

TRADE MARKS ACT 1994
IN THE MATTER OF APPLICATION No 2183855
BY NORSK HYDRO ASA
TO REGISTER A TRADE MARK
NUGRAIN
IN CLASS 31

AND IN THE MATTER OF OPPOSITION THERETO
UNDER NUMBER 50409
BY DSM N.V.

BACKGROUND

1) On 7 December 1998, Norsk Hydro ASA of N-0240 Oslo, Norway applied under the Trade Marks Act 1994 for registration of the trade mark NUGRAIN in respect of "Foodstuffs for animals; additives for animal feed".

2) On the 17 November 1999 DSM N.V. of Het Overloon 1, 6411 TE Heerlen, The Netherlands filed notice of opposition to the application. The grounds of opposition are in summary:

a) The opponent is the proprietor of the following trade marks:

Mark	Number	Effective Date	Class	Specification
NATUGRAIN	2025900	04.07.95	1	Chemical products for industrial and scientific purposes and for use in agriculture, horticulture and forestry; chemical products for preserving foodstuffs.
NATUGRAIN	2022242	30.05.95	31	Agricultural, horticultural and forestry products included in Class 31; fresh fruits and vegetables; seeds, natural plants and flowers; foodstuffs for animals, fodder; additives to fodder; all included in Class 31.

b) The opponent has used these marks extensively in the UK via its subsidiary Gist-Brocades B.V. in relation to goods for which the mark is registered which are used in the manufacture of feeding stuff for animals.

c) The mark applied for is confusingly similar to the opponent's marks and is for identical or similar goods. It is therefore contrary to Sections 5(2) and 5(4) of the Trade Marks Act 1994.

3) The applicant subsequently filed a counterstatement denying the opponent's claims

4) Both sides filed evidence in these proceedings. Both sides ask for an award of costs. Neither party wished to be heard in this matter. However, both filed written submissions. My decision will therefore be based on the pleadings, the evidence filed and the written submissions.

OPPONENT'S EVIDENCE

5) The opponent filed a witness statement, dated 29 September 2000, by Lloyd Richard Curtis the Marketing Director of Frank Wright Ltd which is a wholly owned subsidiary of BASF Plc which is itself a wholly owned subsidiary of BASF AG of Germany. BASF AG is the world wide sole licensee of DSM N.V. in respect of the trade mark NATUGRAIN. Frank Wright Ltd sells the Natugrain products under the BASF name in the United Kingdom.

6) Mr Curtis states that the opponent has sold products under the NATUGRAIN mark in the UK since 1997. The mark has been used and continues to be used in respect of animal foodstuffs, in particular food supplements containing natural enzymes. He states that such products are principally sold to manufacturers of animal foodstuffs. Mr Curtis provides turnover figures both in value and volume as follows:

Year	£	Tonnage
1997	160,000	13
1998	275,000	29
1999	45,000	9

7) Mr Curtis states that "in view of the fact that the market for the products sold under the NATUGRAIN trade mark in the UK is highly specialised comprising principally animal foodstuffs manufacturers...." that the advertising and promotion has been in specialist publications such as *Feed Legislation*, *Feed Additives Handbook* and *Feed Facts Quarterly*. Annual advertising expenditure for the years 1997-1999 has been approximately £15,000. At exhibit Exh.2 Mr Curtis claims that examples of advertising is provided. In fact the exhibit consists of a sheet showing the names of publications, a date and the type of advertisement. There is also included a copy of the front page of *Feed Compounder* for December 1998 which mentions two BASF products NATUGRAIN and NATUPHOS.

8) Mr Curtis also claims that the products under the NATUGRAIN mark have been promoted at trade exhibitions and fairs including the Pig and Poultry Fair in May 1997, 1998 & 1999 and at the Feed Expo 999 in 1999. Exhibit Exh.3 shows five photographs, two of which are said to be of the opponent's stand at the Pig and Poultry Fair in 1998. The other three are not detailed. In addition there is a sheet which is said to be an exhibition board used in various fairs and expo's in 2000. Mr Curtis states that approximately £20,000 per annum is spent on attending such trade shows of which approximately 20% is allocated to the NATUGRAIN brand.

9) At exhibit Exh.4 Mr Curtis provides samples of product literature. These are dated between

1996-1998 and relate to use on Enzyme preparations for poultry rations. He states that products bearing the opponent's mark have been sold throughout the UK. Mr Curtis states his belief that customers would mistake the applicant's products for those of his company.

APPLICANT'S EVIDENCE

10) The applicant filed a declaration, dated 9 February 2001, by David Spindler the Finance Director and Company Secretary of the applicant company. He states that the applicant's mark is used in respect of an additive for animal feed and, in particular, a solution for treating grain, especially wheat and barley, which is to be fed to animals, especially cattle and sheep. The principal customers are farmers. Mr Spindler gives his opinion that the marks are not confusingly similar.

11) That concludes my review of the evidence. I now turn to the decision.

DECISION

12) I do not propose to summarise the written submissions of the two parties but will refer to them as required in the course of my decision.

13) The first ground of opposition is under Section 5(2)(b) of the Act which states:-

*5.- (2) A trade mark shall not be registered if because -
(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier 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."

14) An earlier right is defined in Section 6, 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 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,

(b)...

(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."

15) In determining the question under section 5(2), I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel Bv v Puma AG* [1998] E.M.T.R. 1., *Canon Kabushiki Kaisha v Metro-Goldwyn-Meyer Inc.* [1999] E.T.M.R. 1, *Lloyd Schfabrik Meyer & Co. GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v Adidas AG* [2000] E.T.M.R 723. It is clear from these cases that: -

(a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors; *Sabel Bv v Puma AG* page 224;

(b) the matter must be judged through the eyes of the average consumer, of the goods / services in question; *Sabel Bv v Puma AG* page 224, 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; *Lloyd Schfabrik Meyer & Co. GmbH v Klijsen Handel B.V.* page 84, paragraph 27;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details; *Sabel Bv v Puma AG* page 224;

(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; *Sabel Bv v Puma AG* page 224;

(e) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa; *Canon Kabushiki Kaisha v Metro-Goldwyn-Meyer Inc.* page 7 paragraph 17;

(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; *Sabel Bv v Puma AG* page 8, paragraph 24;

(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); *Sabel Bv v Puma AG* page 224;

(h) further, 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; *Marca Mode CV v Adidas AG* page 732, paragraph 41;

(i) 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; *Canon Kabushiki Kaisha v Metro-Goldwyn-Meyer Inc.* page 9, paragraph 29.

16) The applicant accepts that the goods covered by their application are included within the specification for registration number 2022242. For the purposes of the global appreciation test the goods must therefore be regarded as identical.

17) It is clear from the above cases that in the overall assessment of a likelihood of confusion, the similarity of goods is but one aspect. Due regard should be given to the closeness of the respective marks, the reputation the earlier mark enjoys in respect of the services for which it is registered, and any other relevant factors.

18) It is accepted that the beginnings of marks are more important than endings for the purposes of this type of comparison. I must also consider the distinctive or dominant characteristics of the marks. Each has as its ending the well known word GRAIN. Therefore, the beginnings of each mark must be regarded as the more distinctive or dominant part of the mark. Visually the marks both start with the letter “N”, and they both end with the word “grain”. The opponent’s mark is slightly longer than the applicant’s mark.

19) Phonetically the marks both end with the word “grain”. The applicant’s mark is a two syllable mark “NEW - GRAIN” whereas the opponent’s mark is a three syllable mark “NAT- YOU- GRAIN” or “NAY-CHEW-GRAIN”.. I also Whichever pronunciation one uses for the opponent’s mark it is quite different to that of the applicant’s mark.

20) Conceptually both marks have clear images in relation to the products they are used on. The applicant’s mark clearly alludes to the grain or animal feed that it is added to becomes “new”. The opponent’s mark, with the prefix “NATU”, to my mind implies that it is a natural product or that it comes from nature. The implication is that the product is somehow pure and natural rather than artificial and contrived, although no evidence has been filed on this point.

21) The opponent states that it sells its products primarily to manufacturers of animal feedstuffs, whereas the applicant states that its client base is primarily farmers. This distinction is not reflected in the specification of either party and notionally I must consider the channels of trade and consumer to be one and the same. In either case the client base is not an average member of the public but a far more sophisticated consumer. Foodstuffs for animals and additives for animal feeds are, I would suggest, chosen with some consideration. The legislation surrounding the whole of the food chain demands that farmers are aware of what their animals are eating. The average consumer of such products would, in my opinion, exercise considerable care in the selection. Even so allowance must be made for the notion of imperfect recollection.

22) I also have to consider whether the opponent’s mark has a particularly distinctive character either arising from the inherent characteristics of the mark or because of the use made of it. The opponent has filed evidence of use of the mark. However, no breakdown has been provided for the goods in Class 31. Even if the whole of the use claimed were in relation to the goods in Class 31 the opponent has sold approximately £400,000 worth in the two years prior to the relevant date. No evidence has been filed as to the total size of the market for such animal feed additives in the UK, nor any evidence regarding the opponent’s market share. In such circumstances the opponent’s marks cannot be regarded as enjoying an above average reputation at the relevant date. Nor do I regard it as an inherently strong mark.

23) With all of this in mind I come to the conclusion that while there are similarities between the mark, they are more than counterbalanced by the differences, and when all factors are considered in the global assessment, that there was no likelihood of confusion at 7 December 1998 Consequently, the

opposition under Section 5(2)(b) fails.

24) Lastly, I consider the other ground of opposition under Section 5(4)(a) which states:

(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 -*

(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*

(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.

(5) *Nothing in this section prevents the registration of a trade mark where the proprietor of the earlier trade mark or other earlier right consents to the registration.*

25) I intend to adopt the guidance given by the Appointed Person, Mr Geoffrey Hobbs QC, in the WILD CHILD case (1998 14 RPC 455). In that decision Mr Hobbs stated that:

“The question raised by the Grounds of Opposition is whether normal and fair use of the designation WILD CHILD for the purposes of distinguishing the goods of interest to the Applicant from those of other undertakings (see Section 1(1) of the Act) was liable to be prevented at the date of the application for registration (see Art.4(4)(b) of the Directive and Section 40 of the Act) by enforcement of rights which the opponent could then have asserted against the Applicant in accordance with the law of passing off”.

A helpful summary of the elements of an action for passing off can be found in Halsbury’s Laws of England 4th Edition Vol. 48 (1995 reissue) at paragraph 165. The guidance given with reference to the speeches in the House of Lords in Reckitt & Colman Products Ltd - v - Borden Inc [1990] RPC 341 and Even Warnik BV - v - J. Townend & Sons (Hull) Ltd [1979] AC 731 is (with footnotes omitted) as follows:

‘The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

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

(2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that the 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.

26) The date at which the matter must be judged is not entirely clear from Section 5(4)(a) of the Act. This provision is clearly intended to implement Article 4(4)(b) of Directive 89/104/EEC. It is now well settled that it is appropriate to look to the wording of the Directive in order to settle matters of doubt arising from the wording of equivalent provisions of the Act. It is clear from Article 4(4)(b) that the earlier right had to have been "acquired prior to the date of application for registration of the subsequent trade mark, or the date of the priority claimed...". The relevant date is therefore 7 December 1998, the date of the application.

27) Earlier in this decision I found that the marks NUGRAIN and NATUGRAIN were not confusable, and that there is no likelihood of confusion in the mind of the average consumer between the marks of the parties. Nor, in my opinion, would they believe that there was a trade connection between the users of the two marks. The opponent has filed no evidence that the trade or consumers would expect the mark NUGRAIN to be economically linked to NATUGRAIN, and the onus under Section 5(4)(a) is on the opponent.

28) In my opinion use of the applicant's trade mark would not amount to a misrepresentation resulting in the passing off of its products as those of the opponent. On this footing the opposition under Section 5(4)(a) of the Act must fail.

29) The opposition having failed the applicant is entitled to a contribution towards costs. I order the opponent to pay the applicant the sum of £335. This sum 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 19th day of April 2002

George W Salthouse
For the Registrar
The Comptroller General