

O-231-20

TRADE MARKS ACT 1994

IN THE MATTER OF AN APPLICATION BY
SOMERDALE INTERNATIONAL LIMITED AND
ABERGAVENNY FINE FOODS LIMITED
TO REGISTER No 3353320:



IN CLASS 30:

AND OPPOSITION THERETO UNDER NO 415969
BY SOUTH CAERNARFON CREAMERIES LTD

BACKGROUND

1. On 14 November 2018, Somerdale International Limited and Abergavenny Fine Foods Limited (the applicants) applied to register the above trade mark in the following class:¹

Class 30²

Cheese all being handmade in Great Britain.

2. The application was published on 11 January 2019, following which South Caernarfon Creameries Ltd (the opponent) filed a notice of opposition against all of the goods in the application.

3. The ground of opposition is that, under s. 5(2)(b) of the Trade Marks Act 1994 (the Act), there is a likelihood of confusion between the opponent's earlier marks and the application because the respective goods are identical or similar.

4. The opponent relies upon the following trade marks and goods:

Mark details and relevant dates	Goods relied upon
UKTM: 3239620 DRAGON Filed: 26 June 2017 Registered: 9 November 2018	Class 29 Milk and milk products; milk beverages; cheese; processed cheese; yoghurts; fromage frais; butter; flavoured butter and spreads; dairy desserts; cream products.
UKTM: 2647307	Class 29 Milk and milk products; cheese; processed cheese; butter; flavoured

¹ International Classification of Goods and Services for the Purposes of the Registration of Marks under the Nice Agreement (15 June 1957, as revised and amended).

² I will consider the incorrect classification of cheese in class 30 later in this decision.

<p style="text-align: center;">Dragon</p>  <p>Filed: 21 December 2012 Registered: 12 April 2013</p>	<p>butter and spreads; dairy desserts; cream products.</p>
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5. The applicants filed a counterstatement in which they denied the opponent's claim. Proof of use was requested for all of the goods relied on by the opponent in the specification of UKTM 2647307.

6. Both parties filed evidence and both filed submissions in lieu of a hearing, dated 25 February 2020. The opponent was represented by Wilson Gunn. The applicants were represented by Briffa.

Preliminary issues

7. In their written submissions the applicants make a number of references to the registrability of the opponent's earlier marks. With regard to the word and device mark the applicants, "question the suitability of such a mark under 3(1) of [the Act]" (which prevents the registration of marks which are descriptive and/or lack distinctive character). With regard to the opponent's earlier word mark the applicants submit:

"At best this mark, being a common word well understood by the average consumer to mean a mythical reptile-like monster, enjoys only a very low level of distinctiveness. At worst it fails to meet the threshold set by section 3(1)(b) of the TMA on the basis that it is devoid of any distinctive character."

8. Should the applicants have wanted to challenge the validity of either of the opponent's earlier marks, they should have filed an application for invalidation relying

on grounds under section 3 of the Act. They have not done so and accordingly, I will not give these points any further consideration.

Opponent's evidence

9. The opponent's evidence is provided by Elwyn Jones, the opponent's Company Secretary. Six exhibits are attached to Mr Jones's statement, which is dated 9 September 2019.

10. Mr Jones describes the opponent as 'a cooperative of dairy farmers which has been continuously in existence since 1938.'

11. The key points from his statement are as follows:

- The opponent has produced cheese since 1959.
- At present, 7,500 tonnes of cheese are manufactured by the opponent each year.
- The opponent sells its dairy products to Sainsbury's, Tesco, Lidl, Asda and Morrisons as well as independent customers.
- The opponent has used the 'DRAGON & Device' mark since March 2011.

12. A marketing brochure is provided (undated) which includes the following under the heading, 'about dragon':

"Dragon brand has been in existence for the last few years but it was only in March 2011 when it was given a totally new look. We asked 100 consumers to help us choose the right design and with a blessing from 70% of them, a new dragon was born..."

We appreciate that more and more people are concerned with food provenance and we wanted to highlight that if someone buys Dragon, they are definitely buying Welsh! It's not just the look. We are confident that Dragon ticks all the boxes.

Following the success of the redesign, numerous new lines were added to our ever-expanding Dragon range. There are now 35 products available.

Dragon is one of the very few Welsh brands that now has an entire range of cheese in all of the retail formats: deli, retail packs, grated and sliced.”

13. Mr Jones provides ‘approximate total value of sales of cheese and butter provided by the opponent under the trade mark’. These are helpfully broken down into separate columns for each of the goods. Given that the applicants’ goods are cheese, I will reproduce the figures for the opponent’s sales of cheese only:

Year:	Cheese sales (£)
2014/15	3,640,225
2015/16	2,797,753
2016/17	2,800,369
2017/18	2,523,040
2018/2019	2,366,028
Total	14,127,415

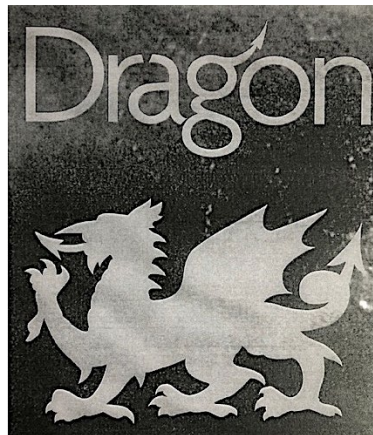
14. Mr Jones provides a print from the opponent’s website showing the types of cheese available to its customers, which include prepack, grated, sliced, deli and bulk cheeses. The prepack and grated packaging show the registered mark in a pale colour on a dark background. The page has a print date contemporaneous with the witness statement.³

15. Photographs are provided which show the opponent’s ‘Dragon’ stall at the Winter Fair in Builth Wells in 2015 and 2017. In both examples, the registered trade mark is prominently displayed next to and/or above two produce display fridges.⁴ Again, it is presented in a pale colour on a dark background. The photograph from 2015 includes

³ See exhibit 1.

⁴ See exhibit 5.

a display banner showing packs of 'Mature Welsh Cheddar', 'Vintage Welsh Cheddar' and 'Mild Welsh Cheddar'. The following trade mark appears on all of the packaging:



16. Mr. Jones provides ten sample invoices dated between 15 March 2015 and 19 July 2018. The vast majority of goods listed are cheese goods, which are described as 'Dragon' followed by the type of cheese. For example, Dragon Mild White, Dragon Double Glos. Wedges, and so on. The invoice values vary between £1884.55 and £7093.05 and are addressed to a business in Llandudno Junction and another in Welwyn Garden City.⁵

Applicants' evidence

17. This evidence is provided in a witness statement by Alan Jenkins, the first applicant's director. His statement is dated 7 November 2019. Mr Jenkins' evidence relates to the applicants' business, before and after the filing date of the application. I will refer to any submissions contained within the statement as necessary in this decision.

18. I do not intend to summarise Mr Jenkins' evidence because the applicants' actual use of their trade mark is not relevant to the matter to be decided. Before I continue with the merits of the opposition, it is necessary to explain why this is so.

⁵ See exhibit 6.

19. So far as the applicants' claimed and proposed use of their mark is concerned, in *O2 Holdings Limited, O2 (UK) Limited v Hutchison 3G UK Limited*⁶, the Court of Justice of the European Union (CJEU) stated, at paragraph 66 of its judgment, that when assessing the likelihood of confusion in the context of registering a new trade mark it is necessary to consider all the circumstances in which the mark applied for might be used if it were registered.

20. Furthermore, in *Devinlec Développement Innovation Leclerc SA v OHIM*,⁷ the 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.”

21. In other words, the way in which the applicants are actually using their trade mark at this point is not a factor which is relevant to the decision. Rather, I must consider all normal and fair uses of the applicants' mark.

Proof of use

22. The opponent's DRAGON word mark is an earlier mark which is not subject to proof of use. This is because, at the date of application of the contested mark, it had not been registered for five years.⁸ The opponent is therefore allowed to rely on this registration for all of the goods for which it is registered.

23. The opponent's Dragon & Device mark is subject to proof of use. The period during which use must be shown is 15 November 2013 to 14 November 2018.

⁶ Case C-533/06

⁷ Case C-171/06P

⁸ See section 6A(3)(a) of the Act (added by virtue of the Trade Marks Regulations 2018: SI 2018/825) which came into force on 14th January 2019.

24. The opponent's evidence shows that since March 2011 it has used the Dragon & Device mark for the sale of cheese. Figures provided by the opponent for the period 2014-2019 show sales of cheese amounting to more than £14m. Trade shows in 2015 and 2017 show the opponent using the Dragon & Device mark for a range of cheeses and for its stand. Invoices support the figures provided. The website pages showing the opponent's customers and the marketing brochure are not dated, but taking all of the evidence as a whole, it is clearly enough to show that the opponent had used its Dragon & Device mark for the sale of cheese in the relevant period.

25. I note that the opponent relies upon a wider range of goods than cheese, but, given that cheese is the only good in the application, and the opponent has clearly focused its evidence on sales of cheese under its trade mark, I do not intend to consider the limited extent to which other goods appear in the evidence.

26. The mark shown in evidence is the mark shown in paragraph 13 above. This is a word and dragon device on a dark background. The earlier mark as registered is the same word and dragon presented in black on a white background. Nothing turns on this, as the use shown in evidence clearly falls within fair and notional use of the opponent's earlier registration.

27. However, if I am found to be wrong in this, the law in relation to use of a mark in a differing form was considered in *Nirvana Trade Mark*, in which Mr Richard Arnold Q.C. (as he then was) as the Appointed Person summarised the test under s.46(2) as follows:⁹

"33. ...The first question [in a case of this kind] is what sign was presented as the trade mark on the goods and in the marketing materials during the relevant period..."

⁹ S.46(2) concerns use of a trade mark in revocation proceedings. S.6A(4)(a) is the relevant section for use in respect of opposition proceedings. The test outlined above is equally applicable to both sections which state: "...use of a trade mark includes use in a form (the 'variant form') differing in elements which do not alter the distinctive character of the mark in the form in which it was registered..."

34. The second question is whether that sign differs from the registered trade mark in elements which do not alter the latter's distinctive character. ... [T]his second question breaks down into the sub-questions, (a) what is the distinctive character of the registered trade mark, (b) what are the differences between the mark used and the registered trade mark and (c) do the differences identified in (b) alter the distinctive character identified in (a)? An affirmative answer to the second question does not depend upon the average consumer not registering the differences at all."

28. The distinctive character of the registered mark rests in the slightly stylised word 'Dragon' presented above an image of a dragon. The presentation of the words in a light colour on a dark background will still be seen by the average consumer as simply the same two elements with no material added or subtracted which alters its concept or pronunciation. The fact that the average consumer would notice the change of tone from black on white, to light on a dark background does not automatically lead to a finding that the distinctive character of the registered mark has been altered. In both presentations the distinctive character resides in the same word and device elements. I find the use of the mark shown in evidence to be an acceptable variant which does not alter the distinctive character of the mark as registered.

DECISION

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

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

(a)...

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected, or there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark."

30. 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 great 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.

The average consumer and the nature of the purchasing act

31. In accordance with the above cited case law, I must determine who the average consumer is for the goods at issue and also identify the manner in which they will be selected in the course of trade.

32. 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*¹⁰, 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

¹⁰ [2014] EWHC 439 (Ch)

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 word 'average' denotes that the person is typical. The term 'average' does not denote some form of numerical mean, mode or median."

33. The average consumer for cheese is, primarily, a member of the general public, though I do not rule out, as with most food goods, that they may also be bought by caterers and other professionals. The goods may be bought from a bricks and mortar store, where the selection is likely to be made by the consumer from a shelf. They may also be bought from a website or mail-order catalogue, where the consumer will also select the goods visually. I do not rule out that there may be a verbal element to the purchase, for example, when buying cheese from a staffed counter where the goods are requested verbally.

34. With regard to the level of attention that will be paid by the consumer, the applicants submit that whilst the goods are not particularly expensive, the relevant public is likely to pay a high level of attention to their ultimate source as they are to be consumed.

35. As with most goods, the price is likely to vary across the range. The level of attention paid to the purchase will vary depending on the nature of the goods. A standard, fairly cheap, packaged cheese bought frequently from a supermarket is likely to require a lower level of attention to be paid to its purchase than, for example, a handmade, small batch cheese bought from an artisanal cheese producer, which is also likely to be considerably more expensive. Both parties' specifications include goods across the full range of cost and exclusivity and I find that the level of attention paid to the purchase will be at least average to ensure, inter alia, the correct variety, flavour, ingredients and price range.

Comparison of goods

36. In *Gérard Meric v Office for Harmonisation in the Internal Market*,¹¹ 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”.

37. I pause at this point to note that the specification of goods in class 30 of the application is ‘Cheese all being handmade in Great Britain’. This is plainly incorrect, as cheese is proper to class 29. The class number in a trade mark specification is an administrative classification. This was considered in detail in *Pathway IP SARL v Easygroup Ltd*.¹² Having concluded that the class number may assist in construing the meaning of broad or vague terms, Mr Justice Carr held:

“103...However, that does not mean that the class number is always required to determine the natural and ordinary meaning of the words used in the specification, which may be sufficiently specific so that the scope of the specification is clear and precise...”

38. The opponent submits that its ‘cheese’ is identical to the goods in the application and the applicants submit that they accept its goods, “fall within the scope of ‘cheese’ specified in the Opponent’s marks”. This is clearly a case where the specification is sufficiently clear and precise and as both parties appear to accept that cheese is identical in both parties’ specifications, and it is the only good in the application, I will proceed on that basis.¹³

¹¹ Case T- 133/05

¹² [2018] EWHC 3608 (Ch)

¹³ See paragraph 6 of the annex to the applicants’ counterstatement.

Comparison of marks

39. 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 the 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.”

40. It would be wrong, therefore, to dissect the trade marks artificially, 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. The competing marks are:

Opponent's mark(s)	Applicants' mark
DRAGON	



41. The application consists of a shield device, divided into four segments. The top left segment contains a picture which the applicants describe as medieval imagery. It shows two people eating and drinking. The top right segment has a red background on which the words 'RED DRAGON' are shown one above the other, aligned to the left. The typeface is white, edged with gold, and has a very small degree of stylisation. The bottom left segment of the shield is also red in colour, with a fairly small heraldic device of a lion passant towards the top. The bottom right segment is black and contains white text, in title case, which reads, 'Cheddar Cheese with Wholegrain Mustard & Ale'. Below this in upper case and a smaller font size are the words, 'HANDMADE IN GREAT BRITAIN'. Below this wording is the word SOMERDALE presented with an upward curve, the middle of the word being the highest point. A crown is visible above the letters 'ERD', in the centre of the word. It is underlined, with a similar line at the top, broken by the crown device. This is a complex mark, with many competing elements. The overall impression of this mark rests in the shield shape and the words RED DRAGON. The words 'Cheddar Cheese with Wholegrain Mustard & Ale', will simply be seen as a description of the goods and the other elements are fairly small within the mark as a whole. The lion and medieval image are likely to be seen as decorative elements. The applicants describe the SOMERDALE element as 'a highly noticeable additional sign'. I disagree. Its position in the mark is subservient to all of the other elements and it is considerable smaller than the imagery and the words RED DRAGON. It is certainly not a dominant element within the mark,

though it is present and plays a role, albeit a smaller role than some of the other features.

42. The opponent's first mark is the word DRAGON, with no additional stylisation. The overall impression rests in the word.

43. The opponent's second mark consists of two elements: the word 'Dragon' in which the ear of the 'g' finishes with an arrow, in the same style as a dragon tail and a silhouette of a dragon. Both are shown in black. The dragon image takes up a little over half of the mark and I find that the two elements make a roughly equal contribution to the overall impression.

Visual comparison

44. I have described the competing marks in considerable detail when considering the overall impression and so I don't propose to repeat that here. The similarity between the first of the opponent's earlier marks and the application is the word 'Dragon'. Given the many additional elements in the application, these marks are visually similar to a low degree. The second of the opponent's earlier marks includes the dragon image, which has a degree of similarity to the lion passant in the application (though the representation of the lion in the application is smaller and presented in gold). They are both in profile, facing to the left, with the front right leg raised. Again, the application includes a number of elements not present in the earlier mark and I find these marks to have a fairly low degree of visual similarity.

Aural comparison

45. The opponent's marks will both be pronounced as the single word DRAGON, which is a common English word, well-known to the average consumer. The applicants' mark will be pronounced RED DRAGON or RED DRAGON SOMERDALE. I find the second of these less likely as the SOMERDALE element is much smaller and at the bottom of the mark, separated from the much larger RED DRAGON element by two other distinct sections of wording. I do not find that the consumer is likely to pronounce 'Cheddar Cheese with Wholegrain Mustard & Ale', in the application, as

this will simply be seen as a description of the product. For the same reason they are unlikely to pronounce 'Handmade in Great Britain'. Where the marks are pronounced DRAGON and RED DRAGON, which is the most likely, the marks have a medium degree of aural similarity. Where the SOMERDALE element is pronounced (and I find this far less likely), then the aural similarity is lower than medium.

Conceptual comparison

46. For a conceptual message to be relevant it must be capable of immediate grasp by the average consumer.¹⁴ The assessment must be made from the point of view of the average consumer who cannot be assumed to know the meaning of everything.¹⁵

47. With regard to conceptual similarity, both parties concentrate on the opponent's word and device mark. The opponent submits:

"27. There is a clear conceptual overlap between the parties' marks arising from the shared word 'Dragon', which the average consumer will readily understand to refer to a mythical creature, winged and fire-breathing. Moreover, although the dragon device happens to be presented in black, since the Applicant's figurative mark is registered in black and white, notional fair use of the mark would allow its use in other colours, including red. It is also the case that the particular representation of the dragon is that found on the Welsh flag, which is a red dragon. The average consumer - which is to say at least a substantial part of the relevant UK public - would readily perceive in the Applicant's mark the form of the red dragon of Wales. To that extent the conceptual overlap is strengthened..."

48. The applicants submit that the opponent's dragon is the dragon from the Welsh flag, which is reinforced by the word 'Dragon'. They say of their own mark:

¹⁴ This is highlighted in numerous judgments of the GC and the CJEU including *Ruiz Picasso v OHIM* [2006] e.c.r.-I-643; [2006] E.T.M.R. 29.

¹⁵ See the comments of Anna Carboni, sitting as the Appointed Person in *Chorkee*, *BL O/048/08*, paragraphs 36 and 37.

“11. The same can clearly not be said of the Application. It does not seek to replicate the Welsh flag nor would the average consumer associate it with such. Instead, the Application creates a vivid and detailed picture. The mark has many different elements, explored more fully in the Applicants’ Counterstatement, which, taken as a whole, create the image of medieval England.”

49. No evidence has been filed to support the opponent’s submission that its mark will be seen by a substantial part of the relevant public as the red dragon of Wales. The opponent is, in effect, asking me to take judicial notice of the fact. I refer to the *Chorkee* case¹⁶ in which Anna Carboni, sitting as the Appointed Person, stated in relation to the word CHEROKEE:

“36...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.”

50. For some average consumers the figurative element in the opponent’s second earlier mark will be seen as the silhouette of a dragon. For some, it will be seen as the Welsh dragon and others may go so far as to associate it with the red colour of the Welsh dragon. To what extent this is the case, I cannot be sure.

51. The applicants submit that the conceptual impression of their mark is that of medieval England. I disagree. There is no evidence before me to suggest that imagery of the type included in the application would, to average consumers, indicate medieval England, as opposed any other country.

52. The concept of both of the opponent’s earlier rights is that of a dragon. The image contained in the second mark may lead some average consumers to see it relating more specifically to a Welsh dragon. The concept conveyed by the applicants’ mark is

¹⁶ As at 15.

that of a red dragon, with the additional elements such as the shield shape, gold lion and image in the top left corner, providing a medieval feel to the mark as a whole.

53. Overall, I find the marks to be similar to at least a medium degree, due to the strong 'dragon' reference in both marks.

Distinctive character of the earlier mark

54. 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 used as coming from a particular undertaking and thus to distinguish those goods from those of other undertakings - *Windsurfing Chiemsee v Huber and Attenberger*.¹⁷

55. The plain word 'DRAGON' mark has no meaning in respect of cheese and does not allude to the goods in any way. It is a mark of medium distinctive character.

56. The word and device mark also have no meaning in respect of the goods and do not allude to them in any way. This mark is also possessed of a medium degree of distinctive character.

57. The evidence filed by the opponent shows sales of cheese under its marks since at least 2011 and its turnover is significant, being in excess of £14m between 2014 and 2019. However, I have no indication of market share in a market which I would assume to be very large and there is no evidence of advertising of the opponent's goods, other than at two food festivals. From the totality of the evidence, I cannot conclude the extent to which the opponent may have enhanced the distinctiveness of its marks.

¹⁷ Joined Cases C-108/97 and C-109/97 [1999] ETMR 585.

Likelihood of confusion

58. The factors assessed so far have a degree of interdependency¹⁸ and a global assessment of them must be made when determining whether a likelihood of confusion exists.¹⁹ It is a matter of considering the relevant factors from the viewpoint of the average consumer and determining whether they are likely to be confused.

59. The parties' goods are identical, all being cheese. The marks have a low and a fairly low degree of visual similarity, a medium degree of aural similarity (and lower than medium if 'Somerdale' is pronounced) and at least a medium degree of conceptual similarity. I have found the average consumer to be primarily a member of the general public but may also include professional purchasers such as caterers. The level of attention paid to the purchase I have found to be at least average. The purchase will be primarily a visual one, though I do not rule out aural considerations, where the goods are requested verbally from, for example, a cheese counter or delicatessen. The earlier marks both have a medium degree of inherent distinctive character. I cannot conclude the extent to which that may have been enhanced.

60. Confusion can be direct or indirect. Direct confusion involves the average consumer mistaking one mark for the other. The differences between the opponent's earlier marks and the application are too great for there to be direct confusion. I do not find that the average consumer would mistake one mark for the other.

61. The concept of indirect confusion was explained by Iain Purvis Q.C., sitting as the Appointed Person, in *L.A. Sugar Limited v By Back Beat Inc*,²⁰ as follows:

“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

¹⁸ *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc.*, C-39/97, paragraph 17

¹⁹ *Sabel BV v. Puma AG*, C-251/95, paragraph 22

²⁰ BL O/375/10.

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’”.

62. In *Duebros Limited v Heirler Cenovis GmbH*, the Appointed Person emphasised the importance of envisaging the instinctive reaction in the mind of the average consumer when encountering the later mark with an imperfect recollection of the earlier. Ultimately, the assessment is whether the average consumer will make a connection between the marks and assume that the goods or services in question are from the same or economically linked undertakings. He stressed that a finding of indirect confusion should not be made simply because the two marks share a common element. He pointed out that it is not sufficient that a mark merely calls to mind another mark as this is mere association not indirect confusion.

63. With regard to the ‘common element’, I bear in mind *Kurt Geiger v A-List Corporate Limited*, BL O-075-13, in which 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 marks that are identical or similar. He said:

“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 far from a 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.”

64. 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.

65. The opponent’s word mark DRAGON has only one element and it is clearly in this that the distinctiveness rests. The application is a complex mark, but it is the ‘RED DRAGON’ element which is the largest, is at the top of the mark and is the part which the average consumer will articulate and remember. I do not discount the other elements and in particular, I note that the applicants draw my attention to the ‘distinctive Somerdale logo’ at the bottom of the mark, but this element is the smallest of at least five separate parts to this mark, in addition to the shield shape, and is presented right at the bottom. In reaching a conclusion on this point I have carefully considered the competing marks and the additional elements in the application. In my experience, cheese is often sold in a range of colours and styles, often denoting different flavours or varieties provided by the same maker. The change from a Dragon cheese to a Red Dragon cheese is entirely in keeping with a brand extension of this type. In this case, I find that the common DRAGON element is sufficient to give rise to a likelihood of indirect confusion.

66. The situation with regard to the second of the opponent’s earlier marks is the same. The dragon image simply reinforces or replicates the word ‘Dragon’ under which the opponent’s goods have been sold.

The opposition under section 5(2)(b) succeeds.

CONCLUSION

67. The opposition succeeds under section 5(2)(b).

COSTS

68. The opposition having succeeded, South Caernarfon Creameries Ltd is entitled to a contribution towards its costs which I award on the following basis, bearing in mind that the decision was made from the papers:²¹

Official fees:	£100
Preparing the notice of opposition and considering the counterstatement:	£300
Preparing evidence and considering the other side's evidence:	£400
Submissions/submissions in lieu of a hearing:	£300
TOTAL	£1100

69. I order Somerdale International Limited and Abergavenny Fine Foods Limited to pay South Caernarfon Creameries Ltd the sum of £1100. These costs should be paid within 21 days of the date of this decision or, if there is an appeal, within 21 of the conclusion of the appeal proceedings (subject to any order of the appellate tribunal).

Dated this 9th day of April 2020

Al Skilton
For the Registrar,
The Comptroller-General

²¹ The scale of costs applicable to proceedings before the Comptroller can be found in Tribunal Practice Notice 2/2016.