.

46. I now turn to Section 5(4) of the Act. The wording of the opposition filed, while not particularising which subsection of this part of the Act is intended, refers to the law of passing off and therefore to Section 5(4)(a). Having found against the opponents under Section 5(2) I consider they have no stronger case under this head. The opposition therefore fails under Section 5(4) also.

47. Finally, I turn to Section 56 of the Act. The opponents have filed a large amount of

evidence to demonstrate the extent of their world-wide activities. However, in my view, this does not enhance the opponents' reputation in the UK beyond that already considered earlier in this decision. Therefore, I find that the opposition fails under Section 56 also.

48. The opposition having failed, the applicants are entitled to a contribution towards their costs. I order the opponents to pay the applicants £335 as a contribution towards their costs. 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 20TH day of December 2001

R A JONES
For the Registrar
the Comptroller-General