

O-100-16

TRADE MARKS ACT 1994

TRADE MARK REGISTRATION NO 2631183 FOR THE MARK



IN CLASSES 16, 29, 30 AND 43

IN THE NAME OF BURGER EXPRESS LTD

AND

APPLICATION NO 500704

BY SABB 1 LIMITED

FOR THE MARK TO BE DECLARED INVALID

BACKGROUND

1. Burger Express Ltd is the registered proprietor of the trade mark registration shown on the front cover of this decision. The mark was filed on 9 August 2012 and completed its registration procedure on 18 January 2013. The registration covers the following goods and services:


Class 16: *Paper liners, cardboard boxes trayliners carrier bags and goods made from these materials, printed matter; bookbinding material; photographs; stationery; adhesives for stationery, poster, transparencies.*


Class 29: *Meat, fish, poultry and game; meat extracts; preserved, dried and cooked fruits and vegetables; jellies, jams, compotes; eggs, milk and milk products; edible oils and fats; prepared meals;fried chicken,grilled chicken, soups and potato crisps.*

Class 30: *Coffee, tea, cocoa, sugar, rice, tapioca, sago, artificial coffee; flour coating for chicken and preparations made from cereals, bread, pastry and confectionery, ices; honey, treacle; yeast, baking-powder; salt, mustard; vinegar, sauces (condiments); spices; ice; sandwiches; pizzas, pies, and pasta dishes.*

Class 43: *Services for providing fastfood and drink, restaurant and takeaway.*

2. On 15 December 2014, SABT 1 Limited ("SABT 1") applied to have this mark declared invalid under the provisions of Sections 47(2) and 5(2)(b) of the Trade Marks Act 1994 ("the Act"), relying on two earlier marks as follows:

Mark details	Goods and services relied upon
 <p>UK 2367430B</p> <p>Filing date: 5 July 2004</p> <p>Registration date: 15 February 2008</p>	<p>Class 29: <i>Chicken and chicken products; all included in Class 29.</i></p> <p>Class 30: <i>Coffee, tea, rice, condiments, spices; all included in Class 30.</i></p> <p>Class 43: <i>Services for providing food and drink; all included in Class 43.</i></p>

 <p>UK 2376091B</p> <p>Number of marks in series: 2</p> <p>Filing date: 19 October 2004</p> <p>Date of registration: 17 October 2008</p>	<p>Class 29: <i>Chicken and chicken products.</i></p> <p>Class 30: <i>Coffee, teas, rice, condiments, spices.</i></p> <p>Class 43: <i>Restaurants; snack bars; cafes; canteens and fast food outlets; take-away food services; catering services; accommodation, hotel services and rental of temporary accommodation.</i></p>
---	---

3. The proprietor filed a counterstatement denying SABT 1's claim and putting it to proof of use of its marks. Both parties filed evidence and written submissions, which I shall refer to as and where necessary, and sought an award of costs. Although neither side wished to be heard, the proprietor filed submissions in lieu of attendance.

DECISION

4. The relevant parts of Section 47 of the Act states:

“47. - (2) The registration of a trade mark may be declared invalid on the ground –

(a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

(2A) But the registration of a trade mark may not be declared invalid on the ground that there is an earlier trade mark unless –

- (a) the registration procedure for the earlier trade mark was completed within the period of five years ending with the date of the application for the declaration,
- (b) the registration procedure for the earlier trade mark was not completed before that date, or
- (c) the use conditions are met.

(2B) The use conditions are met if –

- (a) within the period of five years ending with the date of the application for the declaration the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or
- (b) it has not been so used, but there are proper reasons for non-use.

(2C) For these purposes –

- (a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and
- (b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(2D)...

(2E) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.

.....

(5) Where the grounds of invalidity exists in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made.

Provided that this shall not affect transactions past and closed.”

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

“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.”

6. An earlier trade mark is defined in section 6 of the Act, which states:

“6.-(1) In this Act an “earlier trade mark” means –

(a) a registered trade mark, international trade mark (UK) or Community trade mark or international trade mark (EC) 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. [...]"

7. Section 100 of the Act is also relevant and reads:

"100. If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it."

8. As can be seen from the details given above, the marks relied upon by SABT 1 are earlier marks within the meaning of the Act. It can also be seen that SABT 1's registrations were more than five years old on the date on which the application for a declaration of invalidity was filed and, as such, are subject to the proof of use provisions set out in section 6A of the Act. The relevant dates for SABT 1 to prove use of its marks is the five year period prior to the filing of the application for the declaration of invalidity, i.e. 16 December 2009 to 15 December 2014. With the above in mind, I go on to consider the evidence filed.

SABT 1's evidence

9. This consists of two witness statements with accompanying exhibits. The first witness statement is from Shakeel Arshad, a Director of SABT 1. Mr Arshad states that he has held this position since 2009. He explains that some of the evidence filed relates to SABT 2 Limited, a wholly owned subsidiary of SABT 1; exhibit SA01, which consists of a Mint UK report, indicates that he is a co-owner of both SABT 1 and SABT 2 Limited.

10. Mr Arshad states that SABT 1 acquired the marks in 2009 from Cajun Operating Company and that it runs a franchise business "*under the Dixy Chicken brand*". At exhibit SA03, he provides an undated franchise brochure and an invoice from 2011, which is said to relate to the development of the brochure. The brochure refers to SABT 1's business as either 'Dixy' or 'Dixy Chicken' and to Mr Arshad as Dixy's owner and Managing Director. 'Dixy Chicken' also appears in the website and email address 'www.dixychicken.com' and 'franchise@dixychicken.com'. The brochure features SABT 1's mark as registered under 2367430B (which I will refer to as "the Dixy CHICKEN mark") on premises and packaging and indicates SABT 1's franchise fees and royalties.

11. Mr Arshad states that SABT 1 has over 100 Dixy Chicken branded stores in the UK and a number of stores worldwide. At exhibit SA11, he provides a list of around 40 UK stores, mostly located in England and with over half located in Birmingham. The list contains address details but nothing confirms that they are in fact franchisees of SABT 1 and if so from what date. Mr Arshad adds that the Dixy CHICKEN mark has been used since 2009 on "*shop (side view) signage, decoration within stores, shop windows, on wall and overhead menus, promotional signage and menus*" and on standard packaging. He states that franchisees are required to use both the standard signage and the standard packaging. In support he provides, at

exhibit SA12, Google maps street views of two Dixy Chicken businesses, one located in in Morley and one in Leeds, dated September 2014 and September 2012¹ respectively. The Dixy CHICKEN mark is featured on the front window and side view signage but it is not clear whether these businesses were associated with SABT 1 at the relevant date. Exhibits SA13 and SA14 consist of samples of packaging, which include, inter alia, a *chip bag*, a *burger box*, a *medium chicken box* and a *chicken bucket* and invoices relating to the supply of packaging. Although undated, the samples claim copyright from 2014 and so emanate from within the relevant period². One of the invoices (from June 2014) was issued by SABT 2 trading as Dixy Chicken and is addressed to a Dixy Chicken outlet in Salford. It is headed with the Dixy CHICKEN mark (albeit in black and white) and it demonstrates that SABT 2 has supplied items of branded packaging to a third party Dixy Chicken business in Greater Manchester.

12. Mr Arshad states that all SABT 1's sales originate from *"the Dixy Chicken business"* and that *"the Dixy Chicken Marks have been used on foods and beverage products and the takeaway services [...] at Dixy Chicken branded stores."* Exhibit SA2 includes marketing material, i.e. two promotional leaflets and samples of menus, all relating to a Dixy Chicken outlet located in Broadway Plaza, Birmingham. The mark identifies the outlet and features prominently on the leaflets. The menus are said to identify the services and goods sold under the marks which include "chicken", "chicken strips", "spicy wings", "burgers", "fries", "extras, i.e. potato wedges, onion rings, etc.", "desserts" "sides" and bottled "drinks"; some of the drinks are branded with third party marks, i.e. Pepsi. One of the menus is identified as DIXY (Buckets) and shows the Dixy CHICKEN mark on pictures of packaged goods, i.e. coated pieces of chicken. The same branded packaging is also shown on a number of thumbnail pictures of packaged food and beverages but a significant portion of the text is illegible or it is impossible to discern the mark clearly. The pages were printed on 6 March and 6 April 2015 but Mr Arshad says that this material is dated 2013 and 2014, which is consistent with a copyright notice appearing on the pages. Exhibit SA9 consists of extracts from Facebook printed on 6 February 2015 (a number of which appear to have been published during the relevant period) showing other printed matter bearing the Dixy CHICKEN mark, i.e. photographs of signage, leaflets, packaging and menus, all relating to the business in Broadway Plaza.

13. Mr Arshad says that SABT 1's total turnover *"comes directly and solely from sales at Dixy Chicken branded stores"* and provides the following turnover figures:

Year	Turnover (rounded)	No. of stores
2010	£ 75,000	Over 100
2011	£ 91,000	Over 100
2012	£98,0000	Over 100
2013	£ 339,000	Over 100
2014	£ 625,0000	Over 100
Total	£ 1,228,000	Over 100

¹ As shown from the "image capture" date.

² Some of the packaging bears the following text: *"ALL DESIGNS, COPYRIGHTS AND TRADE MARKS ARE OWNED BY SABT1 t/a DIXY CHICKEN –ALL RIGHTS RESERVED © 2014"*. As most of 2014 would be relevant, I consider the samples to be within the relevant period.

14. He also states that SABT 1 has signed a number of its franchisees up to the 'Hungry House' and 'Just-eat' websites, which are "online platforms allowing consumers to purchase Dixy Chicken branded goods, via a Dixy store" and that SABT 1 earns a 3% commission on orders sold. He provides the following figures:

Month	SABT 1's Commission (3%)	Total volume of sale from Dixy Chicken stores using 'Hungry House' website
August 2014	£ 1,679.94	£ 55,998
October 2014	£ 975.10	£32,503.33
November 2014	£ 1,227.66	£40,922
December 2014	£ 1,258.38	£41,946
Total	£ 5,141.08	£ 171,369.33

15. Mr Arshad states that the Dixy CHICKEN mark was shown on these websites from at least September 2009 (Just-Eat) and October 2012 (Hungry House). He exhibits a large number of online reviews obtained from various websites (exhibits SA 4-8) and printed on 6 April and 29 May 2015. Most of the reviews are within the relevant period and some were obtained using the Internet archive tool waybackmachine. The reviews relate to various businesses trading as Dixy Chicken, all of which use the Dixy CHICKEN mark. The majority of the reviews relate to sale of items of fast-food including fries, pizzas, burgers and various chicken products.

16. Exhibit SA20 consists of printouts from SABT 1's website 'www.dixychicken.com', again, obtained using the Internet archive tool waybackmachine and dated within the relevant period. The Dixy CHICKEN mark is shown prominently and the pages claim copyright dates from 2005-2011³. The website's headings are consistent with Mr Arshad's statement that Dixy Chicken is a fast food franchise business, i.e. 'Home', 'About Dixy', 'Dixy food', 'Order online', 'Franchise', 'Locate Dixy' and 'Contact us'. The copies show pictures of burgers, fries and pieces of coated fried chicken and describe the main goods as 'chicken'. Mr Ashad explains that the Dixy CHICKEN mark has been used on the website since 2009 (when the mark was acquired by SABT 1) and that customers can order products directly from the website using the 'Hungry House' platform. Exhibit SA21 includes copies of invoices from within the relevant period which are said to relate to maintenance and development of the website.

17. Other marketing material is provided at exhibits SA15, SA16 and SA17. SA15 consists of a press article from 'FOOD AND DRINK NEWS' dated August 2011. It describes Dixy Chicken as one of the "fastest growing fried chicken restaurants chain in Europe" "with about 100 stores throughout the UK" and refers to 'WWW.DIXYCHICKEN.COM' for store location. Whilst, as the proprietor contends, there are no circulation figures given for the magazine, the article corroborates the claim made by Mr Arshad that the Dixy CHICKEN mark is used by over 100 outlets in the UK. SA 16 and SA17 consist of a DVD containing a recording of a TV advert

³ '© 2005-2011 SABT1 LTD. ALL RIGHTS RESERVED'

promoting Dixy Chicken, which is described as a franchise business (and supporting invoices). Mr Arshad states that this material was developed in 2013 and was broadcast on “GEO Entertainment Channel, a Pakistani entertainment television channel, during the month of Ramadhan (9 July-7 August)”. The proprietor contends that the advert was broadcast in Pakistan, thus, is irrelevant. The TV advert is in English and the evidence is that it was produced by a UK-based marketing company and released on GEO Entertainment UK. Be it as it may, this argument does not fatally undermine the evidential value of this exhibit, again, to the extent that it corroborates the claim that the Dixy CHICKEN mark is used within the context of a franchising business.

18. The second witness statement is from Matthew James Hiscox, a Trade Mark Manager at Burges Salmon LLP, SABT 1’s legal representative. He states that on 8 June 2015 he carried out some internet investigations in relation to the proprietor’s websites, evidence of which is included as exhibits MH01-MH03 to his statement. I do not intend to summarise this evidence here but I will refer to it as and where necessary.

Proprietor’s evidence

19. The proprietor’s evidence is a mixture of submissions and evidence. The evidence consists of a witness statement from Lisa Charlotte King, an associate at Barker Brettell LLP, the proprietor’s legal representative. Ms King states that she conducted internet investigations the results of which are exhibited. The material, which I will refer to later in my decision, is supplied to support the proprietor’s claim that the word ‘Dixy’ is descriptive.

SABT 1’s evidence in reply

20. This is in the form of written submissions and a further witness statement from Mr Hiscox. In response to the proprietor’s submission that the reviews mentioned above are not evidence of sales, Mr Hiscox exhibits (MH04 and MH05) the terms and conditions of the ‘Just–Eat’ and ‘Hungry House’ websites, confirming that ratings and reviews are the opinions of customers who have ordered through the sites.

21. This concludes the summary of the evidence in so far as it is considered necessary.

Proof of use

22. In considering whether SABT 1 has fulfilled the requirement to show that genuine use of its mark has been made during the relevant period in respect of the goods and services it seeks to rely on, I must apply the same factors as I would if I were determining an application for revocation based on grounds of non-use.

23. What constitutes genuine use of a mark has been subject to a number of judgments. In *The London Taxi Corporation Limited v Frazer-Nash Research Limited & Ecotive Limited*, [2016] EWHC 52, Arnold J. summarised the case law on genuine use of trade marks. He said:

“I would now summarise the principles for the assessment of whether there has been genuine use of a trade mark established by the case law of the Court of Justice, which also includes Case C-442/07 *Verein Radetsky-Order v Bunderversvereinigung Kamaradschaft 'Feldmarschall Radetsky'* [2008] ECR I-9223 and Case C-609/11 *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR 7, as follows:

(1) Genuine use means actual use of the trade mark by the proprietor or by a third party with authority to use the mark: *Ansul* at [35] and [37].

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Centrotherm* at [71]; *Leno* at [29].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Centrotherm* at [71]; *Leno* at [29].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34]; *Leno* at [29]-[30], [56].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of

creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32].”

Use with consent

24. The proprietor contends that SABT 1 has failed to provide evidence of any agreement in respect of use of its marks by SABT 2 Limited and its franchisees thus, there is no use with SABT 1’s consent. It also contends that there is no evidence that use of SABT 1’s marks has occurred under its control. SABT 1 replies that “*the evidence that a third party has used the mark, combined with [SABT 1]’s ability to present evidence of it, is prima facie evidence that [SABT 1]’s has given prior consent*”.

25. In considering the issue I bear in mind that in *Einstein Trade Mark*, [2007] RPC 23, Mr Geoffrey Hobbs Q.C. as the Appointed Person found that use with the consent of the proprietor did not require the proprietor to have effective control of the use in question. He stated that:

“24. It is clear from [38] of the judgment in Case C-9/93 IHT International that the proprietor will be taken to have approved the quality of the relevant goods by allowing the person with whom he is “economically linked” to sell them under his trade mark. There is no requirement for participation (still less any particular degree of participation) in any process of quality control. It should, in my view, follow that the proprietor of a trade mark can claim protection defined by reference to use and also defeat an application for revocation on the ground of non-use by relying upon the fact that goods have been sold under his trade mark by a person (such as a licensee) with whom he is “economically linked” and can do so without showing that he has exercised control over the quality of the goods in question.”

26. In *Makro Zelfbedieningsgroothandel CV and others v Diesel SpA*, Case C-324/08, the Court of Justice of the European Union (CJEU) held that:

“35. In the light of the foregoing, the answer to the question referred is that Article 7(1) of Directive 89/104 must be interpreted as meaning that the consent of the proprietor of a trade mark to the marketing of goods bearing that mark carried out directly in the EEA by a third party who has no economic link to that proprietor may be implied, in so far as such consent is to be inferred from facts and circumstances prior to, simultaneous with or subsequent to the placing of the goods on the market in that area which, in the view of the national court, unequivocally demonstrate that the proprietor has renounced his exclusive rights.”

27. In *INoTheScore Trade Mark*, BL-O/276/09, Mr Iain Purvis Q.C. as Appointed Person was prepared to find that the applicant for revocation had used the trade mark with the consent of the proprietor. He said:

“28. In the light of my finding on the distinctive character issue, the consent issue does not need to be decided. Had it been necessary to decide it, I would on balance have found that there was consent. I recognise that the evidence is somewhat thin, and the burden is on Mr Waters under s.100. However, it seems to me that the thrust of the email exchange of 2005 (“Good luck with the new season”) together with the early emails of 2007 is that Mr Waters was consenting to the ongoing use of “I KNOW THE SCORE” by Mr Kerner between those dates on the assumption (which turned out not to be justified) that he would ultimately receive a royalty payment.”

28. The franchise brochure, combined with Mr Arshad’s witness statement, the samples of packaging, the printouts from the website and other marketing material, which is all within the relevant period, demonstrates that SABT 1, trading as Dixy Chicken, has been franchising its Dixy CHICKEN mark to numerous businesses and that the mark has been used by third parties on signage, menus, packaging and marketing material in relation to the operation of food and beverage outlets in a number of locations in the UK. Although most of the evidence showing use of the mark relates to marketing material published via social media (making it difficult to establish precisely when it was published or made available to the public), the value of this evidence is reinforced by a large number of customer reviews about third party businesses using the Dixy CHICKEN mark, which are dated within the relevant period. Despite the fact that the evidence did not include license or franchise agreements, it is not disputed that Mr Arshad is the co-owner of both companies and would be in a position to know of the relevant agreements and applying the above case-law, I find that there are sufficient grounds to imply that the Dixy CHICKEN mark has been used by third parties in the UK with SABT 1’s consent and within the relevant period.

29. I must now consider whether the use made, amounts to real commercial exploitation of the mark on the market for the relevant goods. There is no conventional evidence of sales, i.e. invoices, however, given that SABT 1 does not sell directly to customers and that reviews relate to orders made online, the absence of invoices is understandable. The turnover and commission figures combined with the customer reviews are sufficient, in my view, to prove that a number of businesses trading under the Dixy CHICKEN mark have been offering the relevant goods and services (I say more about the particular goods and services below) and that orders were made by a number of customers within the relevant period. The proprietor contests the authenticity of these reviews but given the large number of reviews, the period covered, the evidence relating to the nature of the reviews, the fact that many reviews provide negative feedback and were posted before the application for invalidation was filed, it would be farfetched to conclude that they were generated by SABT 1 itself, if that is what the proprietor is inferring. The proprietor also contests that there are no comparable figures to ascertain whether the volume of sales is “at the level expected” within the industry. Even in the absence of comparable figures, it seems to me that the business generated by over

100 Dixy CHICKEN outlets is sufficient to prove genuine use of the mark within the relevant period.

30. For the avoidance of doubt, albeit the evidence shows use of variant number of marks, it is not necessary for me to further consider this use, as the evidence is sufficient to establish use of the Dixy CHICKEN mark as registered under no 2367430B. There is, however, very little evidence in relation to the Dixy (series) marks relied on in these proceedings as registered under no 2376091B. However, as SABB 1 would be in no better position in relying on these marks, it is not necessary for me to comment upon these marks any further; I will limit my consideration to the earlier mark as registered under no 2367430B.

Goods and services which can be relied upon and fair specification

31. I must now consider the goods and services on which use has been shown. In *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited*, BL O/345/10, Mr Geoffrey Hobbs Q.C. as the Appointed Person summed up the law as being:

“In the present state of the law, fair protection is to be achieved by identifying and defining not the particular examples of goods or services for which there has been genuine use but the particular categories of goods or services they should realistically be taken to exemplify. For that purpose the terminology of the resulting specification should accord with the perceptions of the average consumer of the goods or services concerned.”

32. In *Roger Maier and Another v ASOS*, [2015] EWCA Civ 220, Kitchen L.J. (with whom Underhill L.J. agreed) set out the correct approach for devising a fair specification where the mark has not been used for all the goods/services for which it is registered. He said:

“63. The task of the court is to arrive, in the end, at a fair specification and this in turn involves ascertaining how the average consumer would describe the goods or services in relation to which the mark has been used, and considering the purpose and intended use of those goods or services. This I understand to be the approach adopted by this court in the earlier cases of *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2002] EWCA Civ 1828, [2003] RPC 32; and in *West v Fuller Smith & Turner plc* [2003] EWCA Civ 48, [2003] FSR 44. To my mind a very helpful exposition was provided by Jacob J (as he then was) in *ANIMAL Trade Mark* [2003] EWHC 1589 (Ch); [2004] FSR 19. He said at paragraph [20]:

“... I do not think there is anything technical about this: the consumer is not expected to think in a picky way because the average consumer does not do so. In coming to a fair description the notional average consumer must, I think, be taken to know the purpose of the description. Otherwise they might choose something too narrow or too wide. ... Thus the "fair description" is one which would be given in the context of trade mark protection. So one must assume that the average consumer is told that the mark will get absolute protection ("the umbra") for use of the identical mark for any goods coming within his

description and protection depending on confusability for a similar mark or the same mark on similar goods ("the penumbra"). A lot depends on the nature of the goods – are they specialist or of a more general, everyday nature? Has there been use for just one specific item or for a range of goods? Are the goods on the High Street? And so on. The whole exercise consists in the end of forming a value judgment as to the appropriate specification having regard to the use which has been made."

64. Importantly, Jacob J there explained and I would respectfully agree that the court must form a value judgment as to the appropriate specification having regard to the use which has been made. But I would add that, in doing so, regard must also be had to the guidance given by the General Court in the later cases to which I have referred. Accordingly I believe the approach to be adopted is, in essence, a relatively simple one. The court must identify the goods or services in relation to which the mark has been used in the relevant period and consider how the average consumer would fairly describe them. In carrying out that exercise the court must have regard to the categories of goods or services for which the mark is registered and the extent to which those categories are described in general terms. If those categories are described in terms which are sufficiently broad so as to allow the identification within them of various sub-categories which are capable of being viewed independently then proof of use in relation to only one or more of those sub-categories will not constitute use of the mark in relation to all the other sub-categories.

65. It follows that protection must not be cut down to those precise goods or services in relation to which the mark has been used. This would be to strip the proprietor of protection for all goods or services which the average consumer would consider belong to the same group or category as those for which the mark has been used and which are not in substance different from them. But conversely, if the average consumer would consider that the goods or services for which the mark has been used form a series of coherent categories or sub-categories then the registration must be limited accordingly. In my judgment it also follows that a proprietor cannot derive any real assistance from the, at times, broad terminology of the Nice Classification or from the fact that he may have secured a registration for a wide range of goods or services which are described in general terms. To the contrary, the purpose of the provision is to ensure that protection is only afforded to marks which have actually been used or, put another way, that marks are actually used for the goods or services for which they are registered."

33. The evidence clearly shows use on the class 29 goods '*chicken and chicken products*'. Although some of the evidence suggests that Dixy Chicken outlets offer 'halal' chicken, not only did the proprietor not take this point but it is not clear from the evidence whether all the chicken products sold under the mark are made from halal meat or not. However, even if the proprietor had taken this point, I would have rejected it as being too pernicky. I consider that on the basis of the use shown, SABB 1 is entitled to retain the specification for class 29 goods as registered.

34. Turning to the class 30 goods, there has been no use shown in relation to 'coffee, tea and rice'. In relation to 'spices' the website refers to chicken cooked using a "unique blend of spices" however, it is clear that although the spices may be used in the preparation of the chicken, there is no evidence of any trade in 'spices' per se. Therefore there is no use in relation to 'spices'. Insofar as 'condiments' are concerned, whilst there is some evidence that Dixy Chicken outlets have supplied what can be described as condiments, i.e. sauces and dips, there is no evidence of packaging for these goods; in the absence of such evidence, it may well be that these goods bore third party marks. Thus, I am unable to conclude that use has been demonstrated in relation to *condiments* and, as a consequence, SABB 1 cannot rely on any of the class 30 goods.

35. Insofar as the class 43 services are concerned, Mr Arshad's evidence shows that the franchisees sold "various chicken products, chips, burgers, dips, tortilla wraps, desserts and beverages" and that goods purchased online can either be collected in store or are delivered to the customer's address. The franchise brochure and the marketing material also shows that some franchisees have seating which conveys a restaurant ambience. In my view, the average consumer would regard the services provided at the Dixy Chicken outlets as 'fast food and takeaway restaurants'. These are particular types of 'services for providing food and drinks' for which the mark is registered. However, this description would also cover other sub-category of services for which no use has been shown. The correct approach is to retain the description, which most fairly covers the services provided under the mark. In my view, the following represents a fair specification:

Class 43: *Fast food and takeaway restaurants*

36. In summary SABB 1 has proven use and can rely upon:

Class 29: *Chicken and chicken products*

Class 43: *Fast food and takeaway restaurants*

Section 5(2)(b) legislation and leading case-law

37. The following principles are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P:

(a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors;

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely

upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;

(f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a greater degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

(i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;

(j) 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;

(k) if the association between the marks creates a risk that the public might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

Comparison of goods and services

38. In comparing the respective specifications, all the relevant factors should be taken into account. In the judgment of the CJEU in *Canon*, Case C-39/97, the Court stated at paragraph 23 of its judgment that:

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary”.

39. The criteria identified by Jacob J (as he then was) in *British Sugar Plc v James Robertson & Sons limited (Treat)* [1996] RPC 281 for assessing similarity between goods and services was as follows

- (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.”

40. 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) stated that “complementary” means:

“...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”.

41. In *Sanco SA v OHIM*, Case T-249/11, the GC indicated that goods and services may be regarded as ‘complementary’ and therefore similar to a degree in circumstances where the nature and purpose of the respective goods and services are very different, i.e. *chicken* against *transport services for chickens*. The purpose of examining whether there is a complementary relationship between goods/services is to assess whether the relevant public are liable to believe that responsibility for the goods/services lies with the same undertaking or with economically connected undertakings. As Mr Daniel Alexander Q.C. noted as the Appointed Person in *Sandra Amelia Mary Elliot v LRC Holdings Limited* BL-0-255-13:

“It may well be the case that wine glasses are almost always used with wine – and are, on any normal view, complementary in that sense - but it does not follow that wine and glassware are similar goods for trade mark purposes.”

Whilst on the other hand:

“.....it is neither necessary nor sufficient for a finding of similarity that the goods in question must be used together or that they are sold together.”

42. In *YouView TV Limited v Total Limited* [2012] EWHC 3158 (Ch) Floyd J stated:

“12. There are sound policy reasons for this. Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the observations of the CJEU in Case C-307/10 *The Chartered Institute of Patent Attorneys (Trademarks) (IPTRANSLATOR)* [2012] ETMR 42 at [47]-[49]. Nevertheless the principle should not be taken too far. Treat was decided the way it was because the ordinary and natural, or core, meaning of "dessert sauce" did not include jam, or because the ordinary and natural description of jam was not "a dessert sauce". Each involved a straining of the relevant language, which is incorrect. Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question.”

43. In *Avnet Incorporated v Isoact Ltd* [1998] FSR 16 Jacob J stated:

“In my view, specifications for services should be scrutinised carefully and they should not be given a wide construction covering a vast range of activities. They should be confined to the substance, as it were, the core of the possible meanings attributable to the rather general phrase.”

44. In *British Sugar Plc* Jacob J stated:

“When it comes to 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”.

45. In *Gérard Meric v Office for Harmonisation in the Internal Market (OHIM)*, Case T- 133/05 the GC stated that:

“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 trade mark application (Case T-388/00 *Institut fur Lernsysteme v OHIM- Educational Services (ELS)* [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark”.

46. The parties' goods and services are:

SABT 1's goods and services	Proprietor's goods and services
<p>Class 29: <i>Chicken and chicken products; all included in Class 29.</i></p> <p>Class 43: <i>Fast food and takeaway restaurants</i></p>	<p>Class 16: <i>Paper liners, cardboard boxes trayliners carrier bags and goods made from these materials, printed matter; bookbinding material; photographs; stationery; adhesives for stationery, poster, transparencies.</i></p>

	<p>Class 29: <i>Meat, fish, poultry and game; meat extracts; preserved, dried and cooked fruits and vegetables; jellies, jams, compotes; eggs, milk and milk products; edible oils and fats; prepared meals; fried chicken, grilled chicken, soups and potato crisps.</i></p> <p>Class 30: <i>Coffee, tea, cocoa, sugar, rice, tapioca, sago, artificial coffee; flour coating for chicken and preparations made from cereals, bread, pastry and confectionery, ices; honey, treacle; yeast, baking-powder; salt, mustard; vinegar, sauces (condiments); spices; ice; sandwiches; pizzas, pies, and pasta dishes.</i></p> <p>Class 43: <i>Services for providing fastfood and drink, restaurant and takeaway.</i></p>
--	--

47. Both parties made submissions on the comparison of goods and services. Whilst the proprietor accepts in its counterstatement that the marks cover similar goods and services, it denies such similarity in its written submissions. It is therefore appropriate for me to provide an explicit assessment of the similarity between the parties' goods and services. I shall deal with each of the proprietor's class of goods and services in turn and where appropriate, I will group the proprietor's goods together for comparison purposes⁴.

Class 16 goods

48. Although the proprietor's mark is registered for a range of goods in class 16, SABT 1's submissions focuses on those class 16 goods, i.e. *paper liners, cardboard boxes, tray liners, carrier bags and goods made from these material*, which are, in its view, similar to its goods and services insofar as they are designed to contain food and beverages. Whilst it is true that food and beverages are commonly sold in packaging to enable the handling of food (and therefore the respective goods are complementary in that sense), this factor alone is not sufficient to reach a finding of similarity for trade mark purposes. The use and intended purpose of the goods and services is different, as the class 16 paper goods are used to hold other goods (including food and drinks) whereas the foodstuffs in class 29 and the class 43 services are used to relieve hunger. The users are also different as the foodstuffs and the fast-food restaurants and takeaway services will be purchased by the general public while the packaging may be purchased either by the public or by a business. The nature is also different as foodstuffs are edible and the services are aimed to provide edible goods while packaging is not. There is no competition as a consumer will not choose between buying food/beverages, frequenting a fast food restaurant or purchasing a takeaway meal, or on the other hand, buying packaging

⁴ *Separode Trade Mark* BL O-399-10

alone. Finally the trade channels are unlikely to be the same. In relation to the remaining goods in class 16, i.e. *printed matter, bookbinding material, photographs, stationery, adhesives for stationery, poster, transparencies*, they are self-evidently not similar to the registered services. Their nature is different, they are not sold through the same trade channels and are not complimentary or in competition. Consequently, **there is no similarity between the proprietor's class 16 goods and SABT 1's goods and services.**

Class 29 goods

49. In considering the similarity between its class 29 goods and SABT 1's chicken goods, the proprietor concedes that while there is an 'overlap' between its *meat, poultry, meat extracts, fried chicken and grilled chicken* and SABT 1's *chicken*, the remaining goods are dissimilar. It states that there is no similarity between *game* and *chicken* as game is more expensive, is sold in specialist food outlets or aisles in supermarkets and targets different consumers. I find that *poultry, fried chicken and grilled chicken*, being all *chicken*, are identical to *chicken* and that *chicken* is encompassed by *meat* (chicken being a type of meat) while *meat extracts* is encompassed by *chicken products* (insofar as *meat extracts* may be of chicken origin), thus these goods are identical. Even allowing for a distinction to be drawn between *game* and *chicken*, these goods are highly similar given that the nature and purpose is highly similar, the goods are in competition and there is a degree of complementarity in the sense that customers may think that these goods are the responsibility of the same undertaking. I find that:

***Meat, poultry, meat extracts, fried chicken, grilled chicken* are identical to SABT 1's chicken goods**

And that:

***Game* is highly similar to SABT 1's chicken goods**

Further I find that:

Prepared meals are identical (or highly similar) to SABT 1's chicken products on the *Meric* principle, as the specification is not limited in any way and, as such, the term must include *prepared meals* whose primary ingredient is chicken, i.e. stuffed chicken breast.

and that:

Soups are similar to a low degree to SABT 1's chicken products to the extent that these goods may contain *chicken* (although their nature is different) and there is a degree of complementarity and competition.

I find no similarity between SABT 1's chicken goods and the remaining goods in class 29 as nature, purpose and trade channels are different and there is no competition or complementarity.

50. Turning to the similarity between the proprietor's remaining class 29 goods and SABT 1's *fast food and takeaway restaurants*, SABT 1 submits that the similarity between class 29 (and class 30) goods and services is supported by the guidance provided in the Trade Marks Registry's Cross-Search list. I reject this approach. The Cross Search list is a guide to be used during the ex-parte examination process and does not form part of the test to be applied when considering the similarity between the relevant goods and services in inter partes proceedings⁵.

51. The comparison between class 29 (and 30) goods and class 43 services was considered in BL O-198/12. The Hearing Officer found that "*Services for providing food and drink; restaurant, bar and catering services*" were similar to the competing class 29 and 30 goods which were in the nature of prepared meals and drinks (on the basis that they were in competition or were complementary to takeaway and or restaurant services) but were dissimilar to the class 29 and 30 goods which were in the nature of ingredients.

52. In BL O-44/16, the Appointed Person reviewed a decision that applied the same approach when considering the similarity between goods in class 29 and Class 43 services. The Appointed Person outlined how some of the class 29 foodstuffs may be regarded as either 'ready to eat' or 'raw ingredients', and in doing so, she highlighted the danger of relying too much on that distinction.

53. In regards to the goods and services being in competition, I also consider that the user of SABT 1's fast-food and takeaway restaurants is an unsophisticated one; meaning somebody who wishes to grab something to eat or purchase a prepared meal or drink (which can be eaten either away from or in the restaurant). The user of these services is not someone who will choose to buy ingredients to cook their own meal or prepare their own drink at home, although I accept that they may choose to purchase a prepared meal which may need to be warmed up or cooked to some degree using a home appliance, i.e. oven, microwave. In terms of complementarity, I consider that fast-food and takeaway restaurants offer a type of food that is also unsophisticated, being prepared and served quickly. I also bear in mind that although SABT 1's main product is chicken, the class 43 specification is not limited to the provision of chicken, as the evidence demonstrates that Dixy Chicken outlets also sell other items of foods.

54. Bearing in mind all the above, there is some similarity between SABT 1's services and the proprietor's goods which represent an alternative to a takeaway or fast-food meal. I find that:

Fish

is similar to a medium degree to SABT 1's services insofar as the specification must be interpreted as including products which have been cooked (or treated) and are '*ready to eat*'⁶.

That leaves:

⁵ On this point, see *Proctor & Gamble Company v Simon Grogan*, O-176-08

⁶ See O-001/10 *Cucina* to which O-44/16 refers, i.e. '*meat, fish, poultry will include such products that have been cooked, smoked and marinated[...]*' and, as such, are ready to eat.

Preserved, dried and cooked fruits and vegetables; jellies, jams, compotes; eggs, milk and milk products; edible oils and fats, potato crisps.

I find that ***milk products*** are similar to SABT 1's services to a low to medium degree. This is because the term *milk products* would include *milkshakes* (and other similar products) in relation to which there is a degree of complementarity and competition.

I find no similarity between SABT 1' services and *Preserved, dried and cooked fruits and vegetables; jellies, jams, compotes; eggs, milk; edible oils and fats, potato crisps.* *Edible oils and fats* are used to prepare meals but are not a meal on their own, so the users and purposes are different, the goods are not in competition and there is no complementarity. While the term 'eggs' includes eggs in a 'ready to eat' form, i.e. cooked or pickled eggs, and while it may be argued that *jellies, jams, compotes* can complement desserts, there is not competition in the true sense, as these goods are not of themselves whole meals or desserts. *Potato crisps* are a type snack food and, it could be argued, they are an alternative to a ready meal but I consider that any similarity is very low.

Class 30 goods

55. Turning to the proprietor's class 30 goods and applying the same approach, I find that:

Sandwiches, pizzas, pies and pasta dishes

are similar to a low degree to SABT 1's chicken products to the extent that they may contain *chicken*, i.e. filling, topping, although given that these goods fall in class 30 their primary ingredient will be of plant origin. I find no similarity between SABT 1's chicken goods and the remaining goods in class 30 as their nature, purpose and trade channels are different and there is no competition or complementarity. Turning to the comparison with SABT 1's services, I find that:

Pastry and confectionery

Are similar to a low to medium degree to SABT 1's services as the terms include items such as sweets, biscuits and cakes; the latter may be regarded as specific examples of desserts.

And that:

Coffee, tea, cocoa, artificial coffee

Are similar to a medium degree to SABT 1's services insofar as these terms include coffee (and artificial coffee), tea and cocoa based beverages.

I also find that:

Sugar, rice, tapioca, sago, flour coating for chicken and preparations made from cereals, bread, ices; honey, treacle; yeast, baking-powder; salt, mustard, vinegar and sauces (condiments); spices; ice

are not similar to SABT 1's services as they are not ready meals or desserts of themselves. Again, the nature, purpose and users are different, the goods are not in competition and there is no complementarity.

56. In relation to *mustard and sauces*, likewise *jams and jellies*, while they may accompany prepared meals (or desserts) purchased, there is no complementarity in a true sense.

Class 43 services

57. Having found that SABT 1 is entitled to rely upon *fast food and takeaway restaurant services*, I find that the proprietor's *services for providing fast-food and drink, restaurant and takeaway services* in this class are identical to SABT 1's services.

The average consumer and the nature of the purchasing act

58. As the case law above indicates, it is necessary for me to determine who the average consumer is for the goods at issue; I must then determine the manner in which these goods will be selected in the course of trade.

59. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

“60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median.”

60. The average consumer for the parties' goods and services is the general public. In relation to the parties' services, a fast-food or takeaway meal will be purchased with no more than an average level of attention. The same can be said for the goods in classes 29 and 30. Both purchasing processes are primarily visual selections. The goods are most likely to be the subject of self-selection in places such as supermarkets or other retail outlets or from the pages of a website. Similar considerations will apply to the services which will be selected from signage on the high street, from advertising leaflets, flyers and websites. However I do not rule out oral use of the mark where 'word of mouth' recommendations play a role, particularly for the services, or where goods are ordered orally, by telephone for example.

Comparison of marks

61. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by them, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

“.....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

62. It would be wrong, therefore, artificially to dissect the marks, although it is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features, which are not negligible and therefore contribute to the overall impressions created by the marks.

63. The respective marks are shown below:

SABT 1's mark	Proprietor's mark
 The logo for 'Dixy CHICKEN' features the word 'Dixy' in a stylized, blue, rounded font with a white outline. A five-pointed star is positioned above the letter 'i'. Below 'Dixy', the word 'CHICKEN' is written in white capital letters on a blue banner. To the right of the word 'Dixy', there is a stylized illustration of a chicken's head in red and yellow.	 The logo for 'love dixy' features the word 'love' in a bold, black, lowercase sans-serif font. A hamburger icon is placed between the 'o' and 'v'. The word 'dixy' is in a red, lowercase, rounded font. A small red heart is positioned above the letter 'i'. A small red 'TM' symbol is located at the bottom right of the word 'dixy'.

Overall impression

64. SABT 1 submits that the dominant and distinctive element of both marks is the word Dixy, while the proprietor states that 'Dixy' possesses descriptive connotations and that the distinctiveness of its mark rests in the word 'love' and the overall stylisation.

65. SABT 1's mark is made up of a number of elements. There is the word 'Dixy' presented in title case in a slightly stylised but unremarkable font and in a blue shaded colour. The letter 'D' is larger than the remaining letters and a five pointed star overlaps the top of the letter 'i' and replaces the tittle. There is an oval red device with a blue border which acts as a background within which the word 'Dixy' is placed. There is also the word 'CHICKEN' presented in white within a blue banner and positioned beneath the word 'Dixy' and the stylised device of a chicken's head above the letter 'y'. None of the elements of the mark is negligible however, taking into account the size of the various components and the fact that the chicken elements (word and device) are not inherently distinctive, the word 'Dixy' is the most

distinctive and visually prominent element and has the greatest relative weight in the overall impression of the mark.

66. Turning to the proprietor's mark, it divides naturally in two elements owing to the use of contrasting colours, i.e. black and red. The first element consists of the letter 'l' in lower case, in black; the depiction of a burger in a yellow-brown and red colour and the letters 've' in lower case, also in black. The second element is the word 'dixy' in lower case, in red and with a heart-shaped device replacing the tittle of the letter 'i'. The word '.com', is suggestive of an internet address and appears in a much smaller font within the unbracketed serif attached to the descender of the letter 'y' and is noticeable though barely so. Notwithstanding the presence of the burger device, the average consumer will discern that the first word of the mark is 'love' and the overall impression the mark will convey is 'lovedixy'. The heart-shaped device will emphasise the perception of the first element of the mark as the word 'love', a word which has laudatory connotations. Taking the above into account, whilst the word 'love' and the stylisation of the mark play a role in the overall impression, in my view, the word 'dixy' is the distinctive and dominant element of the mark.

Visual similarity

67. From a visual perspective, the proprietor submits that the respective marks are visually different owing, inter alia, to the use of different colours, fonts and devices. It also states that the colours used in SABB 1's mark creates an association with the American flag, an association absent in its mark. Dealing with the first point about the colours, the mark makes no claim to these colours (nor indeed to any particular colours), so this does not assist in distinguishing the competing marks. This is because SABB 1 would be notionally entitled to present its mark in a range of colours. The proprietor also claims that, given the degree of stylisation, the letter 'y' in its mark could be seen as a 'v' and the mark would be perceived as 'lovedixv.com', which, in my view is questionable, as if one does notice the '.com' element one will also notice the serif within which this is placed. Whilst there are visual differences between the marks, there is nonetheless, a moderate degree of visual similarity on account of the presence of the word 'Dixy/dixy' in both marks.

Aural similarity

68. The average consumer is unlikely to articulate the figurative elements in the marks at issue. As these elements are not verbalised, they are not subject to phonetic assessment. In my view, the marks will be pronounced as 'Di-xy-CHICKEN' and 'love-di-xy' respectively. Even if the '.com' element is noticed, it is, in my view, doubtful that it will be articulated and in this case there is a medium level of aural similarity. If articulated, the mark will be pronounced 'love-Dixy-dot-com' and the aural similarity will be slightly less.

Conceptual similarity

69. Turning to the conceptual aspect, SABB 1 states that the marks are conceptually highly similar to the extent that they share the term 'Dixy', which is used "to create an idea of a type of food stuff associated with the Southern States of the US" or, alternatively, that the conceptual position is neutral (if it is accepted that the average

consumer would not be aware of this meaning). The proprietor states that the marks are conceptually different on account of the fact that whilst the Dixy CHICKEN mark brings to mind the Southern States of North America and southern fried chicken, its mark “creates an association with idea of loving food”.

70. As to the significance of the word ‘Dixy’, I will address the point below, but as far as the conceptual comparison is concerned, it is enough to say that, whatever the meaning afforded to the word ‘Dixy’ it will be the same in respect of both marks. Both marks also contain other elements, i.e. chicken (word and device) and a device of a burger, all of which are indicative of the goods and services offered by the parties. Insofar as the word ‘love’ is concerned, SABB 1 states that it “identifies consumer satisfaction when visiting Dixy stores”, whereas the proprietor states that it “creates an association with the idea of loving food”. In my view, the word ‘Dixy’ is likely to be taken to be the direct object of the verb ‘love’, i.e. Dixy being something that is loved. Consequently the proprietor’s mark will be seen as a statement that the purchaser will love Dixy goods and services. For the reasons already given, the ‘.com’ element in the proprietor’s mark is negligible, but even allowing for it to be perceived, it only suggests an internet address and as such, it does not introduce a significant conceptual difference. Given all the above, I find that here is a reasonably high degree of conceptual similarity between the marks.

Distinctive character of the earlier mark

71. In determining the distinctive character of a trade mark it is necessary to make an overall assessment of the greater or lesser capacity of the trade mark to identify its goods as coming from a particular undertaking and thus to distinguish those goods from those of other undertakings - *Windsurfing Chiemsee v Huber and Attenberger Joined Cases C-108/97 and C-109/97* [1999] ETMR 585.

72. The proprietor contends, in its written submissions, that the word ‘Dixy’ is descriptive and, as such, should not be considered when comparing the marks at issue. It states that ‘Dixy’ would be seen as a misspelling of ‘Dixie’, which is “commonly used to refer to the Southern State of the US in the UK” and is “indicative of a type of food stuff, in particular fried chicken which has certain type of southern fried coating”. It also contends that ‘Dixy’ is “a generic term for chicken and chicken products, fast food and takeaway services”. The applicant does not dispute this meaning and concedes that “the term Dixy is used to create an idea of type of foodstuff commonly associated with the Southern States of the US” but rebuts that there is no evidence to demonstrate that this meaning would be immediately obvious to the relevant consumer. In support of its claim, the proprietor provides:

- as exhibit LK02 extracts from the Oxford English Dictionary and Wikipedia obtained on 31 July 2015 indicating that the word ‘Dixie’ is used to define the southern US and/or the music or words of the song ‘Dixie’;
- as exhibit LK04 Internet print-outs illustrating five recipes for ‘Dixie Chicken’, ‘Grilled Dixie Chicken...’ and ‘Dixie Fried Chicken’, all obtained on 31 July 2015 from ‘.com’ websites and

- as exhibit LK01 details of a number of UK and Community trade mark registrations which consist of or include the word Dixy/Dixie/Dixi in classes covered by the parties registrations and as exhibit LK03 printouts obtained from the Internet showing that there are a number of businesses trading in the United Kingdom under names which include the words Dixie/Dixy/Dixi. While all but one printout are undated (the one which is dated shows a date of 2 July 2011), it is, nevertheless, possible to deduce, from various details shown on a number of pages, when the material was made available on the Internet, i.e. a copyright notice from 2015 and a customer's review dated 23 July 2015.

73. On this point, SABT 1 invited me to consider the comments of Ms Anna Carboni sitting as the Appointed Person in *Chorkee Ltd v Cherokee Inc.*, Case BL O-048-08, in which she described the limits to which judicial notice can be used in order to find that the average consumer is aware of particular facts. She stated:

“36... While the Applicant contended in its Counterstatement that the earlier marks would be recognised to refer to the Cherokee tribe and that the tribe was well known to the general public, no evidence was submitted to support this. By accepting this as fact, without evidence, the Hearing Officer was effectively taking judicial notice of the position. Judicial notice may be taken of facts that are too notorious to be the subject of serious dispute. But care has to be taken not to assume that one's own personal experience, knowledge and assumptions are more widespread than they are.”

74. SABT 1 also refers to the finding in BL O-123-11 where the Hearing Officer, in dealing with a similar argument, accepted that the word 'Dixie' indicates the Southern States but rejected the claim that the average consumer would necessarily understand the term as descriptive. Whilst I am not bound by the finding of a fellow Hearing Officer and I must assess the matter on the basis of the facts and evidence before me, I concur with this finding. It is not disputed that the word 'Dixie' refers to the Southern States of North America but there is no direct evidence from either members of the public or from trade sources (or any other knowledge sources) that the term would be taken as a descriptive reference to chicken products or takeaway services. As to the value of the evidence relating to third parties' marks and businesses, most of it shows use of the spelling 'Dixie' rather than 'Dixy'⁷. Even allowing for the word 'Dixy' to be perceived as a misspelling or variant of the word 'Dixie', the fact that a number of traders use the terms 'Dixie' (or some variation of it) does not establish that the term has become generic in the sense that it has become customary in the UK to use the term to designate the goods or services offered by the parties. As regards to the proprietor's claim that, given that many marks which contain the word 'Dixie' (and its variants) coexist, it is possible for the competing marks to “peacefully co-exist without confusion”, I am unaware of the circumstances surrounding the acceptance of these marks, and consider them to be of little assistance in determining the outcome of this application. On this point SABT 1 correctly refers to the judgment of Jacob J in *British Sugar* [1996] RPC 281 at 305 where he stated the following:

⁷ Exhibit LK 1 and 3 show only 2 out of 13 marks, 3 out of 13 businesses using the spelling DIXY, respectively

"Both sides invited me to have regard to the state of the register. Some traders have registered marks consisting of or incorporating the word "Treat". I do not think this assists the factual enquiry one way or the other, save perhaps to confirm that this is the sort of word in which traders would like a monopoly. In particular the state of the register does not tell you what is actually happening out in the market and in any event one has no idea what the circumstances were which led the registrar to put the marks concerned on the register. It has long been held under the old Act that comparison with other marks on the register is in principle irrelevant when considering a particular mark tendered for registration, see e.g. *MADAME* Trade Mark and the same must be true under the 1994 Act. I disregard the state of the register evidence."

75. Further, in *Zero Industry Srl v OHIM*, Case T-400/06, the GC stated that:

"73. As regards the results of the research submitted by the applicant, according to which 93 Community trade marks are made up of or include the word 'zero', it should be pointed out that the Opposition Division found, in that regard, that '... there are no indications as to how many of such trade marks are effectively used in the market'. The applicant did not dispute that finding before the Board of Appeal but none the less reverted to the issue of that evidence in its application lodged at the Court. It must be found that the mere fact that a number of trade marks relating to the goods at issue contain the word 'zero' is not enough to establish that the distinctive character of that element has been weakened because of its frequent use in the field concerned (see, by analogy, Case T-135/04 *GfK v OHIM – BUS(Online Bus)* [2005] ECR II-4865, paragraph 68, and Case T-29/04 *Castellblanch v OHIM – Champagne Roederer (CRISTAL CASTELLBLANCH)* [2005] ECR II-5309, paragraph 71). "

76. In considering the weight that can be given to the recipes, I note, again, that all the recipes refer to 'Dixie' rather than 'Dixy'. I also bear in mind that this is the only piece of evidence that shows use of the word 'Dixie' in a generic sense and not as a trade mark. All the recipes are obtained from '.com' websites, i.e. 'tastebook.com', 'northpole.com', 'bonappetit.com', 'myrecipes.com', 'cooks.com'. This would suggest that they are United States websites rather than UK websites (i.e. 'co.uk'), however, while it appears that two recipes do actually originate from American sources⁸, it is also clear that other two are, indeed, from the UK⁹. All the pages were printed on 31 July 2015, but I can see that some of the recipes have been available on the Internet from an earlier date, i.e. 1996, 1 July 2003, which would strengthen the proprietor's case that the word 'Dixie' has been used for some time in relation to chicken. Looking at the recipes in more detail, I note that they are different, i.e. grilled, fried chicken, and that one of the pages contains, within a section headed 'recommended recipes', a reference to 'Dixie Sugar Cookies' which, to some extent, suggests that the word 'Dixie' may be germane for other types of food. Further, there is no evidence to show that these website are popular in the UK, i.e. how many visitors these websites receive and how many visits originated from the UK.

⁸ The recipe from cooks.com and myrecipes.com use the word 'skillet' which is an American term for frying pan, the print-out from 'myrecipes.com' also indicates the cost of some ingredients in dollars.

⁹ As inferred for example, from advertisements containing prices in pounds.

77. On balance, I am not persuaded that this evidence is sufficient to demonstrate that Dixy Chicken is a generic name for a traditional style of cooked chicken dish well known to the average consumer of the parties' goods and services in the UK. Even if I were to determine that the average consumer would perceive a vague allusion to the southern states of America, when used as a mark for fast food takeaway and restaurant services and chicken goods, I conclude that Dixy CHICKEN mark will be seen, at worst, as an allusive mark for the goods and services suggesting an undefined American style of cooked chicken.

78. In reaching a conclusion on the distinctive character of the earlier trade mark I also bear in mind that it must be assumed to have 'at least some distinctive character'¹⁰. Further, whereas the term 'CHICKEN' is descriptive of SABT 1's chicken goods, it is not descriptive of the (fast food and takeaway restaurants) services. This is because the registration is not limited to services involving the provision of chicken and SABT 1 sells other items of food and drinks. On that basis, the word 'CHICKEN' is not descriptive in relation to (fast food and takeaway restaurants) services for the provision of items other than chicken¹¹. Finally, I find that the misspelling and the stylisation adds to the distinctiveness of the mark as a whole.

79. Taking all the above into account, I conclude that the earlier mark is endowed with an average degree of inherent distinctive character in relation to the services and a low to average degree of inherent distinctive character in relation to the goods for which it is registered and that the distinctiveness of the mark mainly resides in the word DIXY. Earlier in my decision I found that SABT 1 had made genuine use of its mark in relation to the goods and services I have identified above. Although the use has been on a not insignificant scale, in the absence of turnover figures achieved by the individual franchisees and absent any evidence to show the size of the market in which SABT 1 competes (which from my own experience I assume to be vast) and as SABT 1 have provided no information on the share of the market it enjoys, I am simply unable to conclude on the basis of the evidence provided that SABT 1's use of the mark has enhanced its distinctive character to any material extent.

Likelihood of confusion

80. The test for the assessment of the likelihood of confusion is a cumulative one, meaning that where there is no similarity between the goods/services there can be no likelihood of confusion. Accordingly, the application for invalidation fails under Section 5(2)(b) of the Act in respect of the following goods where I found no similarity with the goods and services upon which the SABT 1 is entitled to rely:

Class 16: *Paper liners, cardboard boxes trayliners carrier bags and goods made from these materials, printed matter; bookbinding material; photographs; stationery; adhesives for stationery, poster, transparencies.*

¹⁰ *Formula One Licensing BV v OHIM*, Case C-196/11P

¹¹ BL O-227/04

Class 29: *Preserved, dried and cooked fruits and vegetables; jellies, jams, compotes; eggs, milk; edible oils and fats, potato crisps.*

Class 30: *Sugar, rice, tapioca, sago, flour coating for chicken and preparations made from cereals, bread, ices; honey, treacle; yeast, baking-powder; salt, mustard, vinegar, sauces (condiments); spices; ice.*

81. In assessing the likelihood of confusion with regard to the remaining goods and services in the proprietor's specification, I must adopt the global approach advocated by the case law and take into account a number of factors. The first is the interdependency principle i.e. a lesser degree of similarity between the respective marks may be offset by a greater degree of similarity between the respective goods and services and vice versa. I must also keep in mind the average consumer for the goods and services, the nature of the purchasing process and the fact that the average consumer rarely has the opportunity to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has retained in his mind.

82. In reaching a conclusion, I have not lost sight of SABT 1's submissions that its business uses the strapline 'LOVE FOOD. LOVE DIXY' and that this would increase the likelihood of confusion. Whilst noted, this point has no pertinence since I must consider the matter on the basis of the mark as registered, regardless of how it has been used¹². By parity of reasoning, SABT 1's submission relating to the claim that the proprietor runs other websites including the word 'Dixy' is irrelevant. SABT 1 also argues that the proprietor has shown use of the earlier mark on one of its websites; once again this is not germane to the assessment I am required to make.

83. I also note that SABT 1 submitted evidence that customers identify the goods and services provided under the proprietor's mark as 'Dixy'. The evidence, is in the form of feedback posted on a number of the proprietor's websites, i.e. 'Dixyerdington.com', 'Dixyalumrock.com', 'Dixynechells.com'¹³ and covers comments made within the relevant period. The proprietor accepts that the evidence relates to its websites and that "some of the comments which [SABT 1] has submitted may refer to comments made by customers of lovedixy as referring to Dixy" but states that "this does not itself mean that the [proprietor's] customers are in anyway confused that the products that they have purchased have originated from the proprietor." I do not agree. The fact that consumers refer to 'lovedixy' as 'Dixy' supports the view that 'dixy' is the dominant and distinctive element of the mark and shows that there is potential for confusion.

84. Earlier in this decision I found that, while the parties' services are identical, the parties' goods share various degree of similarity, i.e. identical, similar to a low, medium and high degree. There is a moderate degree of visual similarity, a medium degree of aural similarity and a reasonably high degree of conceptual similarity

¹² On the point, see *J.W.Spear & Sons Ltd and Others v Zynga Inc.* [2015] EWCA Civ 290, where Floyd L.J. rejected the argument that the CJEU's judgment in *Specsavers*, Case C-252/12, established that matter used with, but extraneous to, the earlier mark should be taken into account in assessing the likelihood of confusion with a later mark.

¹³ Evidence can be found at http://Dixyerdington.com/feedback_display.php#nav; Dixyalumrock.com/feedback_display.php#nav; http://Dixynechells.com/feedback_display.php#nav

between the marks. The average consumer is the general public who is likely to pay no more than an average level of attention and visual considerations dominate the purchasing process (although aural considerations are not disregarded). The earlier mark has an average degree of distinctiveness for the registered services and a low to average degree of distinctiveness for the registered goods.

85. The visual differences between the marks leads me to find that it is unlikely that the average consumer would mistake one mark for the other. That being the case, the question is whether, nevertheless, there would be indirect confusion. In reaching a conclusion on this point, I remind myself of the findings of Mr Iain Purvis Q.C. sitting as the Appointed Person in *L.A. Sugar Limited v By Back Beat Inc*, Case BL-O/375/10, where he stated:

“16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: “The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.

17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:

(a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right (“26 RED TESCO” would no doubt be such a case).

(b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as “LITE”, “EXPRESS”, “WORLDWIDE”, “MINI” etc.).

(c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension (“FAT FACE” to “BRAT FACE” for example).”

86. Paragraph 17(b) is germane to the case in hand. Even allowing for a degree of allusiveness of the shared element, i.e. the word ‘Dixy’, an average consumer familiar with the earlier mark would, on encountering the proprietor’s mark for identical or similar goods and services, believe that the goods and services provided under the respective marks originate from the same or linked undertakings and therefore I find that there is a likelihood of indirect confusion. I am strengthened in this conclusion by the evidence that the proprietor’s food and services are referred to

by the public as 'Dixy'. In my view, the average consumer is likely to see 'lovedixy' mark (as I said earlier, the '.com' element is barely noticeable) as a whole, simply as a statement that 'Dixy' goods and services are to be loved. If I am wrong on this point and the average consumer will, in fact, perceive the mark as 'lovedixy.com', on seeing the mark used on identical or similar goods and services, the average consumer will understand it as referring to a website address for the marketing of 'Dixy' goods and services.

Summary

87. The invalidation has partially succeeded under Section 5(2)(b) of the Act. Under section 47(6) the registration is declared invalid and is deemed never to have been made in respect of the following goods and services:

Class 29 goods: *Meat, fish, poultry and game; meat extracts, milk products, prepared meals; fried chicken, grilled chicken, soups.*

Class 30 goods: *Coffee, tea, cocoa, artificial coffee, pastry and confectionery, sandwiches; pizzas, pies, pasta dishes*

Class 43: *Services for providing fast food and drink, restaurant and takeaway*

Costs

88. The application for a declaration of invalidity has been partially successful. As both sides have achieved a measure of success, I do not intend to favour either with an award of costs.

Dated this 25th day of February 2016

**Teresa Perks
For the Registrar
The Comptroller - General**