

O-125-10

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO 2505933

BY

CARZ FOR KIDS LTD

TO REGISTER THE TRADE MARK:



IN CLASSES 29 AND 30

AND

THE OPPOSITION THERETO

UNDER NO 98962

BY

UNITED BISCUITS (UK) LTD

Trade Marks Act 1994

**In the matter of application no 2505933
by Carz For Kids Ltd
to register the trade mark:**

**in classes 29 and 30
and the opposition thereto
under no 98962
by United Biscuits (UK) Limited**

1) On 8 January 2009 Carz Nibbles Ltd applied to register the above trade mark (the trade mark). The application was published for opposition purposes on 20 February 2009 with the following specification:

meat, fish, poultry and game; meat extracts; preserved, dried and cooked fruits and vegetables; jellies, jams, fruit sauces; eggs, milk and milk products; edible oils and fats; prepared meals; soups and potato crisps;

coffee, tea, cocoa, sugar, rice, tapioca, sago, artificial coffee; flour and preparations made from cereals, bread, pastry and confectionery, ices; honey, treacle; yeast, baking-powder; salt, mustard; vinegar, sauces (condiments); spices; ice; sandwiches; prepared meals; pizzas, pies and pasta dishes.

The above goods are in classes 29 and 30 respectively of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

2) The name of the company was subsequently changed to Carz For Kids Ltd (CFK), in whose name the application continues to stand.

3) On 17 April 2009 United Biscuits (UK) Limited (UB) filed an opposition to the registration of the trade mark. UB bases its opposition on sections 3(6), 5(2)(b) and 5(3) of the Trade Marks Act 1994 (the Act).

4) In relation to the grounds of opposition under sections 5(2)(b) and 5(3) of the Act UB relies on United Kingdom registration no 677659 of the trade mark **CARR'S**. The application for the registration of the trade mark was made on 8

March 1949. For the purposes of this opposition UB relies upon the following goods of the registration:

biscuit (other than biscuits for animals), flour confectionery and sugar confectionery none being medicated.

The above goods are in class 30 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

5) Section 5(2)(b) of the Act states:

“(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.”

UB claims that CFK's trade mark is aurally and conceptually identical to its trade mark and that the respective trade marks are visually very similar. UB claims that its trade mark is distinctive and well-known. UB states that *sugar, flour and preparations made from cereals, bread, pastry and confectionery* are identical or similar to the goods in its registration upon which it relies. UB claims that, as a consequence, registration of the trade mark in respect of the above goods would be contrary to section 5(2)(b) of the Act as there is a likelihood of confusion.

6) Section 5(3) of the Act states:

“(3) A trade mark which –

(a) is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a Community trade mark or international trade mark (EC) in the European Community) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.”

UB claims that its trade mark has a strong reputation in respect of *biscuit (other than biscuits for animals), flour confectionery and sugar confectionery none being medicated*. UB states that use of CFK's trade mark in relation to *sugar, flour and preparations made from cereals, bread, pastry and confectionery* without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of its trade mark for the following reasons:

i) Free riding on the historic and longstanding reputation of the earlier trade mark and thereby deriving an illegitimate benefit from it.

ii) Blurring the distinctiveness of the earlier trade mark so that it is no longer capable of arousing immediate association with the goods for which it is registered and thus dilute its value and reputation.

7) Section 3(6) of the Act states:

“A trade mark shall not be registered if or to the extent that the application is made in bad faith.”

UB states that the circumstances surrounding CFK's application to register the trade mark indicate that it was CFK's motive "to extract money from the Opponent to take unfair advantage of the reputation of the Opponent's CARR'S mark, from which it is to be inferred that the Applicant has no bona fide intention to use the Mark". UB states that CFK was registered on 11 December 2008 at Companies House under the name Carz Nibbles Ltd. UB states that the name Carz Nibbles Ltd appears to have been copied from UB's earlier trade mark CARR'S NIBBLES. UB states that CARR'S NIBBLES is a product range launched by it on 11 August 2008. UB states that as far as it is aware CFK has not traded under the trade mark or under the name Carz Nibbles Ltd. UB states that CFK is connected to Mr Simon Leak. Mr Leak is a director and shareholder of CFK and of two other companies, Executive Mortgages and Investments Ltd and Stixx Bix Limited. Stixx Bix Limited was incorporated on 27 November 2001. The latest annual report, signed by Mr Leak, describes the company as a non-trading company. The last set of accounts, made up to 30 November 2007, are dormant company accounts. UB states that as far as it is aware Stixx Bix Limited has not traded. Stixx Bix Limited, Executive Mortgages and Investments Ltd and CFK all have the same registered office address. UB states that in early January 2009 Mr Leak sent letters to UB, on the headed notepaper of Stixx Bix Limited, making "unfounded allegations" of trade mark infringement by UB arising from the latter's use of PENGUIN BIG STIX, a PENGUIN product which was launched in August 2008. Stixx Bix Limited is the proprietor of the registered trade mark STIXX BIX. UB states that Mr Leak requested that UB purchase a licence from Stixx Bix Limited or purchase the trade mark STIXX BIX. By this time it had come to UB's notice that the company Carz Nibbles Ltd had been registered and that it had applied for registration of the trade mark. On 4 February 2009 UB's solicitors wrote to both Stixx Bix Limited and Carz Nibbles Ltd, declining the offer to purchase the trade mark STIXX BIX and to explain UB's intention to make an application to the Company Names Tribunal to remove Carz Nibbles Ltd from the register. UB states that Mr Leak responded on behalf of Carz Nibbles Limited and Stixx Bix Limited, he declined to change the company name, claiming that the similarity between Carz Nibbles Limited and UB's trade mark CARR'S NIBBLES was coincidental. UB states that on the day that the application to the Company Names Tribunal was filed Carz Nibbles Limited changed its company

name. UB states that as far as it is aware CFK has not traded under its name. UB seeks refusal of the application in its entirety under section 3(6) of the Act.

8) Documentation relating to the statement of grounds of UB has been attached as schedules to the statement of grounds.

9) CFK filed a counterstatement.

10) In its counterstatement CFK does not require proof of use of the earlier trade mark upon which UB relies in relation to the goods for which it is claimed there has been use.

11) CFK states that "precedent should apply". It states that the following trade mark has been registered by Disney Enterprises:



CFK states that the above trade mark was granted on 13 January 2006 in classes 29 and 30. CFK states that the text in the above trade mark is CARS, this consisting of the same letters as UB's CARR'S, whereas its application is less similar since it is spelt with a z. CFK considers that the opposition should be dismissed because of this.

12) CFK states that it is its intention to use the trade mark mostly by, or close to, the company name CFK. CFK states that this is important to note that it is obvious that CARR'S products are aimed at the sophisticated adult market whereas those of CFK will be aimed at children. CFK states that its company name was changed to avoid confusion with the goods of UB. CFK states that it is intended to use the trade mark for both a cereal and a snack (crisp type) product. CFK states that none of these are likely to be stocked anywhere near UB's CARR'S brand, which is used for crackers. CFK states that the designs that it has used for packaging bear no resemblance to that used for CARR'S products. CFK states that its packaging is "cartoonish" in character and is aimed at the children's market. Consequently, there will be no confusion between the two brands. Pictures of proposed packaging are attached to the counterstatement.

13) CFK states:

“Wragge & Co. [the representatives of UB] have libelled the company by making the remarks ‘designed to illicit money’ and ‘opportunistic registration made in bad faith’ in their letter of 4th. Feb. 2009. Our letters of 12th. And 19th Feb. 2009 spell out in detail the circumstances of our application and refute those claims, but they have, totally unreasonably, chosen to ignore those same observations.”

14) CFK states that Mr Leaks’ premises, where he operates as a financial adviser, are also occupied by The Pure Juice Company which is run by his colleague Mr Rash Nagar. Mr Nagar has designed all the packaging and is a shareholder in Stixx Bix Ltd, which has its own registered trade mark.

15) UB filed evidence and written submissions in support of its position. CFK filed neither evidence nor written submissions.

Evidence of UB

16) This consists of a witness statement of Ms Julie Kelly. Ms Kelly is brand protection manager at UB.

17) Ms Kelly states that UB’s trade mark has a considerable history. The CARR’S trade mark came into being in 1831 with the establishment of Carr’s of Carlisle. Carr’s water biscuits were introduced in the late 19th century and the company was the first biscuit manufacturer to receive the royal warrant from Queen Victoria. In 1972 UB acquired Carr’s of Carlisle and the CARR’S trade mark. Since acquiring the CARR’S trade mark UB has extended the use of the trade mark from water biscuits to other cracker, biscuit and snack products: Carr’s Melts, Carr’s Nibbles, Carr’s Cheese Melts, Carr’s Collection (sweet continental biscuits) and Carr’s Ginger Lemon Cookie (which are only available in the United States of America). Exhibited at JK2 are pictures of packaging:

- Packets for Carr’s Table Water biscuits. On two of the packets best before dates of 12 September 2009 and 22 August 2009 can be seen.
- A two biscuit portion packet of Carr’s table water biscuits, a best before date of 21 June 2008 appears on the packet.
- A tin of Carr’s selection. The contents are described as being biscuits for cheese. The tin bears a best before date of 22 March 2008.
- A packet of Carr’s selection. The rear of the packet advertises Carr’s Melts, Carr’s Cheese Melts and Carr’s Table Water biscuits.
- Packets of Carr’s melts – cheese variety.
- Packets of Carr’s melts – original variety.
- Packets of Carr’s Melts – rosemary variety.
- Packets of Carr’s Melts – sesame with chive variety.

- A packet of Carr's Nibbles – cheese variety. A best before date of 18 July 2009 appears on the packet.
- A packet of Carr's Nibbles – black olive variety. A best before date of 27 June 2009 appears on the packet.
- A packet of Carr's Nibbles – black onion seed with rosemary variety. A best before date of 18 July 2009 appears on the packet.
- A packet of Carr's Collection – the packet describes this as a collection of sweet, continental biscuits with luxury, Belgian chocolate. A best before date of 21 September 2003 appears on the packet.
- A picture of a shelf in a shop. Packets of Carr's melts and Carr's Nibbles can be seen. Other packets of savoury biscuits can also be seen eg De Kroes savoury biscuits.
- A page from carrscrackers.com downloaded on 27 July 2009 showing Carr's Ginger Lemon Cremes. (These are biscuits that Ms Kelly states are only available in the United States of America.)

18) Ms Kelly states that UB became aware of CFK in January 2009 when Mr Simon Leak, of CFK, contacted UB on the headed notepaper of a company called Stixx Bix Limited. Mr Leak is a director and shareholder of Stixx Bix Limited as well as of CFK. Exhibited at JK3 are copies of correspondence from and to Mr Leak. The first letter is dated 6 January 2009 and is on the letter paper of Stixx Bix Ltd. It is written to the Penguin brand manager at UB. The letter states:

“It has been brought to our attention that you have recently launched an ancillary Penguin product called ‘Stix’.

We are the registered owners of the U.K. Trade Mark ‘STIXX’ and the word also features in this company's title. As we are in the process of developing the brand, we therefore believe that there is a direct conflict of interest in United Biscuits using such a similar name, especially as one of our products will be a chocolate flavoured crisp bar.”

Ms Kelly states that contrary to Mr Leak's claim the trade mark owned by Stixx Bix Ltd is STIXX BIX, not STIXX. Stixx Bix Ltd is listed at Companies House as a non-trading company and its last set of accounts, which were made up to 30 November 2007, are dormant company accounts. On 19 January 2009 Mr Leak wrote to UB again. The letter expresses surprise at not having received a response to the earlier letter, “bearing in mind the apparent ‘infringement’ of our trade mark that is taking place’. The letter suggests that UB should stop the claimed infringement, however, Mr Leak states that he is prepared to consider a licence agreement.

19) Independently of Mr Leak's correspondence, Ms Kelly was notified through a watch notice that the current application had been made by a company named Carz Nibbles Ltd. The registration of Carz Nibbles Ltd at Companies House took

place 4 months after the launch of the Carrs Nibbles product. Carz Nibbles Ltd was incorporated on 11 December 2008 under company number 06771584; the certificate of incorporation is exhibited at JK4. Ms Kelly discovered that Carz Nibbles Ltd had the same registered office address as Stixx Bix Ltd and that Mr Leak was a director and shareholder of both companies, as well as being a director and shareholder of another company, Executive Mortgages and Investments Ltd. Ms Kelly states that she did not and does not regard the timing of the approach by Stixx Bix Ltd and the filing of the current application as mere coincidence. Ms Kelly states that in the light of the similarity of CFK's trade mark to that of UB, the incorporation of the company name Carz Nibbles Ltd and the suggestion that UB pay Stixx Bix Ltd for its trade mark, she instructed UB's solicitors to respond to Mr Leak. On 4 February 2009 UB's solicitors, Wragge & Co, wrote to both Stixx Bix Ltd and Carz Nibbles Ltd, copies of the letters are included in exhibit JK3. In the letter to Stixx Bix Ltd it is denied that there is any infringement under section 10(2)(b) of the Act. UB declines to make any payment, by way of licence or otherwise. There is an accusation that the earlier letters represent groundless threats as per section 21 of the Act. The letter ends by advising that it is considered that the registration of the company name Carz Nibbles Limited was opportunistic and that action would be taken to seek the removal of the name from the register of companies. The letter to Carz Nibbles Ltd refers to the registration of the company name and the intention to seek the removal of the name from the register of companies. Mr Leak responded to Wragge & Co on 12 February 2009. In the letter Mr Leak states that he had never heard of Carr's Nibbles. Mr Leak writes that originally it had been the intention to register the name CARZ Ltd, however, this was refused by Companies House as there was already a dormant company with that name. It was, therefore, decided to add the word Nibbles. There was never any intention to have the extra word or to use it in any promotional material. Mr Leak writes that Stixx Bix Ltd was established in 2003 and its trade mark registered in 2004, the reasons that the product is not yet available are that other business interests took priority and that the intended South African joint venture became insolvent. Interest in the brand was revived in 2008 and at the same time the concept of CARz was formulated – this being a product connected with the automotive industry. Mr Leak states that he is willing to drop the Nibbles element of the company name on the basis that UB covers the costs of re-registration and management time, £250. Mr Leak states that otherwise he has been advised that there will be no problem in defending the company name and the trade mark application. Mr Leak states that Stixx Bix Ltd and Carz Nibbles Ltd were both established to design interesting consumer products with wide appeal. They would wish to be seen as innovators for major companies which was why he made it clear in his letter of 6 January 2009 that the Stixx brand concept was for sale. Mr Leak states that once basic packaging designs have been completed and protection obtained, he will be more than pleased to share the concept with the relevant marketing managers of UB. Wragge & Co responded to Mr Leak's letter on 16 February 2009. Mr Leak is advised that UB will not be purchasing the STIXX BIX trade mark and requires the withdrawal of the groundless threat of

trade mark infringement. It is stated that it is not accepted that the creation of the company name Carz Nibbles Limited was the result of mere coincidence. UB will not pay towards the changing of the company name. Mr Leak is invited to withdraw the application for the trade mark the subject of these proceedings, otherwise an opposition to the registration will be filed. The final letter in JK3 is a letter from Mr Leak to Wragge & Co. Mr Leak clarifies that reference to the automotive industry in his previous letter relates to food products with an automotive theme. He declines to withdraw the application. Ms Kelly states that there is no explanation as to why the intention to use the trade mark in relation to the automotive industry had changed to an intention to use it in relation to food products.

20) On the day that an application to the Company Names Tribunal was filed to change the name of Carz Nibbles Ltd, Carz Nibbles Ltd changed its name.

21) Ms Kelly states that the Carr's product range is available from all major high street food retailers as well as many independent retailers. She states that the products are found most commonly in the biscuit and snack aisles of the premises of retailers.

22) Ms Kelly states that in terms of Internet supermarket shopping the products are placed in a number of categories. Exhibited at JK6 is a printout from the Ocado website downloaded on 27 July 2009. The heading of the pages reads: "Shop/Food/Biscuits & Snacks/Biscuits/Crackers/Carr's 5 Products. The pages shows 5 Carr's products: Carr's Selection, Carr's Cheese Melts, Carr's Melts, Carr's Table Water Biscuits 125g and Carr's Table Water Biscuits 200g. A page downloaded from the Waitrose website on the same date under the headings "home>store cupboard>biscuits and the specific heading biscuits, savoury shows Carr's cheese melts, Carr's melts, Carr's nibbles biscuits black olive, Carr's nibbles biscuits black onion seed rosemary, Carr's nibbles biscuits cheese and Carr's Rosemary & thyme melts. A page downloaded from the Sainsbury's website on the same date has the headings biscuits, savoury biscuits, all savoury biscuits and the main heading all savoury biscuits. The page shows Carr's Nibbles and two types of Carr's Melts. Also included on the page are four Bertolli products: two types of baked bites, Bruschettine and Focaccine products. A page downloaded from the Tesco website shows Carr's Cheese Melts and Carr's Melts on the same page as Berotli Focaccine, Mignolitomato and Rosemary and Sea Salt products along with Bloomsbury Cheese Twists, Salt Twists and Biscuits for Cheese. Ms Kelly contends that the goods of the application would fall within the biscuit and snack category and as such are likely to be placed in the same location or in close proximity to UB's goods. She submits that the respective goods would be categorized in the same way on food retailer websites.

23) Ms Kelly states that products bearing UB's trade mark are sold throughout the United Kingdom and Ireland in major supermarkets, including Sainsbury's,

Tesco, Somerfield, Morrisons, Waitrose, Johnson Brothers and Tesco/Quinnsworth as well as smaller, independent retailers. The total sales value of products bearing UB's trade mark was £13,179,581.80 in 2007 and £15,222,019.80 in 2008 (ignoring week 1). Ms Kelly does not state how much of this figure relates to the United Kingdom. Ms Kelly states that a considerable sum of money is spent in promoting UB's trade mark. The expenditure on advertising was approximately £260,000 and £210,000 in 2007 and 2008 respectively. Ms Kelly does not identify how much of this expenditure relates to the United Kingdom. She states that UB's trade mark has been used in relation to sponsorship of the following events:

London Vintage Festival 2006, 2007 and 2008.
The Great British Cheese Festival 2004, 2005, 2006 and 2007.
The British Cheese Awards 2004 and 2007.
Decanter World Wine Awards 2008.
Vinopolis 2008 – all year round.

Exhibited at JK7 are the following:

- A proforma letter to members of the Sunday Times Wine Club who are attending a wine tasting on HMS Warrior on 8 July 2009 (after the date of application). At the bottom of the letter the Carr's logo appears along with an expression of thanks:

“Our thanks to Carr's for providing the biscuits for tonight's tasting”.

- The order of events for The Sunday Times Wine Club London Vintage Festival 2009 which took place on 24 and 25 April 2009 (after the date of application). At the bottom of the second page there is an advertisement for Carr's Nibbles.

24) Parts of Ms Kelly's statement consist of submissions rather than evidence of fact. It is not appropriate to include them in a summary of evidence. However, these parts of the evidence are taken into account in the reaching of the decision, as are the written submissions.

Objection under section 3(6) of the Act

25) Bad faith includes dishonesty and “some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular field being examinedⁱⁱ”. Certain behaviour might have become prevalent but this does not mean that it can be deemed to be acceptableⁱⁱ. It is necessary to apply what is referred to as the “combined test”. This requires me to decide what CFK knew at the time of making the application and then, in the light of that knowledge, whether this behaviour fell short of acceptable commercial behaviourⁱⁱⁱ. Bad faith impugns the character of an

individual or collective character of a business, as such it is a serious allegation^{iv}. The more serious the allegation the more cogent must be the evidence to support it^v. However, the matter still has to be decided upon the balance of probabilities. The issue has to be considered as at the date of application for registration^{vi}. An act of bad faith cannot be cured by an action after the date of application^{vii}.

26) UB supports its case with the following written submissions (comments on each submission follow in italics).

- “The Opponent’s earlier mark has been in use for over 150 years. The Opponent’s earlier mark has been registered as a trade mark since 1949 and has extensive use predating the Applicant’s registration (see **JK1** and **JK2** to the witness statement of Julie Kelly). The Opponent has used the mark CARR’S in relation to its “Nibbles” product since August 2008 (see **JK2**)”.

The longevity of use of the earlier trade mark is not indicative of an act of bad faith. CFK’s trade mark does not include the word nibbles.

- “The Applicant applied to register the company name “Carz Nibbles Limited” four months after the launch of the Opponent’s Carr’s Nibbles product in December 2008 and then applied for the Mark a month later”.

This relates to the name under which a company was incorporated. UB has adduced evidence in the form of the letters from Mr Leak as to why the company name was registered as it was. UB has put in nothing to gainsay this explanation. Nibbles is a term commonly used in relation to types of snack food.

- “Only two days before the filing date of the Mark, the Applicant contacted the Opponent with allegations of infringement in relation to another of the Applicant’s marks (see pages 1 **JK3**)”.

This relates to a completely different and earlier trade mark which is owned by Stixx Bix Ltd. The actual submission is factually incorrect as the contact was from Stixx Bix Ltd, not CFK; although it is accepted that Mr Leak is the controlling mind behind both undertakings. It is difficult to see how concerns about the possible infringement of a totally unconnected trade mark reflect on the application, even taking into account the presence of UB and Mr Leak in both matters.

- “The Applicant has acknowledged that it intends to sell food products and snack products under the Mark (see p8 and 11 **JK3**). It is inconceivable that it was not aware of the Opponent’s mark at the time of the filing the application for the Mark”.

The application is for foodstuffs and so this is stating what is clearly the case, the applicant has signed a declaration on the application form stating that the trade mark is to be used or is being used for the goods of the application either by it or with its consent. Awareness of UB's trade mark says nothing.

- “The words CARR’S and CARZ are aurally and orally identical and visually similar”.

This part of the argument is contingent on finding that the respective trade marks are aurally and visually similar. Ultimately the argument is contingent upon a finding of similarity and, in the context of an accusation of bad faith, that CFK, at the time of the filing, considered that the trade marks were similar.

- “The Opponent seeks registration in relation to similar goods”.

Again an argument that is contingent on a finding of similarity, in this case in relation to the goods and that CFK at the time of the filing considered that the goods were similar. The attack under section 3(6) of the Act is also made against all of the goods of the application, not just those that UB claims are similar.

- “The Applicant offered to sell the Mark to the Claimant (see p8 JK3)”.

Following the concerns raised and accusations made on behalf of UB, Mr Leak put forward an offer of co-operation in order to settle the matter amicably.

- “The Opponent is not aware of any use of the Applicant’s Mark despite the Opponent’s (sic) insistence since January 2009 that it will be launching a product range under the Mark.”

The launching of a product is dependent on resources. Launching a product would also be a perilous activity taking into account possible actions for infringement or passing-off. This submission casts no light of the intentions of CFK at the date of the application.

In its statement of grounds UB states that it was CFK’s intention “to extract money from the Opponent to take unfair advantage of the reputation of the Opponent’s CARR’S mark, from which it is to be inferred that the Applicant has no bona fide intention to use the Mark”. Mr Leak sought money to effect the change of the company name, which was refused. However, it was UB who wanted the name of the company changed. Mr Leak also offered co-operation with UB in relation to use of the trade mark and the trade mark of Stixx Bix Ltd, in doing so he was seeking money but this is a reaction to UB’s reaction to the

application for the trade mark. There is no evidence and nothing to suggest that the application was made to extract money from UB. In his hope for co-operation with UB, Mr Leak may have been optimistic and/or naïf but this hope is not indicative of an application to elicit money from UB. No evidence has been filed to support the claim that there was no intention to use the trade mark, the current absence of use is not indicative of the intention at the date of application.

27) It takes a various circuitous route to link Mr Leak's belief that UB was infringing Stixx Bix Ltd's trade mark to the application by CFK and then to extrapolate from this that the application was made in bad faith. There is also nothing to show that Mr Leak knew of Carr's Nibbles, even if he knew of Carr's.

28) Much of the argument of UB is based on contingent findings as to the similarity of the trade marks and the goods. It is difficult to see how a finding of bad faith can be contingent on findings in relation to similarity of signs and goods. The logic of UB's argument is that if an applicant knows of an opponent's trade mark and there is a finding of likelihood of confusion, then the application is made in bad faith. The corollary of this is that if there is no finding of a likelihood of confusion there will not be a finding of bad faith; although as shown above there are other threads to the claim of bad faith. Bad faith is about the state of knowledge of the applicant when making the application and how the action of making the application would be viewed by reasonable and experienced men in the particular field being examined; this analysis cannot be contingent upon a finding in relation to a ground under section 5(2)(b), or 5(3), of the Act. CFK argues that the intention is to use the trade mark in relation to a different market to UB and promote them in a different manner. It does not see that there would be a conflict in the marketplace. This shows a lack of knowledge of trade mark law but, for someone not versed in trade mark law, is understandable.

29) The basis of the case of UB is one of speculation and conjecture, and one heavily based on contingent findings. The evidence in relation to the alleged intentions of CFK is not cogent. Taking into account what is established about the state of the knowledge of CFK, and in particular Mr Leak, at the date of the filing of the application and how the action of filing the application would be seen by reasonable and experienced men of business, the application would not be viewed as falling short of the standards of acceptable commercial behaviour. **The ground of opposition under section 3(6) of the Act is dismissed.**

Objection under section 5(3) of the Act

30) To benefit from the provisions of section 5(3) of the Act the trade mark must be known by a significant part of the public concerned by the goods covered^{viii}. UB claims that it has a reputation in relation to *biscuit (other than biscuits for animals), flour confectionery and sugar confectionery none being medicated*. There is no evidence of use in relation to confectionery of any sort. There is very limited evidence in relation to sweet biscuits. If UB has a reputation in relation to the trade mark it is in relation to savoury biscuits. The public for savoury biscuits is the public at large. The European Court of Justice (ECJ) in *General Motors Corporation v Yplon SA* stated how a party would establish this reputation:

“27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.”

31) Ms Kelly does not identify how much of the turnover relates to the United Kingdom. Her evidence shows that there is use of the trade mark in the United States and Ireland. Pictures of the packaging show the ingredients listed in a number of languages, indicating that the products are sold in a number of other countries. Consequently, the turnover figures, may relate to sales across the globe. There is no indication of the market share in the United Kingdom. Ms Kelly does not identify how much of the promotional budget relates to the United Kingdom. The amount quoted is modest. There is no indication of use in the print media, television, radio, Internet or cinema. The exhibit relating to the sponsorship identifies that this relates to a very niche market; members of a particular wine club who attend wine tastings. The products are sold in the major grocery retailers in the United Kingdom and there has been use over a long period of time. However, longevity of use and geographical spread of use are not indicative of a product being known to a significant part of the public concerned. The evidence does not satisfy the criteria set out by the ECJ. **The evidence does not allow for a finding that the trade mark, at the date of application, was known by significant part of the public concerned by the goods and so the ground of opposition under section 5(3) of the Act is dismissed.**

Objection under section 5(2)(b) of the Act

Average consumer, nature of purchasing decision and standard for likelihood of confusion

32) The goods of both the application and the earlier registration in question are all bought by the public at large. They are all likely to be of low value and are not necessarily bought with a great deal of attention, however the average consumer

is deemed to be reasonably well informed and reasonably circumspect and observant^{ix}. Owing to the nature of the purchasing process and the nature of the purchaser the possible effects of imperfect recollection are increased.

Similarity of goods

33) UB relies on *biscuit (other than biscuits for animals), flour confectionery and sugar confectionery none being medicated* in its registration and attacks *sugar, flour and preparations made from cereals, bread, pastry and confectionery* in the application. In “construing a word used in a trade mark specification, one is concerned with how the product is, as a practical matter, regarded for the purposes of trade^x”. Words should be given their natural meaning within the context in which they are used, they cannot be given an unnaturally narrow meaning^{xi}. Consideration should be given as to how the average consumer would view the goods or services^{xii}. The class of the goods and services in which they are placed may be relevant in determining the nature of the goods^{xiii}. In assessing the similarity of goods it is necessary to take into account, inter alia, their nature, their intended purpose, their method of use and whether they are in competition with each other or are complementary^{xiv}. In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T- 325/06* the General Court (GC) explained when goods were complementary:

“82 It is true that goods are complementary if there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking (see, to that effect, Case T-169/03 *Sergio Rossi v OHIM – Sissi Rossi (SISSI ROSSI)* [2005] ECR II-685, paragraph 60, upheld on appeal in Case C-214/05 *P Rossi v OHIM* [2006] ECR I-7057; Case T-364/05 *Saint-Gobain Pam v OHIM – Propamsa (PAM PLUVIAL)* [2007] ECR II-757, paragraph 94; and Case T-443/05 *El Corte Inglés v OHIM – Bolaños Sabri (PiraÑAM diseño original Juan Bolaños)* [2007] ECR I-0000, paragraph 48).”

In *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281, Jacob J also gave guidance as to how similarity should be assessed^{xv}.

34) *Sugar* is sold in discrete areas of shops. It is a product that is used as an ingredient, it is not a product that is consumed on its own. *Flour* occupies a similar position. The goods of the earlier registration are all goods that can be consumed on their own. The goods of the earlier registration are all sold in different areas of shops to *sugar* and *flour*. *Sugar* and *flour* are not fungible with the goods of the earlier registration, consequently, they are not in competition. *Sugar* and *flour* as ingredients do not serve the same purpose of the goods of the earlier registration, which are finished goods and not ingredients to produce another food product. The GC considered the relationship between finished

articles, their component parts and similarity in *Les Editions Albert René v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-336/03*:

“The mere fact that a particular good is used as a part, element or component of another does not suffice in itself to show that the finished goods containing those components are similar since, in particular, their nature, intended purpose and the customers for those goods may be completely different.”

The position was confirmed by the GC in *Promat GmbH v Harmonisierungsamt für den Binnenmarkt (Marken, Muster und Modelle) (HABM) Case T-71/08*:

“33 Auch wenn, wie die Klägerin in der mündlichen Verhandlung ausgeführt hat, Mineralfasern und Werg denselben Ursprung haben können, genügt dies nicht, um die Ähnlichkeit der betreffenden Waren festzustellen. Die bloße Tatsache, dass ein Produkt als Einzelteil, Zubehör oder Komponente einer anderen Ware verwendet wird, reicht nicht als Beweis dafür aus, dass die diese Komponenten enthaltenden Endprodukte einander ähnlich sind (Urteil des Gerichts vom 27. Oktober 2005, *Éditions Albert René/HABM – Orange [MOBILIX]*, T-336/03, Slg. 2005, II-4667, Randnr. 61).”

These judgments do not state that a component cannot be similar to a finished product in which it appears; the matter is one that must be considered on the basis of the particular facts of the case. *Flour confectionery and sugar confectionery* contain flour and sugar respectively. Consequently, these ingredients are essential to the finished products. However, the goods of the earlier registration are not essential for the existence of *sugar* and *flour*, there is no mutual dependency. The test of complementarity of goods, as decided by the GC, is that “there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking”. *Sugar* and *flour* have their own areas of shops, they are discrete goods which stand on their own and traditionally have specialist producers; owing to this, customers are unlikely to think that the producer of sugar or flour is responsible for *flour confectionery* or *sugar confectionery* (or *biscuit*) or vice versa. The respective goods are not complementary. ***Sugar and flour are not similar to biscuit (other than biscuits for animals), flour confectionery and sugar confectionery none being medicated.*** (Despite some very general levels of similarity between rum and wine the GC confirmed that these goods were not similar^{xvi}. The presence of similarities at the most general of levels does not necessarily create similarity overall.)

35) *Preparations made from cereals* is a very broad term, deriving from the International Classification of Goods and Services for the Purposes of the Registration of Marks, which will, inter alia, contain goods such as breakfast cereals, biscuits, and pasta. This term encompasses *biscuit (other than biscuits for animals)*, and *flour confectionery*. Goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by the trade mark application^{xvii}. **Consequently, preparations made from cereals are considered to be identical to biscuit (other than biscuits for animals) and flour confectionery. Confectionery includes flour confectionery and sugar confectionery none being medicated, consequently, the first mentioned goods are considered to be identical to the goods of the earlier registration.**

36) *Pastry* is a product that will be used to produce a dish, it needs an element of transformation and so is different in this respect from the goods of the earlier registration and so different in its nature. The user of this product is someone who is preparing food for cooking, whilst the user of the goods of the earlier registration is simply heating or eating them. The purpose of pastry is that it is to be used with other products to produce something edible, the purpose of the goods of the earlier registration is to supply the completed product. The respective goods are not fungible, they are not in competition with each other. *Pastry* is found in its own discrete areas of retail establishments. **Pastry is not similar to the goods of the earlier registration.**

37) *Bread* includes the staff of life and sweetened breads, such as fruit loaves and malt loaves. Sweetened bread can be a substitute for an item of flour confectionery or a biscuit, there is a degree of competition between them. Cheese is traditionally eaten with both bread and with savoury biscuits, such as those sold by UB under its trade mark. There is a thin dividing line between bread and biscuits where the former is sold in a dried form, examples of this thin dividing line can be seen in the Bertolli Focaccine and Brushettine products shown at pages 3 and 5 of JK6. *Biscuit* and *bread* can often be found in the bakery section of a supermarket, where the bakery section has baked the biscuits. *Flour confectionery* will include buns, buns have the same nature of bread, the respective products being constituted of flour and yeast and often containing fat and milk. Buns will be found in the same area of supermarkets. **Taking into account the fungibility, nature and the common areas where they are sold of the respective goods, bread is similar to biscuit and to flour confectionery to a reasonable degree.**

Comparison of trade marks

38) The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details^{xviii}. 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^{xix}. Consequently, I must not indulge in an artificial dissection of the trade marks, although I need to take into account any distinctive and dominant components. The average consumer rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he/she has kept in his/her mind and he/she is deemed to be reasonably well informed and reasonably circumspect and observant^{xx}. The assessment of the similarity of the trade marks must be made by reference to the perception of the relevant public^{xxi}.

39) The trade marks to be compared are:

CARR'S



CARR'S does not readily divide into separate elements, there is no separate distinctive and dominant element. The prominent element of CFK's trade mark, owing to its size, is the CAR element.

40) Phonetically the two trade marks are identical. When used orally the two trade marks will have the same conceptual association, the plural or possessive form of a word for an automobile or a common surname.

41) When considered visually UB's trade mark has the concept of a common surname in the possessive form. CFK's trade mark will be seen as a word for an automobile followed by a Z to give pluralisation. It is common nowadays to use z as a plural form. When considered visually the respective trade marks are conceptually dissonant.

42) Visually the two trade marks share the same first three letters. CFK's trade mark is in a somewhat jaunty font and the letter z is smaller than the other letters. The GC has considered whether the consideration of similarity of trade marks should take into account that the form a trade mark may be used in when the earlier trade mark has been registered in a standard font (or script) or the trade mark the subject of an application has been applied for in a standard font (or script). The GC's position has not been consistent in relation to this matter. In *Volvo Trademark Holding AB v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM) Case T-434/07 the GC stated:

“37 The applicant cannot, moreover, assert that the earlier word sign might exist in a script type comparable to that of the mark applied for. It is important to point out that the examination of the similarity of the marks at issue takes into consideration those marks in their entirety, as they have been registered or as they have been applied for. A word mark is a mark consisting entirely of letters, of words or of groups of words, written in printed characters in normal font, without any specific figurative element. The protection which results from registration of a word mark relates to the word mentioned in the application for registration and not the specific figurative or stylistic aspects which that mark might have. The graphic form which the earlier word sign might have in the future must not, therefore, be taken into account for the purposes of the examination of similarity (see to that effect, Faber, paragraphs 36 and 37; judgment of 13 February 2007 in Case T-353/04 *Ontex v OHIM – Curon Medical (CURON)*, not published in the ECR, paragraph 74; and judgment of 22 May 2008 in Case T-254/06 *Radio Regenbogen Hörfunk in Baden v OHIM (RadioCom)*, not published in the ECR, paragraph 43).”

However, in *Peek & Cloppenburg v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-386/07* the GC held:

“27 Furthermore, the Board of Appeal was wrong to take into account the particular font used by the mark applied for in its comparison of the signs at issue. As the applicant is correct to note, since the earlier mark is a word mark, its proprietor has the right to use it in different scripts, such as, for example, a form comparable to that used by the mark applied for (see, to that effect, Case T-346/04 *Sadas v OHIM – LTJ Diffusion (ARTHUR ET FELICIE)* [2005] ECR II-4891, paragraph 47).”

In *Sadas SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-346/04* the GC stated:

“47. Moreover, since registration of the trade mark ARTHUR ET FELICIE was sought as a word mark, nothing prevents its use in different scripts, such as, for example, a form comparable to that used by the earlier mark. As a result, the signs at issue must be considered visually similar.”

This is also the position adopted by the GC in *Eliza Corporation v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-130/09*. The tide, at the GC, is going with the *Peek & Cloppenburg* position.

43) In *Devinlec Développement Innovation Leclerc SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-147/03* the GC stated:

“65 Before examining the visual, phonetic and conceptual comparison of the signs carried out by the Board of Appeal, it is necessary to reject the applicant’s argument that the Board of Appeal ought to have examined the earlier national mark not as it was registered but as it was used, by the sign reproduced in paragraph 10 above.

66 It is important to note that, under the provisions of Regulation No 40/94 governing examination of opposition to registration of a Community trade mark, the purpose of demonstrating genuine use of an earlier national mark is to provide a means for its proprietor, at the express request of the Community trade mark applicant, to furnish proof that during the period of five years preceding the date of publication of the Community trade mark application its mark has been put to actual and genuine use on the market. In accordance with Article 15(2)(a) and Article 43(2) and (3) of Regulation No 40/94, that proof also applies where the sign used differs from the earlier mark as it was registered in elements which do not alter the distinctive character of the mark. In the absence of such demonstration, in particular if the elements used alter the distinctive character of the earlier mark, or in the absence of demonstration of justifiable grounds for lack of use, the opposition must be dismissed. Accordingly, demonstration of genuine use of an earlier mark in connection with opposition proceedings has neither the aim nor the effect of granting its proprietor protection for a sign or elements of a sign which have not been registered. Accepting the opposite argument would lead to unlawful extension of the protection enjoyed by the proprietor of an earlier mark which is the basis of an opposition to registration of a Community trade mark.

67 In this case, since the applicant registered only the earlier mark as reproduced in paragraph 5 above, which is the basis of the opposition on which the Board of Appeal was asked to rule in the contested decision, only that mark enjoys the protection accorded to earlier registered trade marks. It is therefore also that mark which, for the purposes of examination of the opposition, had to be compared with the mark applied for, as the Opposition Division and the Board of Appeal legitimately did, in respect of the goods for which the proof of genuine use had been furnished by the applicant, in this case ‘watches and watch bands or straps’ in Class 14.”

It is difficult to tally the above position, where it is the trade mark which has been registered that is to be considered, with the *Peek & Cloppenburg* position. The *Peek & Cloppenburg* position also begs the question in relation to non-use cases as to whether the use has been in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered. The *Peek & Cloppenburg* position would effectively give carte blanche for use of a word only mark in the most stylised of forms, regardless if it affects the distinctive

character of the trade mark. There may be mileage in the *Peek & Cloppenburg* position where the trade marks in question are in standard fonts or fonts that do not vary greatly, where the perception of the average consumer does not take cognisance of the font. If the *Peek & Cloppenburg* approach is adopted one is no longer comparing a trade mark as registered but a plethora of potential trade marks, it is difficult to tally this with the wording of the Act and practical application. The question in the Act relates to the earlier trade mark as registered and the trade mark the subject of the application. Taking these factors into account, and the stylised nature of the trade mark, the difference in the scripts/fonts must be taken into account. The form of CFK's application does add to the degree of visual difference. However, the trade mark is very much a word mark and so the perception of the trade mark will be mainly based on the formation of the word. The overall perception of the trade marks, on the visual plane, will be mostly influenced by the conceptual dissonance. In *Phillips-Van Heusen Corp v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM) Case T-292/01 the GC stated:

“54. Next, it must be held that the conceptual differences which distinguish the marks at issue are such as to counteract to a large extent the visual and aural similarities pointed out in paragraphs 49 and 51 above. For there to be such a counteraction, at least one of the marks at issue must have, from the point of view of the relevant public, a clear and specific meaning so that the public is capable of grasping it immediately. In this case that is the position in relation to the word mark BASS, as has just been pointed out in the previous paragraph. Contrary to the findings of the Board of Appeal in paragraph 25 of the contested decision, that view is not invalidated by the fact that that word mark does not refer to any characteristic of the goods in respect of which the registration of the marks in question has been made. That fact does not prevent the relevant public from immediately grasping the meaning of that word mark. It is also irrelevant that, since the dice game ‘Pasch’ is not generally known, it is not certain that the word mark PASH has, from the point of view of the relevant public, a clear and specific meaning in the sense referred to above. The fact that one of the marks at issue has such a meaning is sufficient - where the other mark does not have such a meaning or only a totally different meaning - to counteract to a large extent the visual and aural similarities between the two marks.”

44) Owing to the conceptual dissonance and the visual differences, the respective trade marks are dissimilar (despite certain visual similarities) when perceived visually. However, when perceived aurally, they are both aurally and conceptually identical.

Conclusion

45) Where it has been found that the respective goods are not similar there cannot be a likelihood of confusion. Consequently, there is no likelihood of confusion in relation to *pastry, sugar and flour*.

46) In considering whether there is a likelihood of confusion various factors have to be taken into account. There is the interdependency principle – a lesser degree of similarity between trade marks may be offset by a greater degree of similarity between goods, and vice versa^{xxii}. In this case *preparations made from cereals and confectionery* are considered to be identical to the goods of the earlier registration. *Bread* is similar to the goods of the earlier registration to a reasonable degree.

47) It is necessary to consider the distinctive character of the earlier trade mark; the more distinctive the earlier trade mark (either by nature or nurture) the greater the likelihood of confusion^{xxiii}. The distinctive character of a trade mark can be appraised only, first, by reference to the goods or services in respect of which registration is sought and, secondly, by reference to the way it is perceived by the relevant public^{xxiv}. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, it is necessary to make an overall assessment of the greater or lesser capacity of the mark to identify the goods for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods from those of other undertakings^{xxv}.

48) In considering the distinctiveness of the earlier trade mark it is necessary to consider the position separately between oral and visual perception. Visually used UB's trade mark is the possessive form of an ordinary surname. Surnames are one of the most common and oldest form of trade mark, consequently, the public is used to identifying them as indicating origin. The earlier trade mark does not allude to the goods. As an ordinary surname it is readily memorable, a surname is one of the most common hooks to identify individuals and what they produce, whether it be a biscuit or a work of art. Consequently, on a visual level the earlier trade mark has a strong capacity to identify the goods as coming from one particular undertaking (there is no evidence of the surname being used by others for the goods of the earlier trade mark). On an aural level the earlier trade mark may be perceived as being the plural or possessive form of an ordinary surname or a term for an automobile. The degree of distinctiveness as a surname does not vary owing to whether there is visual or aural use, so the earlier trade mark still has a strong capacity to identify the goods of UB. There is no evidence that the goods in question are produced in the form of or with depictions of cars. The products in their intrinsic natures have no relationship with cars. As an ordinary word, if perceived as relating to automobiles, it has a hook for the memory and this aids memorability. So in this context the earlier trade mark still has a good deal of inherent distinctiveness. The comments in relation to the claim for reputation under section 5(3) of the Act are equally

applicable here. The nature of the evidence does not establish that the earlier trade mark's distinctiveness has been enhanced by the use made of it.

49) CFK in its counterstatement states how it intends to use its trade mark and the difference in the market for UB's products and its intended market. In *Devinlec Développement Innovation Leclerc SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T- 147/03* the GC stated:

“104 Consideration of the objective circumstances in which the goods covered by the marks are marketed is fully justified. The examination of the likelihood of confusion which the OHIM authorities are called on to carry out is a prospective examination. Since the particular circumstances in which the goods covered by the marks are marketed may vary in time and depending on the wishes of the proprietors of the trade marks, the prospective analysis of the likelihood of confusion between two marks, which pursues an aim in the general interest, that is, the aim that the relevant public may not be exposed to the risk of being misled as to the commercial origin of the goods in question, cannot be dependent on the commercial intentions, whether carried out or not, and naturally subjective, of the trade mark proprietors.....

107 It follows that by taking into consideration in the assessment of the likelihood of confusion between the marks the particular circumstances in which the goods covered by the earlier mark are marketed, the temporal effect of which is bound to be limited and necessarily dependent solely on the business strategy of the proprietor of the mark, the Board of Appeal erred in law.”

In *Oakley, Inc v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-116/06* the GC held:

“75 Even supposing that, in the present case, the goods covered by the earlier trade mark THE O STORE are not sold by means of the O STORE services covered by the contested Community trade mark, the fact remains that the relevant public, when presented with retail services, concerning clothes or shoes in particular, and covered by the trade mark O STORE, could believe that those services are offered by the same undertaking as that which sells those same goods under the trade mark THE O STORE or by a related undertaking. In that regard, it must be recalled that, in the global assessment of the likelihood of confusion, the ‘usual’ circumstances in which the goods covered by the marks in dispute are marketed must be taken as a benchmark, that is, those which it is usual to expect for the category of goods or services covered by the marks in question (see, to that effect, T-147/03 *Devinlec v OHIM – TIME ART (QUANTUM)* [2006] ECR II-11, paragraph 103, upheld on appeal in

Case C-171/06 P *T.I.M.E. ART/Devinlec v OHIM*, not published in the ECR).

76 Consideration of the objective circumstances in which the goods and services covered by the marks in dispute are marketed is fully justified. The examination of the likelihood of confusion which the OHIM authorities are called on to carry out is prospective. Since the particular circumstances in which the goods covered by the marks are marketed may vary in time, and depending on the wishes of the proprietors of the trade marks, the prospective analysis of the likelihood of confusion between two marks, which pursues an aim in the general interest, that is, that the relevant public may not be exposed to the risk of being misled as to the commercial origin of the goods in question, cannot be dependent on the commercial intentions, whether carried out or not – and which are naturally subjective – of the trade mark proprietors (*QUANTUM*, paragraph 75 above, paragraph 104, and *T.I.M.E. ART/Devinlec v OHIM*, paragraph 75 above, paragraph 59).”

Similar findings can be found in *NHL Enterprises BV v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-414/05*, *Sadas SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-346/04*, *Georg Neumann GmbH v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-358/04*, *Daimlerchrysler AG v. Office for Harmonisation In the Internal Market (Trade Marks and Designs) [2003] ETMR 61* and *Phildar SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-99/06*. In *L’Oreal SA and others v Bellure NV and others [2007] EWCA Civ 968* Jacob LJ stated:

“110. I start with the latter point. He raised it in relation to the *Pink Wonder* box, held not to give rise to a link in either the historical or current version (the difference between the two is slight). *Miracle* is advertised on television with images of clouds. The *Pink Wonder* box, besides being generally pink (though a markedly different shade), shows some cloud images. Mr Carr says they should be taken into account by reason of the global appreciation test. I cannot agree. The test is, and must be, founded on the mark as registered, not material which forms no part of that. There is simply no warrant in the Directive for taking more than the registered mark into account. The global appreciation test does not amount to the proposition that once a registered mark is used in marketing, anything, extraneous to the mark used in marketing, comes in too – as though it formed part of the registered mark.”

This was considering section 10(3) of the Act but *mutatis mutandis* the reasoning would apply to section 10(2) of the Act and, consequently, by analogy section 5(2) of the Act.

50) Consequently, it is not appropriate to take into account either the intentions of CFK in relation to the use of its trade mark or the current nature of the usage of UB of its trade mark.

51) CFK refers to another registration, no 2382128, in its counterstatement. It considers that this registration acts as a “precedent” and that its existence should lead to the dismissal of the opposition. The existence of another registration does not represent a “precedent”. State of the register evidence does not indicate whether there will be confusion in the market place in relation to the respective trade marks. Jacob J in *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281 and the GC in *Zero Industry Srl v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-400/06* and *GfK AG v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-135/04* have both rejected arguments based upon state of the register evidence.

52) In *New Look Ltd v Office for the Harmonization in the Internal Market (Trade Marks and Designs) Joined Cases T-117/03 to T-119/03 and T-171/03* the GC stated:

“49 However, it should be noted that in the global assessment of the likelihood of confusion, the visual, aural or conceptual aspects of the opposing signs do not always have the same weight. It is appropriate to examine the objective conditions under which the marks may be present on the market (*BUDMEN*, paragraph 57). The extent of the similarity or difference between the signs may depend, in particular, on the inherent qualities of the signs or the conditions under which the goods or services covered by the opposing signs are marketed. If the goods covered by the mark in question are usually sold in self-service stores where consumer choose the product themselves and must therefore rely primarily on the image of the trade mark applied to the product, the visual similarity between the signs will as a general rule be more important. If on the other hand the product covered is primarily sold orally, greater weight will usually be attributed to any aural similarity between the signs.”^{xxvi}

In this case the respective goods will be primarily be bought by self-selection eg from the supermarket shelf or the on-line supermarket. Consequently, the visual perception of the respective trade marks is of greater importance than the aural perception. In *Simonds Farsons Cisk plc v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-3/04* the GC held:

56. As OHIM has wisely observed, the degree of phonetic similarity between two marks is of less importance in the case of goods which are marketed in such a way that, when making a purchase, the relevant public usually perceives visually the mark designating those goods (see, to that

effect, Case T-292/01 *Phillips-Van Heusen v OHIM – Pash Textilvertrieb und Einzelhandel* (BASS) [2003] ECR II-4335, paragraph 55).

58. In that respect, as OHIM quite rightly observes, it must be noted that, even if bars and restaurants are not negligible distribution channels for the applicant's goods, the bottles are generally displayed on shelves behind the counter in such a way that consumers are also able to inspect them visually. That is why, even if it is possible that the goods in question may also be sold by ordering them orally, that method cannot be regarded as their usual marketing channel. In addition, even though consumers can order a beverage without having examined those shelves in advance they are, in any event, in a position to make a visual inspection of the bottle which is served to them.

In relation to the goods of concern in this case, the average consumer in the usual marketing channel will invariably see the respective trade marks and the sight of those trade marks will militate against confusion. Owing to the conceptual dissonance and the visual difference, imperfect recollection and a not particularly careful purchasing process, are still unlikely to give rise to confusion.

53) In *Mülhens GmbH & Co KG v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM) Case C-206/04 P the ECJ stated:

“21 It is conceivable that the marks' phonetic similarity alone could create a likelihood of confusion within the meaning of Article 8(1)(b) of Regulation No 40/94 (see, in respect of Directive 89/104, *Lloyd Schuhfabrik Meyer*, paragraph 28). However, it must be noted that the existence of such a likelihood must be established as part of a global assessment as regards the conceptual, visual and aural similarities between the signs at issue. In that regard, the assessment of any aural similarity is but one of the relevant factors for the purpose of that global assessment.

22 Therefore, one cannot deduce from paragraph 28 of the judgment in *Lloyd Schuhfabrik Meyer* that there is necessarily a likelihood of confusion each time that mere phonetic similarity between two signs is established.”

Phonetic similarity or identity will not, therefore, automatically give rise to a likelihood of confusion even for identical goods. This issue was also considered by the GC in *Cabel Hall Citrus Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM) Case T-488/07:

“52 In that connection, it should be noted that although, in general, it cannot be ruled out that the marks' phonetic similarity alone could create a likelihood of confusion within the meaning of Article 8(1)(b) of Regulation No 40/94, the existence of such a likelihood must be established as part of a global assessment as regards the visual, conceptual and phonetic

similarities between the signs at issue. Thus, the assessment of any phonetic similarity is but one of the relevant factors for the purpose of that global assessment. Therefore, it cannot be accepted that there is a likelihood of confusion each time that a certain phonetic similarity can be established between the marks at issue (Case C-206/04 P *Mülhens v OHIM* [2006] ECR I-2717, paragraphs 21 and 22).

53 In the present case, the Board of Appeal, without being challenged on this point by the applicant, held that the consumers at issue are faced with the marks covering goods in Classes 29 and 31 both visually, when they examine those goods on supermarket shelves, and phonetically, in so far as they are potentially liable to refer to those marks orally. Thus, there is no particular feature of the present case which allows greater weight to be given to phonetic similarity, such that the existence of a certain degree of similarity in that regard would suffice, in the context of a global assessment, to lead to the conclusion that there is a likelihood of confusion in the present case.

54 On the contrary, as OHIM submits, it is likely that visual contact with the marks predominates in respect of everyday consumer goods. In that context, it is necessary to take into consideration, in particular, the very clear visual differences which have been established.”

54) It is noted that in this case there is phonetic identity rather than phonetic similarity. However, taking into account the nature of the goods, the nature of the normal purchasing process, which will invariably involve the visual perception of the goods, there is not a likelihood of confusion. The ground of opposition under section 5(2)(b) of the Act is dismissed.

Costs

55) CFK having been successful, is entitled to a contribution towards its costs. CFK has not had professional representation in these proceedings. The registrar is not bound by the Civil Procedure Rules (CPR)^{xxvii} and in relation to the costs of litigants in person (those without professional representation) the registrar's practice is not to follow the CPR but to make an award of half of what would have been awarded to a party that had been professionally represented. In this case CFK has filed neither evidence or written submissions. UB's statement of grounds was extensive and CFK filed a reasonably lengthy counterstatement. Consequently, I award costs on the following basis:

Preparing a statement and considering the counterstatement of UB: £200.

I order United Biscuits (UK) Limited to pay Carz For Kids Ltd the sum of £200. 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 23 day of April 2010

David Landau
For the Registrar
the Comptroller-General

ⁱ *Gromax Plastics Limited v. Don and Low Nonwovens Ltd* [1999] RPC 367.

ⁱⁱ *Harrison v Teton Valley Trading Co* [2005] FSR 10.

ⁱⁱⁱ (1) *Barlow Clowes International Ltd. (in liquidation)* (2) *Nigel James Hamilton and (3) Michael Anthony Jordon v (1) Eurotrust International Limited (2) Peter Stephen William Henwood and (3) Andrew George Sebastian* Privy Council Appeal No. 38 of 2004 and *Ajit Weekly Trade Mark* [2006] RPC 25.

^{iv} See *Royal Enfield Trade Marks* [2002] RPC 24.

^v *Re H (minors)* [1996] AC 563.

^{vi} *Hotpicks Trade Mark* [2004] RPC 42 and *Chocoladefabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH* Case C-529/07 paragraph 35.

^{vii} *Nonogram Trade Mark* [2001] RPC 21.

^{viii} *General Motors Corporation v Yplon SA* Case C-375/97 [2000] RPC 572.

^{ix} *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* [2000] FSR 77.

^x *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281.

^{xi} *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another* [2000] FSR 267.

^{xii} *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32 dealt with a non-use issue but are still pertinent to the consideration of the meaning and effect of specifications:

“In my view that task should be carried out so as to limit the specification so that it reflects the circumstances of the particular trade and the way that the public would perceive the use. The court, when deciding whether there is confusion under section 10(2), adopts the

attitude of the average reasonably informed consumer of the products. If the test of infringement is to be applied by the court having adopted the attitude of such a person, then I believe it appropriate that the court should do the same when deciding what is the fair way to describe the use that a proprietor has made of his mark. Thus, the court should inform itself of the nature of trade and then decide how the notional consumer would describe such use”

^{xiii} *Altecnic Ltd's Trade Mark Application* [2002] RPC 34.

^{xiv} *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117.

^{xv} He considered that the following should be taken into account when assessing the similarity of goods and/or services:

- “(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 service;
- (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 practice 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.”

^{xvi} *Bodegas Montebello, SA c Office de l'harmonisation dans le marché intérieur (marques, dessins et modèles) (OHMI)* Case T-430/07.

^{xvii} See *Gérard Meric v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-133/05 paragraph 29:

“In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by the trade mark application (Case T-388/00 *Institut für Lernsysteme v OHIM – Educational Services (ELS)* [2002] ECR II-4301, paragraph 53) or when the goods designated by the trade mark application are included in a more general category designated by the earlier mark (Case T-104/01 *Oberhauser v OHIM – Petit Liberto (Fifties)* [2002] ECR II-4359, paragraphs 32 and 33; Case T-110/01 *Vedial v OHIM – France Distribution (HUBERT)* [2002] ECR II-5275, paragraphs 43 and 44; and Case T-10/03 *Koubi v OHIM – Flabesa (CONFORFLEX)* [2004] ECR II-719, paragraphs 41 and 42).”

The above is a translation from the French. There is no variation in the judgment in French:

“29 En outre, des produits peuvent être considérés comme identiques lorsque les produits que désigne la marque antérieure sont inclus dans une catégorie plus générale visée par la demande de marque [arrêt du Tribunal du 23 octobre 2002, *Institut für Lernsysteme/OHMI – Educational Services (ELS)*, T 388/00, Rec. p. II 4301, point 53], ou lorsque les produits visés par la demande de marque sont inclus dans une catégorie plus générale visée par la marque antérieure [arrêts du Tribunal du 23 octobre 2002, *Oberhauser/OHMI - Petit Liberto (Fifties)*, T 104/01, Rec. p. II 4359, points 32 et 33 ; du 12 décembre 2002, *Vedial/OHMI - France Distribution (HUBERT)*, T 110/01, Rec. p. II 5275, points 43 et 44, et du 18 février 2004, *Koubi/OHMI - Flabesa (CONFORFLEX)*, T 10/03, Rec. p. II 719, points 41 et 42].”

This is also the position of Professor Annand, sitting as the appointed person in *Galileo International Technology LLC v Galileo Brand Architecture Limited* BL 0/269/04:

"13. I agree with Mr. Onslow that the issue raised by this appeal is whether, when considering the test of identity for section 5(1), it is sufficient that goods or services overlap or must they be co-extensive. Like Mr. Onslow, I am unaware of any authority supporting a co-extensive test. Kerly's Law of Trade Marks and Trade Names, 13th Edition, states at para. 8-10:

"... the goods or services must be the same as those the subject of the earlier trade mark. Although not explicit, it would seem that this provision can only sensibly be interpreted as prohibiting registration where there is an overlap of goods or services."

A footnote indicates that such interpretation is in accordance with Article 13 of Council Directive 89/104/EEC. Although not expressly included, it is well established that the TMA must be read subject to Article 13, which provides:

"Where grounds for refusal of registration or for revocation or invalidity of a trade mark exist in respect of only some of the goods or services for which that trade mark has been applied for or registered, refusal of registration or revocation or invalidity shall cover those goods or services only."

14. The equivalent to section 5(1) in Council Regulation (EC) No. 40/94 on the Community trade mark ("CTMR") is Article 8(1)(a). Mr. Onslow referred me to two decisions of the Opposition Division of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) ("OHIM") concerning Article 8(1)(a) of the CTMR where identity of goods and services was found to subsist through overlaps in specifications. In WALLIS, Decision No. 1978/2004, identity was found inter alia between Class 14 specifications even though the contested CTM application covered additional goods in that class. The Opposition Division said:

"There is identity between the goods or services that are subject to comparison if they either have the same wording or can be considered synonyms. The identity is also found if the specification of the earlier mark includes a generic term that covers the specific goods of the contested application. Similarly if the goods specifically designated in the earlier mark are covered by a generic term used in the contested application, such goods are identical, to the degree that they are included in the broad category. Finally, in case that the goods in question overlap in part they are also to be considered as identical."

A similar decision was arrived at in PACE, Decision No. 1033/2003. Again, the Class 41 services in the CTM application were wider than those in the earlier CTM registration. In addition, there was held to be identity between some of the applicant's Class 42 services namely, "computer programming; providing of expert opinion". The opponent's registration was in respect of "consulting services related to improving and expediting product development, industrial research services, computer programming services" in Class 42. The Opposition Division observed:

"In particular, the applicant's expression providing of expert opinion in class 42, is broad enough to encompass any consulting services registered by the opponent in class 42, which makes them equivalent to the extent that the one includes the other."

15. The overlap test for identity of goods and services is also applied by the OHIM in connection with priority and seniority claiming under Articles 29, and 34 and 35 of the CTMR respectively. Indeed, it is recognised that partial priority claiming (i.e. where the subsequent application is for a narrower or wider specification than in the application(s) from which priority is claimed) is a possibility under section 33 of the TMA, which speaks of a right of priority "for some or all of the same goods or services" in a Convention application.

16. I believe that overlapping specifications satisfy the test for identical goods or services in section 5(1) of the TMA. There is no necessity for such specifications to co-extend."

I do not consider that the judgment of Norris J is in *Budejovický Budvar, národní Podnik v Anheuser-Busch Inc* [2008] EWHC 263 (Ch) is in conflict with the above. In that case he stated: "41. There is however one respect in which this appeal succeeds. AB's application for a declaration of invalidity extended to the whole of BB's registration in respect of "beer ale and porter; malt beverages;" (although its own registration related only to "beer ale and porter"). In his decision the Hearing Officer regarded it as obvious that in respect of "beer, ale and porter" the respective specifications encompassed the same goods (and the contrary has not been argued before me). He said:-

"The only possible area of contention is the description "malt beverages" in the mark in suit. The term covers all beverages made with malt, including "malt beers" and the like. Accordingly the specification of the registration that is the subject of these proceedings is covered in its entirety by the specifications of [AB's] earlier mark"

This is a determination of a mixed question of fact and law which I must approach with caution. But in my judgement this passage discloses an error of principle. AB's earlier mark covered only "beer, ale and porter". BB's included "malt beverages". The specification of AB's earlier mark simply did not cover entirely the specification of the mark in suit. It is necessary to decide whether "malt beverages" can only be "beer ale and porter", or whether "malt beverages" can include goods which are not identical with or similar to "beer ale and porter".

42. I do not consider that "malt beverages" can only be (and are therefore identical with) "beer ale and porter". The form of the specification would indicate that "beer, ale and porter;" is one category and "malt beverages" another, with possibly an overlap between the two. One is not simply an alternative description for the other."

In the above judgment Norris J was considering whether the respective goods could be described as being identical, not whether they should be considered to be identical. There is a deal of difference between stating that goods **are** identical and stating that they are considered to be identical.

If one did not follow the principles laid down by the CFI and Professor Annand considering similarity of goods in certain cases would become virtually impossible. If, for example, an earlier registration was for wedding dresses and an application for clothing one would have to consider the degree of similarity between the former goods and every potential product covered by the term clothing as there would be varying degrees of similarity and the global appreciation of the likelihood of confusion requires consideration of the degree of similarity between goods and/or services.

An applicant has plenty of time to amend a specification which includes a portmanteau term so that the term list goods which are of specific interest. If the applicant does not do so then it must expect to bear the consequences.

^{xviii} *Sabel BV v Puma AG* [1998] RPC 199.

^{xix} *Sabel BV v Puma AG* [1998] RPC 199.

^{xx} *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* [2000] FSR 77.

^{xxi} *Succession Picasso v OHIM - DaimlerChrysler (PICARO)* Case T-185/02.

^{xxii} *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117.

^{xxiii} *Sabel BV v Puma AG* [1998] RPC 199.

^{xxiv} *Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91.

^{xxv} *Windsurfing Chiemsee v Huber and Attenberger* Joined Cases C-108/97 and C-109/97 [1999] ETMR 585.

^{xxvi} Also see the judgment of the GA in *Peek & Cloppenburg and van Graaf GmbH & Co KG v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-361/08:

“71 Moreover, it should be noted that, in the global assessment of the likelihood of confusion, the visual, aural or conceptual aspects of the opposing signs do not always have the same weight. It is appropriate to examine the objective conditions under which the marks may be present on the market. The extent of the similarity or difference between the signs may depend, in particular, on the inherent qualities of the signs or the conditions under which the goods or services covered by the opposing signs are marketed. If the goods covered by the mark in question are usually sold in self-service stores where consumers choose the product themselves and must therefore rely primarily on the image of the trade mark applied to the product, the visual similarity between the signs will as a general rule be more important. If on the other hand the product covered is primarily sold orally, greater weight will usually be attributed to any aural similarity between the signs (Joined Cases T-117/03 to T-119/03 and T-171/03 *New Look v OHIM – Naulover (NLSPORT, NLJEANS, NLACTIVE and NLCollection)* [2004] ECR II-3471, paragraph 49).”

^{xxvii} *Rhone-Poulenc Rorer International Holdings Inc and Imclone Systems Inc v Yeda Research and Development Co Ltd v The Comptroller of Patents Designs and Trade Marks* [2006] EHC 160 (Ch) Lewison J:

“75. Be that as it may, in my judgment the answer to the question whether the hearing officer should have applied the criteria laid down in CPR 17.4 is “no”. CPR 17.4 is a particular rule of court. It applies to proceedings in courts to which the CPR themselves apply. It cannot, in my judgment, apply to tribunals to which the CPR do not themselves apply. In paragraph 13 of his decision the hearing officer said that he did not consider that he was bound to apply the CPR in all cases where there might be a lacuna in the procedures prescribed by the Patents Act and the Patents Rules, still less that he should regard the CPR as some sort of gloss which automatically applies as a further layer of rules governing those procedures. In his view the most that can be said is that the CPR will be indicative in some cases, but by no means all, of the approach to be adopted by the Comptroller. I respectfully agree.”

St Trudo Trade Mark [1995] FSR 345 Ferris J:

“Before the Registrar the Rules of the Supreme Court have no part to play...”