

O-264-16

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. 3093815
BY THOMAS TUCKER LTD**

TO REGISTER:



AS A TRADE MARK IN CLASSES 29 & 30

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER NO. 404401 BY ETI GIDA SANAYI VE TICARET ANONIM SIRKETI**

BACKGROUND & PLEADINGS

1. On 11 February 2015, Thomas Tucker Ltd (“the applicant”) applied to register the trade mark shown on the cover page of this decision for the following goods in classes 29 & 30:

Class 29: Crisps; Potato crisps; Crisps (Potato -).

Class 30: Crisps made of cereals; Extruded food products made of maize; Extruded food products made of rice; Extruded food products made of wheat; Extruded savory snackfoods; Extruded snacks containing maize.

The application was published for opposition purposes on 27 February 2015.

2. The application is opposed by ETİ Gıda Sanayi Ve Ticaret Anonim Şirketi (“the opponent”). The opposition, which is based upon section 5(2)(b) of the Trade Marks Act 1994 (“the Act”), is directed against all of the goods in the application. The opponent relies upon the goods (shown below) in International Registration (“IR”) no.943293 for the trade mark:

ETİ CRAX

which designated the United Kingdom on 21 October 2009 and the date of protection in the United Kingdom for which is 10 June 2010:

Class 30: Tapioca, sago; macaroni, vermicelli; breads, pitas, pizzas; biscuits, crackers, wafers, pastries, petit-fours, tarts, cakes; desserts made of flour; flavourings for foods; aromatic preparations for foods, spices, any kind of flour, semolina, starch; products covered with chocolate and candy, salt, rice, bulgur (boiled and pounded wheat), malt for food; appetizers made of cereal and flour, roasted corn and wheat, crisps, corn flakes, crushed oats, cereal for breakfast.

3. The applicant filed a counterstatement in which it denies the basis of the opposition. The applicant states:

“6...In fact [the applicant] has used the proposed mark from 1998 onwards and there have never been any instances of confusion.”

4. Both parties filed evidence; the opponent also filed written submissions during the course of the evidence rounds. Whilst neither party asked to be heard, the applicant filed written submissions in lieu of attendance at a hearing. I will bear all of these submissions in mind and refer to them, as necessary, below.

EVIDENCE

The opponent's evidence

5. This consists of a witness statement from Koray Tetiker, the opponent's Export Sales Group Manager. He explains that "ETI is my company's house mark or brand" adding that the trade mark the subject of its registration "has been used in the United Kingdom since at least as early as 1 January 2008". Exhibit KT1 consists of what Mr Tetiker describes as "samples of the packaging used for some of my company's snack products which are sold in the United Kingdom" and he confirms that this packaging has been in use in the United Kingdom since 21 July 2010. The packaging provided shows the following trade mark being used in relation to "pretzel sticks", "pretzel crackers" and "stick crackers":



Exhibit KT2 consists of what Mr Tetiker states are "photographs of my company's products on sale in shops in England". Although the photographs were taken after the date of the application for registration, Mr Tetiker states his belief that "they show how the products were sold" prior to the date of the application. Although the photographs provided are of poor quality, goods bearing the trade mark shown in exhibit KT1 can be seen in the photographs which were, it appears, taken at three stores in Enfield and Edmonton, north London.

The applicant's evidence

6. The applicant's evidence consists of three witness statements. The first, is from Simon Stanham, who has worked for the applicant since 2003 and has been a Director since 2007. His statement is accompanied by twenty two exhibits. For reasons which will become apparent later in this decision, I do not intend to offer a full summary of either his statement or the exhibits which accompany it. For present purposes, it is sufficient that I record that:

- the applicant has made use of the trade mark in the United Kingdom in the form shown in the application since 1998;
- the applicant manufactures and sells snack products such as popcorn, candy floss, sweets and savoury snacks to the cinema and leisure industries;
- in late 1998, the applicant began development of a new savoury cracker product which would trade under the brand name Krax;

- sales of the Krax product began in late 1998;
- between 2003 and 2014 sales of the Krax product amounted to a little under £3m;
- the applicant has spent “significant sums on marketing and has invested a great deal of time and effort in building up a reputation in the Krax brand”;
- the Krax product is now sold to 60 cinema and leisure groups and is being sold in over 200 sites in the United Kingdom.

7. The second statement is from Barbara Cheslyn-Curtis. Ms Cheslyn-Curtis explains that she created the company that was to become the applicant and was its Managing Director until 2003 following its sale to the current owners in 2000. Ms Cheslyn-Curtis explains that she has read Mr Stanham’s statement and confirms that it accurately “reflects the development and use of the [trade mark the subject of the application] during [her] time with [the applicant]. The final statement is from Geoff Greaves, Director of Merlin Cinemas (who operates 12 cinemas throughout the United Kingdom). Mr Greaves explains that he has worked for Merlin since 1998 and has been a customer of the applicant since that time. Mr Greaves explains that in 1998 he was approached by the applicant in relation to the Krax product. Having tested the market for it, Merlin continued to purchase the Krax product and up to the date of his statement (August 2015), have placed over £0.5m of orders for Krax which, in turn, has resulted in retail sales of a little under £1.6m.

DECISION

8. The opposition is based upon section 5(2)(b) of the Act which reads as follows:

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

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

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

9. An earlier trade mark is defined in section 6 of the Act, the relevant parts of which state:

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

(a) a registered trade mark, international trade mark (UK) or Community trade mark 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,

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

10. In these proceedings, the opponent is relying upon the trade mark shown in paragraph 2 above, which qualifies as an earlier trade mark under the above provisions. As the IR upon which the opponent relies has a date of protection in the UK of 10 June 2010 and the application for registration a publication date of 27 February 2015, the earlier trade mark is not subject to proof of use, as per section 6A of the Act. The opponent is, as a consequence, entitled to rely upon all of the goods it has identified.

Section 5(2)(b) – case law

11. 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.

The principles:

- (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 will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

Comparison of goods

12. Based on the opponent's Notice of Opposition, the competing goods were as follows:

The opponent's goods	The applicant's goods
Class 30: Tapioca, sago; macaroni, vermicelli; breads, pitas, pizzas; biscuits, crackers, wafers, pastries, petit-fours, tarts, cakes; desserts made of flour; flavourings for foods; aromatic preparations for foods, spices, any kind of flour, semolina, starch; products covered with chocolate and candy, salt, rice, bulgur (boiled and pounded wheat), malt for food; appetizers made of cereal and flour, roasted corn and wheat, crisps, corn flakes, crushed oats, cereal for breakfast.	Class 29: Crisps; Potato crisps; Crisps (Potato -). Class 30: Crisps made of cereals; Extruded food products made of maize; Extruded food products made of rice; Extruded food products made of wheat; Extruded savory snackfoods; Extruded snacks containing maize.

13. In its submissions however, the opponent appears to limit the goods upon which it relies to the following:

Tapioca, sago; macaroni, vermicelli; breads, pitas, pizzas; biscuits, crackers, wafers, pastries, tarts, cakes; desserts made of flour; any kind of flour, semolina, starch; products covered with chocolate and candy, bulgur (boiled and pounded wheat), appetizers made of cereal and flour, roasted corn and wheat, crisps, corn flakes, crushed oats, cereal for breakfast.”

14. Later in its submissions, the opponent appears to limit the goods upon which it relies still further when it states:

“7. The class 29 goods (crisps) and the crisps made of cereals in class 30 of the mark applied for are clearly identical or closely similar to the crisps of the earlier trade mark.

The extruded food products, extruded savoury snackfoods and extruded snacks containing maize of the mark applied for are clearly included with the breads, biscuits, crackers, wafers, bulgar (boiled and pounded wheat), appetizers made of cereal and flour, roasted corn and wheat, crisps, corn flakes, crushed oats and cereal for breakfast of the earlier trade mark. The goods applied for are therefore identical to the goods of the earlier trade mark. Alternatively, if not identical they are closely similar to the goods of the earlier trade mark.”

15. In its submissions, the applicant accepts that:

“26. Both marks relate to snack foods to be eaten...”

The applicant further states:

“28. The products differ physically in their end result. [The parties] products differ substantially. The [applicant’s] products are produced by the industrial process of extrusion...”

The applicant goes on to comment upon, inter alia, what it considers to be the differing markets to which the parties’ goods are targeted and reaches conclusions as to how this assists it in these proceedings. Later in its submissions, however, it states:

“42. Even on the opponent’s case where there is a reliance on the notional use of goods identified in the relevant class, [the applicant] maintains the respective marks and goods in the respective classes are sufficiently dissimilar.”

16. In *Devinlec Développement Innovation Leclerc SA v OHIM*, Case C-171/06P, the Court of Justice of the European Union (“CJEU”) stated that:

“59. As regards the fact that the particular circumstances in which the goods in question were marketed were not taken into account, the Court of First Instance was fully entitled to hold that, since these may vary in time and depending on the wishes of the proprietors of the opposing marks, it is inappropriate to take those

circumstances into account in the prospective analysis of the likelihood of confusion between those marks.”

17. As neither parties’ specifications are limited in any way, it is, of course, from the perspective outlined in paragraph 42 of the applicant’s submissions that I must consider the position i.e. I must compare the specifications applied for with the specification of goods upon which the opponent relies.

18. 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”.

19. The relevant factors identified by Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, for assessing similarity were:

- a) The respective users of the respective goods or services;
- b) The physical nature of the goods or acts of services;
- c) The respective trade channels through which the goods or services reach the market;
- d) 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;
- e) 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.

20. In *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T- 133/05, the General Court (“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 für 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”.

Class 29

21. Although the physical nature of the applicant's "crisps" in this class will differ from the opponent's "crisps" in class 30, their intended purpose, method of use and trade channels are likely to be the same and there will be a competitive relationship between them. Although not identical, the applicant's goods in class 29 are similar to the opponent's "crisps" in class 30 to a high degree.

Class 30

22. As "Crisps made of cereals" in the application would be encompassed by the term "crisps" in the earlier trade mark the competing goods are to be regarded as identical on the basis outlined in *Meric*. As the opponent's specification is not limited in any way, it matters not that all of the applicant's goods which remain in this class are produced by means of extrusion; on a notional basis, the opponent's goods may be produced using exactly the same method. Considered on that basis, the applicant's goods which remain can be interpreted as food products made of maize, rice and wheat, savoury snackfoods and snacks containing maize. While such goods may share varying degrees of similarity with many of the goods in the opponent's specification, as they would all, in my view, be encompassed by (at least) the broad term "appetizers made of cereal and flour" in the earlier trade mark, once again the goods are to be regarded as identical on the *Meric* principle.

The average consumer and the nature of the purchasing act

23. As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective parties' goods; I must then determine the manner in which these goods are likely to be selected by the average consumer in the course of trade. 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."

24. Like the comparison of goods, the average consumer must be considered from a notional perspective rather than on the basis of the markets the parties currently target. Although both parties' goods may (as the applicant suggests) be purchased on a wholesale basis, the average consumer is, in my view, a member of the general public who is likely to purchase the goods at issue on a fairly regular basis. As such goods, typically, will be self-selected from the shelves of a retail outlet such as a supermarket



or from the pages of a website, visual considerations will dominate the selection process. While I do not discount aural considerations (for example when the goods at issue are requested orally in, for example, a cinema), they will, in my view, be a much less significant feature of the selection process. Given the low cost of the goods and the likely frequency of purchase, I would expect the average consumer to pay a lower than normal degree of attention during the selection process.

Comparison of trade marks

25. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a trade 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 trade marks must be assessed by reference to the overall impressions created by the trade marks, 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.”

26. It would be wrong, therefore, artificially to dissect the trade marks, although, it is necessary to take into account their distinctive and dominant components and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the trade marks. The trade marks to be compared are as follows:

opponent’s trade mark	applicant’s trade mark
	

27. The opponent’s trade mark consists of two elements both of which are presented in a heavy bold typeface. The first element consists of the letters “E” and “T” presented in upper case followed by the letter “i” which although presented in lower case is the same size as the upper case letters which accompany it. The second element consists of the word “CRAX” presented in upper case. Both elements are distinctive. The “ETi” element appears first and may, as a consequence, have a slightly higher relative weight than the “CRAX” element which follows it. While the elements do not “hang together” to create a unit (a point to which I will return later), considered overall, I think both elements are

likely to make a roughly equal contribution to the overall impression the opponent's trade mark conveys.

28. The applicant's trade mark consists of the word "kraX" presented in orange in a stylised font and in which the letters "kra" appear in lower case and the letter "X" is larger than the letters which accompany it. It also contains smaller elements which appear around the word which the applicant describes as a "crumb effect"; a description I am happy to adopt. I think that this "crumb effect" is likely to go largely unnoticed and will have little or no weight in the overall impression the applicant's trade mark conveys. Much more likely, in my view, is that it is the word "kraX" (rather than the font and colour in which it is presented) which will dominate the overall impression the applicant's trade mark conveys and where its distinctiveness lies. Before I go on to consider the competing trade marks from the visual, aural and conceptual perspectives, I should say a little more about the colour in which the applicant's trade mark is presented. In short, as notional and fair use of the opponent's trade mark would include use in exactly the same colour as that in the applicant's trade mark, the fact that its trade mark is shown in colour is not a factor that assists the applicant in these proceedings.

Visual comparison

29. The competing trade marks coincide in that they either consist of or contain a four letter word which ends with the same three letters i.e. "RAX/raX". Insofar as it is material, they differ to the extent that the opponent's trade mark contains an element completely alien to the applicant's trade mark i.e. "ETi" and the first letter of the second element in the opponent's trade mark starts with a letter "C" rather than the letter "k" which appears in the applicant's trade mark. Balancing the similarities and differences I have identified, results, in my view, in a relatively low degree of visual similarity between the competing trade marks.

Aural comparison

30. The opponent's trade mark is most likely to be verbalised as either the letters "E-T-i" followed by the single syllable word "CRAX" (as in "cracks") or as the two syllable word ETi followed by the word "CRAX" pronounced in the manner described above. I do not think it likely that the applicant's trade mark will be pronounced as the single syllable word "Kra" followed by the letter "X". Much more likely, in my view, is that it will be verbalised, like the second element in the opponent's trade mark as "cracks". The fact that the competing trade marks consists of or contain an element which will be verbalised in an identical manner inevitably results in a degree of aural similarity between them, a degree of similarity which I would pitch at, at least, a medium degree.

Conceptual similarity

31. Both trade marks consist of or contain an element i.e. "CRAX" and "kraX" may have evolved from the parties' use of their respective trade marks on goods which include crackers. I am not satisfied that the average consumer would recognise this allusion,

however, and the presence in the competing trade marks of these elements is most likely, in my view, to create in the average consumer's a mind a mental picture of, for example, something which "cracks". As this mental picture will not be modified by the "ETI" element in the opponent's trade mark, there remains a degree of conceptual similarity between them, a degree of similarity which I would, once again, pitch at, at least, a medium degree.

Distinctive character of the earlier trade mark

32. The distinctive character of a trade mark can be appraised only, first, by reference to the goods in respect of which registration is sought and, secondly, by reference to the way it is perceived by the relevant public – *Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91. In determining the distinctive character of a trade 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 trade 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 - *Windsurfing Chiemsee v Huber and Attenberger* Joined Cases C-108/97 and C-109/97 [1999] ETMR 585.

33. Although the opponent has filed evidence indicating that its earlier trade mark has been in use in the United Kingdom since at least 2008, it has provided no information in relation to, for example, the scale of its use, the amounts spent on promoting its trade mark, the size of the market for the goods at issue (which, in my view, is likely to be significant) or its share of that market. As a consequence, I am not in a position to conclude, on the basis of the evidence provided, that the opponent's earlier trade mark has acquired an enhanced distinctive character by virtue of the use made of it. That being the case, I must determine the matter on the basis of the trade mark's inherent characteristics. In *Kurt Geiger v A-List Corporate Limited*, BL O-075-13, Mr Iain Purvis Q.C. as the Appointed Person pointed out that the level of 'distinctive character' is only likely to increase the likelihood of confusion to the extent that it resides in the element(s) of the trade marks that are identical or similar. He stated:

"38. The Hearing Officer cited *Sabel v Puma* at paragraph 50 of her decision for the proposition that 'the more distinctive it is, either by inherent nature or by use, the greater the likelihood of confusion'. This is indeed what was said in *Sabel*. However, it is a far from complete statement which can lead to error if applied simplistically.

39. It is always important to bear in mind what it is about the earlier mark which gives it distinctive character. In particular, if distinctiveness is provided by an aspect of the mark which has no counterpart in the mark alleged to be confusingly similar, then the distinctiveness will not increase the likelihood of confusion at all. If anything it will reduce it.'

40. In other words, simply considering the level of distinctive character possessed by the earlier mark is not enough. It is important to ask 'in what does

the distinctive character of the earlier mark lie?’ Only after that has been done can a proper assessment of the likelihood of confusion be carried out”.

While there is nothing to suggest that the “ETi” element of the opponent’s trade mark is anything other than distinctive, as the above case makes clear, it is the distinctiveness of the common element that is key. Although I commented earlier upon the possible derivation of the word “CRAX” in the opponent’s trade mark, this meaning is, at best, highly allusive. Considered absent use, the opponent’s trade mark is, in my view, possessed of at least an average degree of inherent distinctive character.

Likelihood of confusion

34. In determining whether there is a likelihood of confusion, a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods and vice versa. As I mentioned above, it is also necessary for me to keep in mind the distinctive character of the opponent’s trade mark as the more distinctive this trade mark is, the greater the likelihood of confusion. I must also keep in mind the average consumer for the goods, the nature of the purchasing process and the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them he has retained in his mind. I have concluded that:

- the competing goods are either identical or similar to a high degree;
- the average consumer is a member of the general public who will select the goods by predominantly visual means and who will pay a lower than normal degree of attention when doing so;
- the competing trade marks are visually similar to a relatively low degree and aurally and conceptually similar to a medium degree;
- the opponent’s earlier trade mark is possessed of at least an average degree of inherent distinctive character which, on the basis of the evidence provided, I am unable to conclude has been enhanced by the use made of it.

35. Notwithstanding, inter alia, the identity/high degree of similarity in the goods and the lower than normal degree of attention that will be paid by the average consumer during the selection process, I am satisfied that the differences in the competing trade marks I have identified are likely to militate against direct confusion i.e. the trade marks being mistaken for one another. Having reached that conclusion, I must now go and consider whether there will be indirect confusion. In *L.A. Sugar Limited v By Back Beat Inc*, Case BL-O/375/10, Mr Iain Purvis Q.C. as the Appointed Person commented upon indirect confusion in the following terms:

“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).”

36. The above are, of course, only examples. In *Whyte and Mackay Ltd v Origin Wine UK Ltd and Another* [2015] EWHC 1271 (Ch), Arnold J. considered the impact of the CJEU's judgment in *Bimbo*, Case C-591/12P, on the court's earlier judgment in *Medion v Thomson*. The judge said:

“18 The judgment in *Bimbo* confirms that the principle established in *Medion v Thomson* is not confined to the situation where the composite trade mark for which registration is sought contains an element which is identical to an earlier trade mark, but extends to the situation where the composite mark contains an element which is similar to the earlier mark. More importantly for present purposes, it also confirms three other points.

19 The first is that the assessment of likelihood of confusion must be made by considering and comparing the respective marks — visually, aurally and conceptually — as a whole. In *Medion v Thomson* and subsequent case law, the Court of Justice has recognised that there are situations in which the average consumer, while perceiving a composite mark as a whole, will also

perceive that it consists of two (or more) signs one (or more) of which has a distinctive significance which is independent of the significance of the whole, and thus may be confused as a result of the identity or similarity of that sign to the earlier mark.

20 The second point is that this principle can only apply in circumstances where the average consumer would perceive the relevant part of the composite mark to have distinctive significance independently of the whole. It does not apply where the average consumer would perceive the composite mark as a unit having a different meaning to the meanings of the separate components. That includes the situation where the meaning of one of the components is qualified by another component, as with a surname and a first name (e.g. BECKER and BARBARA BECKER).

21 The third point is that, even where an element of the composite mark which is identical or similar to the earlier trade mark has an independent distinctive role, it does not automatically follow that there is a likelihood of confusion. It remains necessary for the competent authority to carry out a global assessment taking into account all relevant factors.”

37. As I mentioned earlier, in my view, the average consumer will not perceive the opponent’s composite trade mark as a unit, where the unit has a different meaning to the separate components of which the trade mark is made up. Rather, in my view, the average consumer will perceive that the opponent’s trade mark consists of two elements both of which have a distinctive significance which is independent of the significance of the whole. In those circumstances, the degree of similarity between the competing trade marks which results from the “CRAX” element of the opponent’s trade mark is likely, in my view, to lead the average consumer to assume that the applicant’s trade mark is a variant brand originating from the opponent, which in turn will lead to a likelihood of indirect confusion. As a consequence of that conclusion, the opposition succeeds in full.

38. In reaching the above conclusion, I have not overlooked the significance of the applicant’s evidence, the position in relation to which is summarised in Tribunal Practice Notice (“TPN”) 4 of 2009, the relevant part of which reads as follows:

“The position with regard to defences based on use of the trade mark under attack which precedes the date of use or registration of the attacker’s mark

4. The viability of such a defence was considered by Ms Anna Carboni, sitting as the appointed person, in *Ion Associates Ltd v Philip Stainton and Another*, BL O-211-09. Ms Carboni rejected the defence as being wrong in law.

5. Users of the Intellectual Property Office are therefore reminded that defences to section 5(1) or (2) grounds based on the applicant for registration/registered proprietor owning another mark which is earlier still compared to the attacker’s

mark, or having used the trade mark before the attacker used or registered its mark are wrong in law. If the owner of the mark under attack has an earlier mark or right which could be used to oppose or invalidate the trade mark relied upon by the attacker, and the applicant for registration/registered proprietor wishes to invoke that earlier mark/right, the proper course is to oppose or apply to invalidate the attacker's mark."

39. I note, perhaps having considered the above guidance, that in its submissions, the applicant states:

"20. It is submitted...that the marks so differ globally that it would not be appropriate to sue for passing-off rights against the later registered rights of ETI CRAX. There is no reason for this mark not to be admitted onto the register."

40. The above statement does no more than reflect the applicant's view that the competing trade marks would not lead to a likelihood of confusion; this is a view with which, for the reasons given above, I disagree.

Conclusion

41. The opposition has succeeded in full and, subject to any successful appeal, the application will be refused.

Costs and next steps

42. In its submissions, the applicant states:

"44. [The applicant] would like to address the Tribunal on the question of costs before any award is made, as it has material it will wish to raise at the time."

43. A period of 14 days from the date of this decision is allowed for the applicant to provide submissions to the Tribunal along with any material upon which it wishes to rely. These should be copied to the opponent, who upon receipt of same is allowed a further period of 14 days in which to comment. I will then consider the parties' submissions and issue a supplementary decision in which I will confirm the substantive decision and deal with the issue of costs.

44. The appeal period for the substantive and supplementary decisions will run from the date of the supplementary decision.

Dated this 25th day of May 2016

**C J BOWEN
For the Registrar
The Comptroller-General**