

HTRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO 2020424 BY
KERRY GROUP PLC TO REGISTER A MARK
IN CLASS 29**

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER NO 45888 BY UNILEVER PLC AND
VAN DEN BERGH FOODS LIMITED**

TRADE MARKS ACT 1994

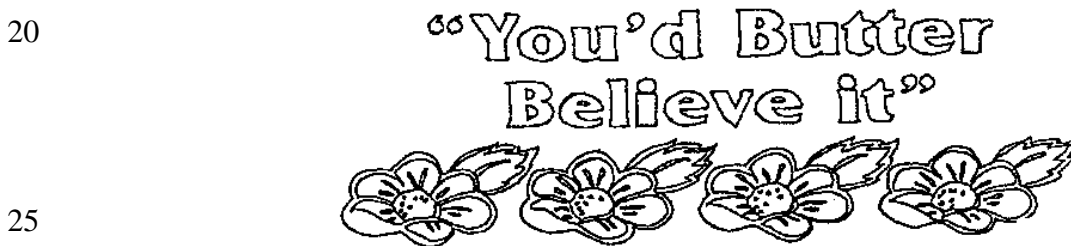
5 **IN THE MATTER OF Application No 2020424**
by Kerry Group PLC to Register a Mark in Class 29

and

10 **IN THE MATTER OF Opposition thereto under No 45888**
by Unilever PLC and Van Den Bergh Foods Limited

15 **DECISION**

On 15 May 1995 Kerry Group Plc applied to register the following mark:



30 for a specification of goods which reads:

Dairy spreads; low fat dairy spreads; vegetable fat spread with buttermilk; margarine;
vegetable oil based spreads; dairy products; spreads included in Class 29; edible oils
and fats.

35 The application is numbered 2020424.

On 14 November 1996 Unilever Plc and Van Den Bergh Foods Ltd jointly filed notice of
opposition to this application. They say that they are the proprietors of the following
40 registrations.

No	Mark	Class	Journal	Specification
45 1444932	I CAN'T BELIEVE ITS NOT BUTTER!	29	5976/3473	Margarine; edible oils and fats; all included in Class 29

1508933 I CAN'T BELIEVE 16 5996/6476 Paper, cardboard, printed matter;
ITS NOT BUTTER photographs, instructional and
5 teaching material; cookery books;
recipe books; all included in Class
16.

Note In fact these registrations stand in the name of the first opponent.

10 They also say that they have made substantial use of the trade mark I CAN'T BELIEVE IT'S
NOT BUTTER! Objection is said to arise primarily under Sections 5(2)(b) and 5(3) but the
opponents also say that registration would offend against Section 3(3)(a), 3(3)(b), 3(4),
5(4)(a) and 32(3), the latter being based on the claim that the mark is not being used and there
is no intention to use it in relation to all the goods listed.

15 The applicants filed a counterstatement denying the above grounds.

Both sides ask for an award of costs in their favour. Both sides filed evidence and the matter
came to be heard on 11 October 2000 when the applicants were represented by Mr G Hamer
of Counsel instructed by Marks & Clerk and the opponents by Mr R Miller of Her Majesty's
20 Counsel instructed by Castles.

Opponents' Evidence

25 The opponents filed a declaration by Gillian Noble, Marketing Manager of Van den Bergh
Foods Ltd, one of the joint opponents. She says that the company is a manufacturer of mass
market foodstuffs with a total annual turnover of approximately £700-800 million. It is a
subsidiary of Unilever Plc, the other joint opponent.

30 Ms Noble firstly gives evidence as to the use of the trade mark I CAN'T BELIEVE IT'S NOT
BUTTER. This commenced in the UK in October 1991 in relation to a vegetable spread
containing buttermilk. Sample invoices from the years 1991 to 1997 are at exhibit GN1.

35 When the product was launched the Independent Television Commission banned the
associated television advertisements from being broadcast. This was because the Independent
Television Commission believed that they contravened an EC Directive which prohibited the
use of dairy designations on non-dairy products, such as the vegetable fat spread sold by the
opponents. Though the original television advertisements did not go ahead there were,
nevertheless, full page advertisements in a number of newspapers at that time which featured
40 the story board of the banned television commercial. Copies of examples of the press
coverage are exhibited at GN2 and GN3. Since then the amount spent on advertising the
product and the resultant sales have been as follows:

	YEAR	ADVERTISING		SALES
45	1991	£2.3 million	-	-
	1992	£3.8 million	-	£15.9 million
	1993	£3.1 million	-	£26.2 million

1994	£2.4 million	-	£33.1 million
1995	£3.9 million	-	£43.3 million
1996	£4.1 million	-	£52.3 million

5 Further examples of promotional material for the years 1991 to 1997 are exhibited at GN4, GN5 and GN6.

10 I note that the material covers television advertisements, poster campaigns, magazine advertisements and trade press advertising. Other types of promotional activity (recipes, books, t-shirts etc) are shown at GN7.

15 Sales are said to have been made throughout the UK through major and minor retail outlets including leading supermarkets, convenience stores, cash and carry outlets and petrol forecourts.

The remainder of Ms Noble's evidence is in the nature of submissions on the issue of confusing similarity and the position in law. I bear these points in mind in coming to my own view of the matter.

20 The opponents also filed a statutory declaration by Ann Critchell-Ward, a paralegal assistant with Messrs Martineau Johnson. She describes a visit she paid to an Asda store in Spondon, Derbyshire on 3 July 1997 which resulted in her picking up what she describes as an Asda own brand product sold by reference to the mark YOU'D BUTTER BELIEVE IT rather than the intended purchase which was the opponents' I CAN'T BELIEVE IT'S NOT BUTTER. She
25 says that one of her children spotted the error and she removed it from her trolley. She subsequently mentioned the incident to the head of the department and he contacted Van Den Bergh's to advise them of the confusion.

30 **Applicants' Evidence**

The applicants filed a statutory declaration by Brian Durran, their Company Secretary.

35 He says that the applicants' product was first launched in the UK on 30 October 1994 through the Asda supermarket chain.

Turnover and advertising expenditure are said to have been as follows:

	Turnover (retail value)	Advertising
40 1994	350,000	30,000
1995	1,507,000	50,000
1996	2,120,000	100,000
1997	4,300,000 (projected)	70,000

45 Mr Durran says the applicants' product differs from the opponents' in that it contains 12% real butter and is classified as a dairy spread whereas the opponents' is a margarine with buttermilk. He also refers to certain other differences in content and packaging (Exhibit BD1)

Mr Durran goes on to offer his observations in the issues of similarity/dissimilarity, and confusion. He suggests the opponents are attempting to assert a monopoly in the word BELIEVE which cannot be substantiated and that the parties' marks have co-existed in the marketplace. He also refers to certain other marks (BELIEVE IT OR NOT and YOU'D NEVER BELIEVE IT) which are used on goods produced by the applicants for the multiples Somerfield and Co-Op and a product entitled UNBELIEVABLE which is no longer available but was on the market through Tesco's from June 1994.

Opponents' Evidence in reply

Ms Noble has filed a further statutory declaration. She suggests that there is no firm evidence to corroborate the claimed launch date of the applicants' products and notes that the differences between the respective products and their packaging identified in the applicants' evidence do not carry through to the mark as filed or the specification thereof. She denies that the opponents are asserting a monopoly in the word BELIEVE and confirms that she bases her view on the totality of the respective marks. Ms Noble also denies the relevance of the other marks referred to in Mr Durran's evidence.

That completes my review of the evidence so far as I consider it to be relevant.

A large number of grounds of opposition have been raised. The evidence and submissions were largely directed towards Section 5(2)(b). I find no basis for the grounds based on Section 3(3)(a) and 3(4) and dismiss them accordingly. I will deal with other grounds to the extent necessary later in this decision.

Section 5(2)(b) reads:

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

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

I was referred to and take into account the guidance provided by the European Court of Justice in *Sabel BV v Puma AG* (1998 RPC 199 at 224), *Canon v MGM* (1999 RPC 117) and *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BC* (2000 FSR 77).

It is clear from these cases that:-

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

- 5 (b) the matter must be judged through the eyes of the average consumer of the goods/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;
- 10 (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;
- 15 (d) the visual, aural and conceptual similarities of the marks must therefore be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components;
- (e) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa;
- 20 (f) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either per se or because of the use that has been made of it.
- (g) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Section 5(2);
- 25 (h) but if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section.

30 It is not disputed that both the specifications of the mark applied for and the opponents' earlier trade mark in Class 29 cover identical goods and/or similar goods. Margarine, edible oils and fats are common to both specifications. I would regard the various 'spreads' in the applicants' specification as similar to, if not the same as, edible fats. Dairy products is a broad term but one which must include dairy spreads.

35 Both parties claim to have put their marks to use though in each case the actual use by the material date appears to be in relation to a single product rather than across the breadth of the specifications. The applicants in particular have sought to differentiate the respective products primarily by reference to the 12% real butter content of their own goods compared to the opponents' spread which is said to be a margarine with buttermilk. Further detailed

40 elaboration of the differences in products and packaging is at Exhibit BD1. I have not found this part of the evidence to be of particular assistance and cannot entirely reconcile Mr Durran's comments on the real butter content of the applicants' product with the statement on the packaging that it is a fat spread made from a blend of vegetable oil and buttermilk.

45 The evidence of use filed bears on the reputation attaching to the opponents' earlier trade mark and the issue of likelihood of confusion. The opponents' evidence is summarised above. The controversy surrounding the advertising launch and the ITC ban was presumably something of

a mixed blessing. No doubt it was highly inconvenient at the time but it yielded an unusual marketing angle which was subsequently exploited in newspaper advertising. The success of the product is, I think, demonstrated by the turnover figures, the press coverage generated and items such as GN4 which records the growing market share enjoyed by I CAN'T BELIEVE IT'S NOT BUTTER. Mr Hamer was entitled to say that there was no direct evidence before me as to recognition of the mark by the trade and public but there is in my view sufficient surrounding evidence to satisfy me that the mark is likely to enjoy some reputation in the marketplace but that has to be balanced against my views on the inherent characteristics of the mark (of which more below).

The evidence in support of the applicants' claim to use is much thinner. The product is said to have been launched in October 1994. A modest but not negligible level of trade occurred in the period up to the material date. Sales appear to have been exclusively in ASDA supermarkets for whom it appears to have been an own brand item.

The ECJ cases referred to above establish that the overall distinctive character of a mark derives from its inherent characteristics and the recognition/reputation it enjoys in the marketplace. The marks before me are slogans. It is in the nature of such marks that they are intended to convey a message, often descriptive or laudatory, about the underlying product. The opponents' mark carries just such a message, namely that the product has a buttery taste albeit that it is not butter. There may even be a sub text that here is a product that offers an alternative to butter for the health conscious consumer. For the mark to succeed it relies on customers reading the message. That points to two things. Firstly it confirms that the particular slogan is laudatory and/or descriptive. Secondly it suggests that the mark is directed towards a very specific and narrow product range. It is unlikely to enjoy a broad penumbra of protection. Reference has been made in the evidence to a mark on the register I CAN'T BELIEVE IT'S YOGHURT. That application was initially rejected by the Registry but held on appeal to be registrable. Robin Jacob QC (as he was then) sitting as the Secretary of State's tribunal said at the time "although I think this case is on the borderline I think it is registrable in Part B without evidence of use". I regard that as support for my own view that the (similar in kind) earlier trade mark relied on by the opponents has an inherently low level of distinctive character counteracted in part by the reputation arising from use.

The applicants' mark is also a slogan. I would venture to say that it has a slightly more ambiguous message. In cross examination Ms Critchell-Ward did not have an immediate answer as to the meaning it conveyed. That does not surprise me. The most obvious point to be derived from it is that it is a play on the expression 'you'd better believe it'. It is the kind of wordplay much favoured by marketing and publicity departments. It nevertheless contains a reference to butter and might also be seen as alluding to the goods. When pressed Ms Critchell-Ward thought it might point to a butter content. What both marks share therefore is the fact that they are slogans. Beyond that one is a personal expression of surprise (I CAN'T BELIEVE IT'S NOT BUTTER!) but clearly indicating the product is not butter, the other an arguably more ambiguous mark based on a familiar expression.

My preceding observations bear on the conceptual similarities and differences between the marks. Their visual and aural characteristics must also be taken into account.

The applicants' mark has a device element but it is the words that are likely to make the greater impact. I do not, therefore, place any great weight on the capacity of the device to differentiate between the respective marks. I note in passing that the device does not appear on the examples of packaging supplied in evidence which instead have a knife and swirl of butter. Both marks are what might be termed slogans. As will often be the case with slogans they make for 'wordy' trade marks. Self evidently there are some words in common but these relate to the message that the marks are intended to convey. Mr Miller submitted that the fact that the opponents' mark is in the nominative case and the applicants' in the vocative should not count for a great deal. That may be true up to a point but it is not something that is likely to go unnoticed. Given the nature of the marks I do not find the visual similarity to be particularly strong. Aurally the marks are in my view easily distinguishable. The double negative of the opponents' mark makes for a somewhat cumbersome construction and a rather staccato rhythm to the sentence. The applicants' mark is both easier on the ear and a variation on a familiar phrase. On the whole, however, aural considerations are likely to be less important having regard to the goods concerned and the normal purchasing process.

This brings me to the instance of confusion that has arisen. Ms Critchell-Ward was cross examined on her evidence at the hearing. I found her to be an honest and credible witness and someone who could reasonably be regarded as an 'average consumer' as set out in the Lloyd Schufabrik case. She was a purchaser of the Van den Bergh product because she considered it to be a healthy choice. She said she was aware of the name of the product and made her choice primarily on the name of the product rather than the packaging. When pressed she mentioned the length of the name and referred also to the writing being in a swirl. The surrounding circumstances were that she was shopping with her two children in the evening after a day's work. Although Mr Hamer tried to make something of the latter as in some way representing circumstances most likely to contribute to mistakes I am not inclined to make too much of that point. The circumstances were those likely to be met by many working mothers. Ms Critchell-Ward conceded that on a fair reading the respective marks were unlikely to be confused. Counsel took divergent views on what constituted a fair reading. Mr Hamer wanted to suggest that surrounding circumstances such as the packaging or the position of goods within the store/cabinet may have resulted in a choice being made with insufficient attention being paid to the mark itself or that Ms Critchell-Ward was momentarily distracted. On that basis it is suggested the mark had not been given a fair chance. Mr Miller rightly took the view that the purchasing process (and it is particularly true with repeat purchases of low cost consumer items) is unlikely to involve a detailed scrutiny of a mark let alone a comparison with a rival brand.

It is not easy to reconstruct the influences, conscious or otherwise, that led to a particular action. I am satisfied that Ms Critchell-Ward believed that she made her selection primarily on the basis of the name rather than features of packaging or product location. Against this she remembered the length of the name which could be construed as suggesting that she reacted to that factor and perhaps unwittingly paid less or insufficient attention to the words themselves. Mention was also made of the swirl. I do not altogether understand this point. It might describe the presentation of the applicants' mark (the words are written in a wave effect) or the swirl of butter which appears on the packaging behind the words and in combination with the device of a knife. But on re-examining the evidence I can find no examples of the opponents' mark being presented in this way. If this point of difference was noticed it is

somewhat surprising that it did not trigger a closer look at the words themselves. It seems also that Ms Critchell-Ward may have been viewing a slightly different combination of features than the mark applied for which has flowers in addition to the words.

5 No other instances of confusion have come to light against which Ms Critchell-Ward's
experience can be tested. The opponents point out that the circumstances which led to her
experience being reported were exceptional (her firm saw an opportunity to market themselves
to a large company). By implication it is suggested that other instances of confusion go
unreported. Mr Miller foresaw other reasons too why confusion may not have arisen or gone
10 unreported based on trading to date (differences in products and packaging, low sales by the
applicants, the ASDA name, Mr Durran being based in Ireland and not having initiated
enquiries in the UK). Against this Mr Hamer reminded me that the opponents had not
initiated enquiries of their own to test the position. There is some truth in all of this but in
itself it does not greatly assist me in reaching a decision.

15 Taking all of the above factors into account I conclude as follows:

20 S apart from being 'lengthy' marks they are not visually similar. The presence of
the device in the mark applied for should not be ignored but in itself is likely to
be of marginal assistance only to the applicants

S the marks are not aurally similar

25 S both are slogans but in other respects convey different messages. To achieve
the intended effect the opponents' mark relies on customers reading the
message

30 S due allowance must be made for imperfect recollection but this factor does not
lead me to a different view of the respective marks

S the opponents' earlier trade mark has a low level of inherent distinctiveness but
this is counter-balanced in that it is likely to have achieved recognition as a
result of the use made of it particularly as it is used as a standalone mark

35 S nevertheless the area of protection around the earlier trade mark is likely to be
narrow even with the benefit of use given the nature of the mark and the fact
that it is a one-product mark

40 S cross examination did not entirely undermine the value of Ms Critchell-Ward's
evidence but there are still unexplained aspects to it

S a single instance of confusion (even if accepted) is not necessarily conclusive in
itself but must be weighed in the balance

45 S the respective products have been sold (probably) close to one another if not
side by side in ASDA stores. That might suggest scope for confusion arising if
such were to be the case. Against that, existing usage appears to have been

with the ASDA housemark but without the flower device.

In the end it is for me to reach my own view of the matter taking account of the above factors. Ms Critchell-Ward's evidence suggests at most there is a possibility that some people will be
5 confused. But the test is higher than that and requires me to be satisfied that there is a
likelihood of confusion if the opponents are to succeed. On a balanced view of the matter I
am not persuaded that this is the case. The opposition thus fails under Section 5(2)(b).

I turn briefly to the remaining grounds. Section 5(3) was not pressed at the hearing but has
10 not, I think, been quite given up. To have the basis for an objection under this head the
opponents are required to have an earlier trade mark with a reputation and where the
respective sets of goods would be dissimilar. The opponents have a registration in Class 16
for goods which are clearly dissimilar to the applicants' Class 29 goods. However there is no
15 evidence of any reputation attaching to the mark in relation to any of the Class 16 goods.
There is thus no basis for the objection.

Under Section 5(4)(a) the opponents were acknowledged to be in no stronger position than
20 under Section 5(2). It follows from my finding in relation to the latter that this ground also
fails.

In their statement of grounds the opponents raise objection under Section 3(3)(b) and say that
"if used on goods containing butter application Number 2020424 is likely to cause deception
to the public". That statement causes me to consider what message the mark conveys. I have
25 already suggested that, whilst the opponents' mark clearly indicates the product is not butter,
the applicants' mark carries a degree of ambiguity. First and foremost it would be seen as
simply a play on a well known expression. Beyond that some might read it as indicating a
butter content others might read it as merely suggestive of a buttery taste. The ambiguity
inherent in the mark leads me to the view that the average customer would probably pay some
30 attention to other labelling or ingredient designations to establish what they were being
offered.

In relation to Section 3(3)(b) the Trade Marks Registry's Work Manual at Chapter 6
paragraph 11.3 states:

35 In future, an objection under Section 3(3)(b) will only be raised if in the examiner's
view there is any real potential for deception of the public. The examiner should
consider whether there would be any possible advantage to any trader (not specifically
the applicant) from using the mark on anything other than goods with the
40 characteristics conveyed by the mark.

I cannot see that the objection as expressed by the opponents has any merit and I am not being
asked to consider an objection based on the EC Directive dealing with dairy descriptions. The
Section 3(3)(b) ground fails.

45 The final matter is the objection under Section 32(3) that the mark is not being used and that
there is no intention to use it in relation to all the goods listed. Section 32(3) is not in itself a
ground of opposition but an objection under this head goes to Section 3(6). The applicants'

mark has been used since October 1994 albeit in relation to one particular product only. They do not say whether they have plans to develop a range of spread products which would bring the full breadth of the specification into play. Equally the opponents have advanced no, or insufficient, evidence that causes me to say with any confidence that their objection is sustainable. The onus was on them to do so.

The opposition as a whole has failed. The applicants are entitled to a contribution towards their costs. I order the opponents to pay the applicants the sum of £735. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 7th day of November 2000

**M REYNOLDS
For the Registrar
the Comptroller-General**