

O-342-03

**TRADE MARKS ACT 1994
IN THE MATTER OF APPLICATION No 2281931
IN THE NAME OF WESTBRIDGE FOODS LIMITED**

AND

**IN THE MATTER OF
OPPOSITION THERETO UNDER NUMBER 90134
BY ALDI GMBH & CO KG**

**Trade Marks Act 1994
In the matter of application No 2281931
in the name of Westbridge Foods Limited**

And

**In the matter of opposition thereto
under number 90134
by Aldi GMBH & CO KG**

BACKGROUND

1. On 28 September 2001, Westbridge Foods Limited applied to register ALDO'S as a trade mark in Classes 29 and 30, in respect of the following goods:

Class 29: Meat, fish, poultry and game; pre-prepared meals, snack foods.

Class 30 Pizzas, pies, sandwiches.

2. On 4 March 2002, Aldi GMBH & CO KG filed notice of opposition, in which they say that they are the proprietors of a number of earlier marks, details of which are set out as an annex to this decision. The ground on which the opposition is based is as follows:

Under Section 5(2)(b) because the mark applied for is a similar mark, sought to be registered for identical and similar goods, to those earlier marks and there exists a likelihood of confusion between the marks.

Under Section 5(4)(a) by virtue of the law of passing off.

3. The applicants filed a counterstatement in which they admit that, at the relevant date, the opponents had a reputation in the mark ALDI, but deny the grounds on which the opposition is based.

4. Both sides ask that an award of costs be made in their favour.

5. Both sides filed evidence in these proceedings. The matter came to be heard on 24 June 2003, when the applicants were represented by Dr Colley of Counsel, instructed by Ralph Davies Solicitors, their trade mark attorneys. The opponents were represented by Mr Roger Wyand of Her Majesty's Counsel, instructed by Hulse & Co, their trade mark attorneys.

Opponents' evidence

6. This consists of a Witness Statement dated 29 August 2002, from Anthony Gregory Baines, Group Buying Director of Aldi Stores Limited, a position he has held for seven years.

7. Mr Baines refers to the statement of grounds, a copy of which is shown as exhibit AGB1, noting that none of the facts contained therein have been denied by the applicants. The facts and claims made in the statement of grounds are as follows:

The opponents commenced trading in the United Kingdom in 1990 and at the date of the application had 250 stores. Turnover had reached in excess of £1 billion per annum. Advertising expenditure was in excess of £7 million per annum.

8. Various exhibits have been included with the statement of grounds; details of the opponents' UK trade marks registrations, an undated map detailing the location of Aldi stores in the UK, and copies of advertisements placed in the national press between June and September 2001, and in their own magazine.

9. Mr Baines says that as Group Buying Director, he has been involved not only with his company's primary trade mark ALDI, but also a considerable number of marks used on other products. He gives his reasons why he considers ALDI and ALDO'S to be open to confusion, namely, they are both short words with letters in common and only one letter difference, giving them a substantial visual and phonetic similarity, that ALDI has a common pronunciation throughout the UK as two syllables with the major emphasis on the first "AL". Mr Baines asserts that identical considerations would apply to ALDO, and that there is a serious risk of confusion when ALDO is placed on foodstuffs covered by his company's registrations.

Applicants' evidence

10. This consists of a Witness Statement by Mark Whalley, Sales Director for Westbridge Foods Limited, the main business of which being the importation of poultry meat for onward sale to other retailers, mainly for use in ready meals or cooked products for customers.

11. Mr Whalley says that he has been directly involved with the promotion, marketing and sale of Aldo's Pizza Bars, which he describes as a hand-held microwaveable snack, that his company first marketed in March 2002. He says that the current monthly sales is approximately 150,000 units, retailing at between 99p and £1.25 per unit. He says that this is currently the only product being sold under the ALDO'S name, and that it is on sale in various retail supermarkets, garage forecourt shops, and on Condor Ferries, and that they are actively pursuing plans to expand.

12. Mr Whalley describes the distribution arrangement for the product, stating that his company orders the product from a supplier in Thailand, where it is sold under the name Alfredo's Pizza Bar, his company having the exclusive contract for supply in Europe. He says that because Alfredo is already being used by another trader in the UK, his company chose another Italian name, ALDO'S, exhibit MW1 being a certificate confirming that it is a

commonly used Italian Christian name.

13. Mr Whalley confirms that the product is marketed through direct contact with potential customers, and via his company's web site, exhibit MW2 consisting of samples of promotional literature and a download from his company's web site. He states that neither he, nor any of his colleagues are aware of anyone having telephoned his company under the impression that it is in any way linked to ALDI.

That concludes my review of the evidence insofar as it is relevant to these proceedings.

Decision

14. Turning first to the objection based on Section 5(2)(b) of the Act. That section reads as follows:

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

- (b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

15. An earlier trade mark is defined in Section 6 of the Act as follows:

“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,

16. In his skeleton arguments, Dr Colley raised a question over the scope of the opponents' objection under Section 5(2)(b), which he put as follows:

“Aldi by its pleading (please see paragraph 4 SoG) effectively abandons reliance on similar goods and also services. Its pleaded case is **only** on identical goods. Aldi's Class 35 mark therefore appears to be wholly irrelevant.

- (a) From the specifications covering Class 29 these appear to be: meat, fish, poultry and game, but not ready meals and snacks.
- (b) From the specifications covering Class 30 there appear to be no identical goods.

Aldi's plea "the goods of the opposed mark are **identical** to the goods for which the TRADE MARK ALDI is registered, the goods being those that can be expected to be available to customers in a supermarket" is overly vague and does not tally with the prior registrations. Further it glosses over the absence of correspondences in products necessary to satisfy the first part of the sentence, Aldi's chosen pleaded case of "identical goods".

17. Paragraph 4 of the Statement of Grounds is worded as follows:

"Registration of the Application would be contrary to Section 5(2)(b) of the Act. The opposed mark is similar to the TRADE MARK ALDI, and the goods of the Opposed Mark are identical to the goods for which the Trade Mark ALDI is registered, the goods being those that can be expected to be available to customers in a supermarket. There exists, therefore, a likelihood of confusion on the part of the public which includes the likelihood of association with the Trade Mark ALDI."

18. In his submissions Dr Colley said that had his clients approached the objection on the basis of it including "similar goods", they may well have filed further or different evidence. Whilst that may be the case, it will be seen from my decision on the substantive issues, I do not consider that this would have been likely to have had a significant bearing on the outcome of this case. Dr Colley also made reference to the Registrar's practice notice TPN 1/2000 [2000] RPC 587, and in particular, paragraph 22 which covers the presentation of Statements of Case. That section reads as follows:

"22. Whilst sometimes the **matter in issue** is implicit in the nature of the proceedings, generally it needs to be set out in detail. For example, the grounds on which revocation of a patent or invalidation of a trade mark is sought must be set out fully. The **facts to be relied on** (as distinct from the evidence that will later be adduced to prove those facts) should also be set out concisely but fully. Whilst in the past statements filed in proceedings before the Comptroller have sometimes been lacking in real detail as to the facts, statements must now be reasonably detailed. The **relief sought** should be clearly stated. Costs need be not specifically claimed in a statement, though they usually are."

19. Mr Wyand submitted that although paragraph 4 of the Statement of Case does not specifically mention similar goods, or services, when taken in conjunction with paragraph 1 in which details of the earlier rights relied upon are set out, it is clear the opponent is objecting to the application on the basis that it contains identical and/or similar goods to those covered by his clients' earlier marks, and also that the opponents were relying on their registration covering services in Class 35.

20. Although paragraph 4 of the Statement of Case only mentions identical goods, I believe Mr Wyand is correct in his approach. The paragraph cannot be taken in isolation. It has to be considered in conjunction with the preceding paragraphs, and from this it is clear that the opponents are relying on registrations made in respect of a range of goods, and also services in Class 35. But even if this had not been the case, I do not see that I could simply have restricted my consideration to "identical goods".

21. An objection under Section 5(2)(b) is founded on the basis that a mark for which registration is sought “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”. Setting aside the “global” consideration, the premise is, that if the mark applied for, and the goods and services for which it is to be registered are either the same or similar to an earlier mark, there is a likelihood of confusion arising. It would be bizarre, and I believe, contrary to the public interest, if, knowing there to be similar goods involved, I was precluded from finding there to be a likelihood of confusion solely because the opponents have only made reference to “identical” goods in their objection. However, for the following reasons, this is, I believe an almost entirely academic consideration.

22. In relation to Class 29, both the opponents’ registration in that class (No. 1311850) and the application in suit, contain the terms “meat, fish, poultry and game;” and there can be no argument that in this respect, identical goods are involved. The remainder of the application covers “pre-prepared meals, snack foods, which unqualified would include prepared meals and snack foods made from any ingredient falling in Class 29, for example, beefburgers, beef stew, pork scratchings, stir-fry vegetables, etc. Given that the opponents’ specification is not limited to meat, fish, poultry or game of any particular type,(raw, prepared, cooked or otherwise) it must be considered to contain meat, fish, poultry or game in any form that it can exist in Class 29, including as a prepared meal or snack food. The opponents’ earlier mark also covers “fruits and vegetables” being preserved, dried or cooked, which in my view would also include such goods in the form of prepared meals and snack foods.

23. Dr Colley considered the specification of the opponents’ registration in Class 30 (No. 1311851) to contain no goods identical to those of the corresponding class of the application. It is true that pizzas, pies and sandwiches are not specifically mentioned in the terms used in the opponents’ registration, but that does not necessarily mean that they are not there in the more general descriptions used. For example, Collins English Dictionary states that “pastries” is the plural of the noun “pastry”, with the definitions “**1.** A dough of flour, water, shortening and sometimes other ingredients. **2.** Baked foods, such as tarts made from this dough. **3.** An individual cake or pastry pie”. This clearly covers pies, and given the definition of “pizza” as being “a dish of Italian origin consisting of a baked dish of dough...”, arguably also such goods. It would, therefore, seem that the only item contained with the specifications of the application that could not be considered to be identical to the goods covered by the opponents’ earlier marks is “sandwiches”, which for the record, I would consider to be an item similar, or at the very least, closely allied to the opponents’ goods, for example, bread.

24. There is, of course, also the opponents’ registration in Class 35. This has the description

“The bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods in a supermarket”.

25. Although fairly general in its terms, the description would, cover the “retailing” of the self-same goods for which the applicants seek to register their mark, and as such, could be considered to be a similar service.

26. Having determined that identical or similar goods and services are involved is not the end of the matter. In a consideration of a likelihood of confusion or deception I must take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] 45 F.S.R. 77 and *Marca Mode CV v Adidas AG* [2000] E.T.M.R. 723. 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*,
- (b) the matter must be judged through the eyes of the average consumer of the goods/services in question; *Sabel BV v Puma AG*, 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.*,
- (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*,
- (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*,
- (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*,
- (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*,
- (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*,
- (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*,
- (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*.

27. With the Statement of Grounds, the opponents exhibit a list of their registrations for the trade mark ALDI. However, the wording of the objection set out in the Statement of Grounds, makes particular reference to three UK registrations, numbers 1311850, 1311851

and 2250300, and a Community Trade Mark application, number 2071728. The first two registrations are in the same classes as the application, the third is registered for what would generally be referred to as “retail services” in respect of goods sold in a supermarket, which would include the goods covered by Classes 29 and 30. I propose to conduct the comparison based on these three registrations, for if the opponents are not able to succeed in their action based on these marks, they will be in no better position in respect of any of the other marks registered in different classes.

28. The applicants make reference to their marketing as being directed at retailers, rather than the ultimate consumer of the goods in question, and also to the fact that the opponents only sell goods in their own shops. Whilst this may be the case, in determining the objection founded on Section 5(2)(b) I am required to undertake a notional consideration of the opponents’ marks as registered, if used in a normal and fair manner in relation to the goods for which it is registered, and then to assess the likelihood of confusion in relation to the way the applicant uses (or notionally, may use) their mark, discounting external circumstances (*Origins Natural Resources v Origin Clothing* [1995] FSR 280). As neither the applicants’ nor the opponents’ specifications are limited in any way, I must assume that they are capable of sharing the same channels of trade, from manufacture to sale, and being ordinary items of foodstuffs likely to be purchased by the public at large, and also the same consumer.

29. I have already determined that the opponents’ earlier marks cover identical and similar goods, and similar services, to those of the application. Being ordinary, inexpensive and easily available foodstuffs, they would not require special care or attention in selection.

30. The opponents’ mark ALDI is, as far as I am aware, an invented word with no reference to the goods or services for which it has been registered, and therefore, should be considered to possess a strong distinctive character. The applicants do not deny that at the relevant date the opponents had made extensive use of ALDI, and had built a reputation in respect of the goods and services for which the mark is registered. Based on the evidence it seems reasonable to infer that this reputation is both widespread and substantial.

31. The mark applied for is ALDO’S, which the evidence shows to be an Italian Christian name, a fact not challenged by the opponents. However, that evidence comes from a native Italian speaker, and I do not know how widely this usage would be known in the UK; I am not aware of there being any “famous” Aldo’s and there is no evidence to assist me. It may well be that the terminal ‘S will lead some to regard this mark as meaning “of or belonging to ALDO”, and possibly, to ALDO being a name, Christian or family.

32. Whilst marks should be compared as a whole, it is inevitable when assessing similarity that regard will be paid to the individual elements, and should be where one is dominant or particularly distinctive. These are both short marks, neither of which has an element that I would consider to be the dominant; their distinctiveness rests in the whole.

33. The words share the same first three letters “ALD”, are but one letter different in length, albeit in the applicants’ mark, preceded by an apostrophe, and to that extent must have some visual, aural and oral similarity, and more so if ALDI were to be referred to in the possessive form ALDI’S. Any difference must rest on the impact of the termination, the letter “I” in the

case of the opponents' mark, as compared to the letters and apostrophe "O'S" in the mark applied for. Consumers do not pay regard to each and every syllable of which a word is composed, nor enunciate each and every letter, and it is generally accepted that if they are going to be lazy in the pronunciation, it is probably going to be in the termination of the word. That said, where, as in this case, the words are short, this slurring is far less likely than in a longer word consisting of several syllables. I take the view that the "I" at the end of the opponents' mark is a strong element and will be clearly enunciated "AL-DEE" whereas the termination of the mark applied for will sound "AL-DOH'S".

34. Taking all of the above into account and adopting the "global" approach advocated, I come to the view that whilst there are similarities in the respective marks, there are also differences, which given that they are short words, have a disproportionate effect on the question of whether they are visually and/or aurally similar, and it is my view that these differences outweigh the similarities to the extent that I would not consider them to be similar marks. Even allowing for the possibility of imperfect recollection, and taking into account the opponents' reputation and the similarity in the goods and services, I do not consider that any association the consumer may make between the marks will lead them to wrongly believe that the respective goods come from the same or economically linked undertakings. I do not consider there to be a likelihood of confusion within the meaning of Section 5(2)(b), and the objection is dismissed.

35. This leaves the matter of the ground under Section 5(4)(a). That section reads as follows:

"5.-(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented -

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an "earlier right" in relation to the trade mark."

36. Mr Geoffrey Hobbs QC sitting as the Appointed Person in the *Wild Child* case [1998] RPC 455 set out a summary of the elements of an action for passing off. The necessary elements are said to be as follows:

(a) that the plaintiff's goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;

(b) that there is a misrepresentation by the defendant (whether or not intentional leading or likely to lead the public to believe that goods or services offered by the defendant are goods or services of the plaintiff; and

(c) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant's misrepresentation.

37. To the above I add the comments of Pumfrey J in the *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenmy Gary Stringer (a partnership)* case, [2002] RPC 19, in which he said:

“There is one major problem in assessing a passing off claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the Registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent’s reputation extends to the goods comprised in the applicant’s specification of goods. The requirement of the objection itself are considerably more stringent than the enquiry under Section 11 of the 1938 Act (See *Smith Hayden (OVAX)* (1946) 63 RPC 97 as qualified by *BALI* [1969] RPC 472). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed at the relevant date. Once raised the applicant must rebut the prima facie case. Obviously he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of possibilities that passing off will occur.”

38. In relation to this ground, Dr Colley raised a further point in respect of the wording used in the Statement of Case, noting that the opponents lay claim to having a reputation, but not goodwill. Mr Wyand took the view that the opponent had pleaded “a reputation in the UK and a business under the trade mark in the UK . Goodwill is a reputation attached to a business”. It is clear from the *Wild Child* and *South Cone* cases that even though “goodwill” is not specifically mentioned, the claim to a reputation is sufficient for the purposes of initiating a claim to passing off.

39. The applicants do not deny that the opponents have been trading in the United Kingdom since 1990, and by the relevant date, possessed a reputation in the name ALDI. I have already said that I consider the evidence to establish that at that date, the opponents’ reputation was both widespread and substantial, and that they are likely to have built a corresponding goodwill in the name. However, in my decision relating to Section 5(2)(b), I stated that I did not consider ALDI and ALDO’S to be similar trade marks, and given this, I do not see how I can find there to be misrepresentation, nor a likelihood that the opponents, their business, or their reputation and/or goodwill in the name will suffer any damage by the applicants’ use of their mark in respect of the goods that they seek to protect, and the objection under Section 5(4)(a) also fails.

40. The opposition having failed on all grounds, the applicants are entitled to an award of costs. I order the opponents to pay the applicants the sum of £2,750 as a contribution towards their costs. This sum 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 6th day of November 2003

**Mike Foley
for the Registrar
the Comptroller General**

(Annex is not attached)