

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO 2114307  
BY SEA AIR & LAND FORWARDING LTD TO  
REGISTER THE MARK 7 HEAVEN IN CLASS 32**

**AND**

**IN THE MATTER OF OPPOSITION THERETO UNDER  
NO 47082 BY THE SOUTHLAND CORPORATION**

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**DECISION**

On 30 October 1996 Sea Air & Land Forwarding Ltd of London applied to register the mark 7 HEAVEN for 'fruit juices' in Class 32. The application is numbered 2114307.

On 19 June 1997 The Southland Corporation filed notice of opposition to this application. In summary the grounds of opposition are:

- (i) under Section 5(2)(b) because the mark applied for is similar to earlier trade marks in their ownership (see Annex for full details of registrations in Class 32 and brief details of the opponents' other registrations)
- (ii) under Section 5(3) in that use of the mark applied for would take unfair advantage of, and be detrimental to the distinctive character or the repute of various earlier trade marks belonging to the opponents where the respective goods are not similar. It is also said that the opponents' mark is entitled to protection as a well known mark
- (iii) under Section 5(4) in that use of the trade mark is liable to be prevented by rule of law (in particular the law of passing off)
- (iv) under Section 3(1)(a) in that the mark applied for is not capable of distinguishing the goods of the applicants from those of other undertakings
- (v) under Section 3(1)(b) in that the mark applied for is devoid of any distinctive character
- (vi) under Section 3(3)(b) in that the mark is of such a nature as to deceive the public
- (vii) under Section 3(6) in that the application was made in bad faith.

The applicants filed a counterstatement commenting at length on some of the background exchanges but in essence denying the above grounds.

Both sides ask for an award of costs in their favour.

Both sides filed evidence. The matter came to be heard on 12 January 1999 when Mr R S Ranger represented the applicant and Mr M A Lynd of Edward Evans & Co., Trade Mark Attorneys, represented the opponents.

### **Opponents' Evidence**

The opponents filed a statutory declaration dated 23 December 1997 by Michael Domenico Bilewycz, a registered trade mark agent at Edward Evans & Co. He says that he makes his declaration on the basis of information known personally to him and extracted from the records of the opponents and of information obtained from the opponents worldwide website.

In summary he makes the following points:

- the 7 ELEVEN trade mark is well known in the United Kingdom and is used in relation to a widespread chain of high street shops
- pre tax profits for the year ended 31 December 1996 were US\$ 130.8m on a turnover of US\$ 6.96 billion (press release at exhibit MDB1)
- stores are operated in the UK via a licensee and via franchises. A list of UK stores is at exhibit MDB2
- a bundle of documents is exhibited at MDB3 indicating the history of activity in this country
- shops operated under the mark are in the nature of convenience stores akin to small supermarkets
- amongst the products the shops sell are fruit juices (such goods are covered by registration No 1229942).

He concludes with observations on the respective marks claiming there is a strong phonetic similarity and “reminding the Registrar that a British trade mark registration can be infringed by oral use”.

### **Applicants' Evidence**

The applicants filed a statutory declaration dated 18 September 1998 by Raminder Singh Ranger who comments that:

- Mr Bilewycz fails to mention that the stores in question were closed/shutdown/sold off or what their individual turnover was before closure and sell-off

- there is no mention that the 7 ELEVEN chain sold their interest in the UK to the Budgens food chain and that the names have changed or are in the process of changing
- 5        - there should be no confusion arising from use of the brand 7 HEAVEN on fruit juices.

That completes my review of the evidence.

10        A preliminary point arose at the hearing in that the opponents had indicated that they would be seeking leave to file further evidence in response to the points made in Mr Ranger's declaration. After hearing the parties I decided not to admit this further evidence. The issues addressed mainly concerned the material date in the proceedings (and the fact that events after that date are not directly relevant) and the matter of confusion. It seemed to me that these  
15        issues should be, and in practice were, dealt with in submissions and, therefore, it was not necessary to admit evidence on the points. I do not think it prejudiced the opponents that the evidence was not admitted.

I will deal firstly with the objection based in Section 5(2)(b).

20        This Section reads:

“5.-(1) .....

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

(a) .....

30        (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.”

35        The term “earlier trade mark” is itself defined in Section 6 as follows:

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

40        (a) a registered trade mark, international trade mark (UK) or Community trade mark which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks,

45        (b) a Community trade mark which has a valid claim to seniority from an earlier registered trade mark or international trade mark (UK), or

- (c) a trade mark which, at the date of application for registration of the trade mark in question or (where appropriate) of the priority claimed in respect of the application, was entitled to protection under the Paris Convention as a well known trade mark.”

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In considering the issue of confusion I also take account of the guidance given by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* (1997 RPC 199). The relevant sections of the ECJ’s decision are set out below:-

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“..... it is clear from the tenth recital in the preamble to the Directive that the appreciation of the likelihood of confusion ‘depends on numerous elements and, in particular, on the recognition of the trade mark on the market, of the association which can be made with the used or registered sign, of the degree of similarity between the trade mark and the sign and between the goods or services identified’. The likelihood of confusion must therefore be appreciated globally, taking into account all factors relevant to the circumstances of the case.

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That global appreciation of the visual, aural or conceptual similarity of the marks in question, must be based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components. The wording of Article 4(1)(b) of the Directive - ‘there exists a likelihood of confusion on the part of the public .....’ - shows that the perception of marks in the mind of the average consumer of the type of goods or services in question plays a decisive role in the global appreciation of the likelihood of confusion. The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details.

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In that perspective, the more distinctive the earlier mark, the greater will be the likelihood of confusion. It is therefore not impossible that the conceptual similarity resulting from the fact that two marks use images with analogous semantic content may give rise to a likelihood of confusion where the earlier mark has a particularly distinctive character, either per se or because of the reputation it enjoys with the public.”

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The opponents have two registrations in Class 32. I have set out full details of these in the Annex to this decision. It is clear that the specifications which contain non alcoholic drinks must cover identical goods to those of the applicant (that is to say fruit juices). It will be convenient to consider the matter on the basis of registration No 1229942 as that mark is closer presentationally to the mark in suit than 1229954. Mr Lynd took the view that the applicants’ mark 7HEAVEN was too close to his client’s mark having regard particularly to oral use. He reminded me also that by virtue of Section 103(2) a trade mark can be infringed by oral use. In particular he argued that trade marks are not always carefully articulated and given the occasional tendency for people to drop initial aitches there is a real risk of confusion.

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It is self evident that both marks commence with the numeral 7. The opponents appear to adopt a form of presentation that leaves a slight gap between the upward arch of the numeral and the cross bar but I do not think anything much turns on such a narrow stylistic point. The words ELEVEN and HEAVEN are unlikely to be confused visually in my view. Each is a

well known dictionary word and I cannot see any reason why the public would be unable to differentiate easily between them unless they were, say, so preoccupied with the initial element 7 that they failed to pay due regard to the marks as wholes. That seems to me inherently unlikely.

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The risks identified by Mr Lynd arising from oral use seem to me to be the high point of the opponents' case but even allowing for the risk of poor articulation and some alliterative similarity in the endings the words are composed of different numbers of syllables and are in my view distinguishable. Conceptually 7ELEVEN is the combination of two numerals but in the somewhat unusual format of one being shown as a numeral and the other as the word equivalent of a numeral. 7HEAVEN, on the other hand, is more likely in my view to bring to mind the well known phrase seventh heaven and perhaps is intended to allude to the attractive properties of the product. Taking all these factors into account I do not find that there is any real likelihood of confusion between the respective marks. I note that the passage from Sabel v Puma quoted above in referring back to the tenth recital to the Directive indicates that the recognition of the trade mark on the market should be taken into account. For reasons which I will explain more fully in relation to the other Section 5 grounds below I do not think the evidence filed by the opponents persuades me to come to any different view of the matter having regard to this factor. The opposition fails under Section 5(2)(b).

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Section 5(3) reads:

“(3) A trade mark which -

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(a) is identical with or similar to an earlier trade mark, and

(b) is to be registered for goods or services which are not similar to those for which the earlier trade mark is protected,

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

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The opponents also say that their mark is entitled to protection under the Paris Convention as a well known mark in accordance with Section 56 of the Act. Article 16(3) of the TRIPS Agreement indicates that “Article 6 bis of the Paris Convention (1967) shall apply, mutatis mutandis, to goods or services which are not similar to those in respect of which a trade mark is registered”. Although I have not set out full details in the Annex to this decision it will be apparent that the opponents have a considerable number of registrations in classes which cover goods which are clearly not similar to the goods applied for.

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In an appeal to the Appointed Person in respect of an invalidity action (No 9236) by Corgi Classes Ltd against registered trade mark No 2042334 Mr Hobbs QC considered the provisions of Section 5(3) and differentiated the test to be applied from that applicable under

Section 5(2). In his decision (as yet unreported) dated 30 September 1998 he commented as follows:

5 “I cannot see any reason why such mischief [the grievances in question] should **only** be regarded as objectionable under Section 5(3) in cases where it can be attributed to the existence of a likelihood of confusion. It looks to me as though the requirement for a likelihood of confusion was deliberately included in the provisions of the Directive implemented by Section 5(2) and deliberately omitted from the provisions of the Directive implemented by Section 5(3). In Marks & Spencer Plc and Others v. One In  
10 A Million Ltd and Others [1998] FSR 265 at 272, 273 Mr. Jonathan Sumption Q.C. (sitting as a Deputy High Court Judge) considered it to be uncertain whether Section 10(3) of the 1994 Act (which contains provisions to the same effect as those found in Section 5(3) of the Act) calls for the existence of a likelihood of confusion. That case subsequently went on appeal to the Court of Appeal (Stuart-Smith, Swinton Thomas and Aldous L.JJ). In judgments handed down on 23rd July 1998 the Court of Appeal indicated (per Aldous LJ, Stuart-Smith and Swinton Thomas L.JJ concurring) that it was not satisfied that confusing use was required for the purposes of those provisions. I understand that the Registrar currently regards it as unnecessary for an objector to establish a likelihood of confusion in order to substantiate an objection to registration  
15 under Section 5(3): see e.g. Ever Ready Plc’s Opposition [1998] RPC 631; Audi AG’s Opposition (6th July 1998).<sup>1</sup> I believe that to be the correct approach to Section 5(3).”

25 Section 5(3) provides a broader level of protection to marks which have a reputation. It seems unlikely that such protection would be warranted unless reputation had been very clearly established and was at a significant level having regard to the nature of the goods and the customers for those goods. I think it must also follow that the burden on an opponent to establish his case must increase proportionately according to the degree of difference between the marks at issue. As a practical matter I find it difficult to envisage circumstances where, as  
30 here, an opponent who has failed in relation to the same goods under Section 5(2) could nevertheless succeed under Section 5(3). However in case that is considered to be an unjustifiably broad statement I go on to consider the opponents’ case.

35 The opponents’ evidence takes three main forms - a US press release announcing The Southland Corporations’ trading results for 1996; a list of UK stores; and material, mainly press reports, relating to store openings and activity in this country. It seems from the press reports that the first 7ELEVEN store in this country opened in or about 1977 and there may have been in excess of thirty stores since then mainly in the South East of the country. Mr Ranger commented on more recent developments which suggested that various stores  
40 have either been closed down or sold off but I think Mr Lynd was right to say that these claims are either unsubstantiated, after the material date or otherwise not relevant to the issues before me. It might seem that the operation of convenience stores since 1977 would result in some reputation being established but I have a number of problems with the opponents’ evidence which I would summarise as being:-

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<sup>1</sup> Subsequently reported in 1998 RPC 863

- there is no evidence that any of the opponents' marks are used on the goods themselves. I accept Mr Lynd's argument that a mark does not have to be applied to the goods but can be used in relation to them in the form, for instance, of till receipts, price labels, carrier bags etc. However no evidence of this kind has been filed so I do not know what mark has been used and therefore how it has been used.
- Mr Lynd further contended that use of the mark as the name of the store was in itself sufficient to show that the goods sold within the store were the opponents by selection. In principle I accept Mr Lynd's submission. The difficulty I have however is that there is little evidence other than what can be seen on newspaper and magazine photographs showing the stores themselves. Almost without exception the photographs showing store frontages suggests that the actual sign used is the version exemplified by registration 1229954. That version is presentationally further removed from the applicants' mark and makes it less likely that the opponents can succeed under this head.
- there is no information on UK sales, advertising, promotional expenditure or other indicators that might help to establish the extent and nature of the reputation in this country.

I also note that a number of the items contained in Exhibit MDB3 refer to the fact that the opponents' stores, at least in the original concept opened from 7.00am to 11.00pm (some press articles suggest these are still the opening times for some stores). The opponents' mark, therefore, alludes to the scope of the service offered by the stores even if it is not directly descriptive of the goods sold in the stores. Against that background, and bearing in mind my views on the respective marks, I would have great difficulty in arriving at the conclusion that use of the applicants' mark would produce the undesirable consequences referred to in Section 5(3). Although I do not rely on it as it was not referred to at the hearing I note that the Hearing Officer in the Oasis Stores Trade Mark case (see above) adopted a not dissimilar approach when he commented:-

“Where the applicants' mark consists substantially of dictionary words which allude to (but do not directly describe) the nature of the goods in respect of which it is proposed to be registered, I think that the registrar should be slow to infer that use of the mark will take unfair advantage of the distinctive character of an earlier mark consisting of the same dictionary words. The most that can be said here is that the applicants' mark makes a vaguely similar allusion to the nature of the applicants' goods as the opponents' mark makes to theirs. The link is tenuous and unsurprising given that dictionary words are concerned.”

In short the applicants have failed to substantiate their claim to a reputation or, it follows, a well known mark. Furthermore it appears from the limited material available that the mark most frequently used is further removed, given its presentation, from the applicants' mark. The opposition based on Section 5(3) and the claim to a well known mark fails.



Section 5(4)a) reads:

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

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

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(b) .....

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

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No reference is made to any rule of law other than passing off. Mr Hobbs QC set out a summary of the elements of an action for passing off in WILD CHILD Trade Mark 1998 RPC 455. The necessary elements are said to be as follows:

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

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

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

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I think it follows from my above findings that the opponents have not brought themselves within the first leg of the above test. For the reasons I have also given above they have not established that there is or will be any misrepresentation or damage. The opposition fails on this ground as well.

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The remaining objections are under Sections 3(1)(a) and (b), 3(3)(b) and 3(6). In my view the applicants have filed no evidence bearing directly on these grounds and Mr Lynd’s submissions at the hearing concentrated on the relative ground issues. The side note to Section 3 of the Act indicates that the Section is concerned with “absolute grounds for refusal of registration”, that is to say some inherent characteristic of the mark that disqualifies it from registration. I do not see any such issues arising in the context of this application. Perhaps the closest the opponents get to founding any objection under this Section is their claim that the applicants must in some way have known about their marks and activities and by implication the application was made in bad faith (Section 3(6)). However there is no evidence or basis to support such a claim. The applicants have chosen a different mark and I see no basis for questioning their bona fides. The opposition fails on all the Section 3 grounds.

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As the applicants have been successful they are entitled to a contribution towards their costs.  
I order the opponents to pay the applicants the sum of **£635**.

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Dated this 22 day of January 1999

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M REYNOLDS  
For the Registrar  
the Comptroller-General

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ANNEX

No	Mark	Class	Journal	Specification
1229942		32	5760/0882	Beer, ale and porter; mineral waters, aerated waters, non-alcoholic drinks, syrups and preparations for making beverages, all included in Class 32

**7-ELEVEN**

1229954		32	5760/0883	Beer, ale and porter; mineral waters, aerated waters, non-alcoholic drinks, syrups, and preparations for making beverages, all included in Class 32
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Brief details of other registrations referred to by the opponents.

<b>No</b>	<b>Class</b>
1029517	30
1029518	31
1229933	9
1229934	11
1229935	16
1229936	21
1229937	25
1229938	28
1229939	29
1229940	30
1229941	31
1229943	33
1229944	34
1229945	9
1229946	11
1229947	16
1229948	21
1229949	25
1229950	28
1229951	29
1229952	30
1229953	31
1229955	33
1229956	34