

O-036-07

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO 2332055
BY SAGE ORGANIC LIMITED
TO REGISTER THE TRADE MARKS (A SERIES OF TWO):**



IN CLASSES 5, 29, 30 AND 32

AND

**THE OPPOSITION THERETO
UNDER NO 92924
BY
THE SAGE GROUP PLC**

Trade Marks Act 1994

**In the matter of application no 2332055
by Sage Organic Limited
to register the trade marks (a series of two):**



**in classes 5, 29, 30 and 32
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under no 92924
by The Sage Group Plc**

BACKGROUND

1) On 13 May 2003 Sage Nutritionals Limited applied to register the above trade marks (the trade marks). On 8 July 2004 a request was received to change the name of the proprietor to Sage Organic Limited. The application currently stands in the name of Sage Organic Limited, which I will refer to as Organic. The application was published for opposition purposes in the *Trade Marks Journal* on 6 August 2004 with the following specification:

pharmaceutical, veterinary, medicinal and dietetic preparations and substances; multi vitamin and multi mineral preparations; infants and invalids food; food supplements, tonics and nutritional additives; herbal remedies; herbal supplements;

meat, fish, poultry and game; meat extracts; preserved, dried and cooked fruits and vegetables; jellies, jams, fruit sauces; eggs, milk and milk products; edible oils and fats; organic foods; organic food supplements; health foods;

coffee, tea, cocoa, sugar, rice, tapioca, sago, artificial coffee; flour and preparations made from cereals, bread, pastry and confectionery, ices; honey, treacle; yeast, baking powder; salt, mustard; vinegar, sauces (condiments); spices; ices; organic food preparations and food substances; organic snack bars; health foods;

beers; mineral and aerated waters and other non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparations for making beverages; organic drinks; health drinks.

The above goods are in classes 5, 29, 30 and 32 respectively of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended. Organic claims the colours yellow and green as an element of the second trade mark in the series.

2) On 5 November 2004 The Sage Group Plc, which I will refer to as Group, filed a notice of opposition to the application. Group is the owner of the following trade mark registrations:

- United Kingdom registration no 2303932 of the trade marks (a series of three):

THE SAGE GATESHEAD

The Sage Gateshead

The Sage Gateshead

The application for registration was filed on 27 June 2002 and the registration process was completed on 15 August 2003. It is registered for a multitude of goods and services in 37 classes. In relation to this case the most pertinent goods are:

pharmaceutical and veterinary preparations; sanitary preparations for medical purposes; dietetic substances adapted for medical use, food for babies; plasters, materials for dressings; material for stopping teeth, dental wax; disinfectants; preparations for destroying vermin; fungicides, herbicides;

meat, fish, poultry and game; meat extracts; preserved, dried and cooked fruits and vegetables; jellies, jams, compotes; eggs, milk and milk products; edible oils and fats;

coffee, tea, cocoa, sugar, rice, tapioca, sago, artificial coffee; flour and preparations made from cereals, bread, pastry and confectionery, ices; honey, treacle; yeast, baking powder; salt, mustard; vinegar, sauces (condiments); spices; ice;

beers; mineral and aerated waters and other non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparations for making beverages.

The above goods are in classes 5, 29, 30 and 32 respectively of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

- Community trade mark registration no 1958073 of the trade mark **SAGE**. The application was filed on 16 November 2000 and registration process was completed upon 12 May 2004. It is registered for the following goods:

scientific, nautical, surveying, electric, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; automatic vending machines and mechanisms for coin-operated apparatus; cash registers, calculating machines, data processing equipment and computer; fire extinguishing apparatus;

paper, cardboard and goods made from these materials; printed matter; bookbinding materials; photographs; stationery; adhesives for stationery or household purposes; artists' materials; paint brushes; typewriters and office requisites (except furniture); instructional and teaching material (except apparatus); plastic materials for packaging (not included in other classes); playing cards; printers' type; printing blocks;

advertising; business management; business administration; office functions; collection of data and information;

insurance; financial affairs; monetary affairs; real estate affairs; information services relating to financial affairs, monetary affairs provided on line from a computer database or by the Internet; consultancy services relating to financial affairs, monetary affairs provided on line or by the Internet;

building construction; repair; installation services;

telecommunications; providing multiple user access to computer networks and bulletin boards for the transfer and dissemination of information; communication of data and information;

education; providing of training; entertainment; sporting and cultural activities, not including leadership training, communication skills training, team building training, training for coaching skills, training for sales skills, except where relating to accountancy, computer programming, computer consultancy or the use of accountancy or business software;

provision of food and drink; temporary accommodation; medical, hygienic and beauty care; veterinary and agricultural services; legal services; scientific and industrial research; computer programming; computer services including computer consultancy services; Internet consultancy services; systems consultancy; design, analysis and development services

all for use in the field of accountancy or business administration; computer software and web design services; registration of domain name services; information services relating to computer software provided on line from a computer database or the Internet; consultancy in the setting up and operation of data processing systems, of databases and telecommunication networks; planning, development and setting up of data processing systems, databases and telecommunication networks; creating and maintaining web sites; hosting web sites of others; installation and maintenance of computer software; providing access to and leasing access time to computer databases and to on-line computer services; consultancy services relating to computer software provided on line or via the Internet; planning and design services all relating to telecommunications networks, apparatus and instruments and to the Internet; compilation of web pages for the Internet; scientific and industrial research in the areas of knowledge and information management, project management and quality management, planning, development and maintaining systems of information, communication and telecommunication, local and global networks, information and data security, data protection, access control and encoding, electronic recording of performance, factoring, invoicing for third parties, funds transfer, electronic funds transfer and electronic clearing; design, installation, configuration, maintenance, upkeep, updating, development and provision of software for information and communication systems and components; consultations and strategic development, assistance reports, experts opinions, advice and information about methods and processes as well as technology for the design, development, maintenance, operation and optimisation of information and communication systems (including computer programs) as well as project management and quality management; professional advice and assistance related to information technology (IT) as well as global and local networks, technology and the system of communication and information, data-processing material and software, data management, data security, methods and instruments for developing software; rental services relating to data processing equipment and computers; rental and leasing of computers, data processing apparatus, hardware, software, firmware and other electrical and electronic apparatus; projecting and planning services relating to equipment for communication and telecommunication; analysis of data and information; research and advisory services concerning the choice and use of hardware and software; timesharing services; providing facilities for exhibitions; information, advisory and consultancy services in relation to all of the foregoing services.

The above goods and services are in classes 9, 16, 35, 36, 37, 38, 41 and 42 respectively of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

Group claims that its trade marks are similar to the trade marks of Organic. It states that the goods of the application are identical to the class 5, 29, 30 and 32 goods of its United Kingdom registration and that they are similar to the goods and services of its Community registration; in particular to “provision of food and drink; medical, hygienic and beauty care; veterinary.... services;... information, advisory and consultancy services in relation to all of the foregoing services”. Consequently, there is a likelihood of confusion and registration of the trade marks would be contrary to section 5(2)(b) of the Trade Marks Act 1994 (the Act).

3) Group claims that the trade marks are of such a nature as to deceive the public. The public will be deceived if the goods covered in the application (which are all for human or animal consumption) are not made from the herb, sage. Consequently, registration of the trade marks would be contrary to section 3(3)(b) of the Act.

4) Group also opposed the application under sections 5(3) and 5(4)(a) of the Act. The only evidence filed in this case consisted details of Group’s trade mark registrations. No evidence of use of Group’s trade marks has been filed. Consequently, these grounds of opposition must founder.

5) Organic filed a counterstatement. It states that the trade marks do not make any false representation to the public. It claims that the word SAGE used in relation to the goods does not convey any message as the public would not expect any such goods to be described by the word SAGE. It claims that the public will not interpret the trade marks as including the herb sage in the goods. Organics states that this is partly because the goods would not usually include such an ingredient and also because the stylisation makes it clear that the trade marks are trade marks rather than descriptions. It states that it has used the trade marks without any such confusion or deception arising.

6) Organic states that Group’s Community trade mark registration is visually very different and when the respective trade marks are considered in their entirety they are sufficiently dissimilar as to avoid confusion. Organic claims that the goods and services of the Community registration are entirely different to those of its application. Organics states that Group’s United Kingdom registration is clearly dissimilar to its trade marks. It states that the mere presence of the word sage in Group’s trade mark does not make it similar.

7) Organics seeks the rejection of the opposition.

8) The sides were advised that they had a right to a hearing and that if neither side requested a hearing a decision would be made from the papers and any written submissions that were received. Neither side requested a hearing; Group filed written submissions.

DECISION

Section 3(3)(b) of the Act - deception

9) Section 3(3) of the Act states:

“(3) A trade mark shall not be registered if it is -

- (a) contrary to public policy or to accepted principles of morality, or
- (b) of such a nature as to deceive the public (for instance as to the nature, quality or geographical origin of the goods or service).”

Section 3(3)(b) of the Act derives directly from article 3(1)(g) of First Council Directive 89/104 of December 21, 1988 (the Directive). In *Elizabeth Florence Emanuel v Continental Shelf 128 Ltd* Case C-259/04 the European Court of Justice (ECJ) held:

“47 Nevertheless, the circumstances for refusing registration referred to in Article 3(1)(g) of Directive 89/104 presuppose the existence of actual deceit or a sufficiently serious risk that the consumer will be deceived (Case C-87/97 *Consorzio per la tutela del formaggio Gorgonzola* [1999] ECR I-1301, paragraph 41).”

In *Consorzio per la tutela del formaggio Gorgonzola* the ECJ stated:

“41. As to that, the circumstances contemplated in Article 3(1)(c) of the First Directive 89/104 do not apply to the present case. The circumstances envisaged in the other two relevant provisions of that directive - refusal of registration, invalidity of the trade mark, or revocation of the proprietor's rights, which preclude its use being continued under Article 14(2) of Regulation No 2081/92 - presuppose the existence of actual deceit or a sufficiently serious risk that the consumer will be deceived (see, on that subject, *Clinique*, cited above, Case C-470/93 *Mars* [1995] ECR I-1923, and Case C-313/94 *Graffione* [1996] ECR I-6039, paragraph 24).”

10) Group submits that a consumer, seeing the word SAGE in relation to the goods of the application, would expect them to include or to be flavoured with sage. Organics claims that the trade marks in their entirety would not give rise to such an expectation. The trade marks contain a device. On inspecting the coloured trade mark under a strong light and straining my eyes, I could see that the device is of a tree with yellow fruits. The average consumer is not going to undertake a similar examination. On normal perusal the device might be seen as a leaf or a tree. However it is seen, I do not consider that it will inoculate the trade marks so that they will not necessarily be seen as indicating that the goods contain sage in some form. The question then is, taking into account the nature of the goods of the registration, is there a sufficiently serious risk that the consumer will be deceived into believing the goods have sage in them?

11) The consumer will have to be average consumer for the goods; which taking into account the nature of the goods will be a member of the public at large. He/she is deemed to be reasonably well informed and reasonably circumspect and observant as per *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* [2000] FSR 77. This part of the judgment of the ECJ derived from *Gut Springenheide GmbH, Rudolf Tusky v Oberkreisdirektor des Kreises Steinfurt — Amt für Lebensmittelüberwachung* Case C-210/96, a judgment which specifically dealt with the issue of the consumer and misleading descriptions. In that case the ECJ stated:

“30. There have been several cases in which the Court of Justice has had to consider whether a description, trade mark or promotional text is misleading under the provisions of the Treaty or of secondary legislation. Whenever the evidence and information before it seemed sufficient and the solution clear, it has settled the issue itself rather than leaving the final decision for the national court (see, in particular, Case C-362/88 *GB-INNO-BM* [1990] ECR I-667; Case C-238/89 *Pall* [1990] ECR I-4827; Case C-126/91 *Yves Rocher* [1993] ECR I-2361; Case C-315/92 *Verband Sozialer Wettbewerb* [1994] ECR I-317; Case C-456/93 *Langguth* [1995] ECR I-1737; and Case C-470/93 *Mars* [1995] ECR I-1923).

31. In those cases, in order to determine whether the description, trade mark or promotional description or statement in question was liable to mislead the purchaser, the Court took into account the presumed expectations of an average consumer who is reasonably well-informed and reasonably observant and circumspect, without ordering an expert's report or commissioning a consumer research poll.”

12) Sage has a variety of meanings. It is a herb, it means wise, it is a wise person, it is a surname. All the goods are ones that are likely to digested. The trade marks contain a device that, in my view, invokes the plant world. Taking into account the nature of the trade marks and the goods for which registration is sought, it is my view that it is the first meaning that is most likely to come to the mind of the average consumer. The goods of the specification are not limited to containing sage. Consequently, as the specification stands the trade marks could be used in all types of goods covered by the specification; goods which do not necessarily contain sage. Group considers that all of the goods would give rise to deception, this seems to me to be an unrealistic proposition. I consider that this is a matter of expectation and that expectation will be born of whether the goods are likely to contain herbs or a herb. There is an industry based on the use of herbs for medicinal or quasi-medicinal purposes. As a result of this, I consider that there is a close association with products for medicinal, veterinary, health, dietetic or quasi-dietetic purposes and herbs. I have no knowledge whether sage has any alleged medicinal or quasi-medicinal properties but this does not gainsay the expectation of the consumer in relation to such products. The use of the trade marks in relation to such goods could give rise to this expectation. Products that are clearly herbal will also give rise to the expectation that they contain herbs. Goods such as *herbal remedies* may be purchased with a reasonable degree of care. However, in terms of deception the degree of care in the purchase will be offset by the greater degree of apparent descriptiveness of the word

SAGE. Contrary to the position of Organics, I consider that the nature of the trade marks will make deception more possible rather than less possible in relation to such goods. The device element could be seen as the trade mark and the word element as a descriptor. The strongest case will lie with such things as herbal remedies and supplements. If the average consumer saw the trade marks on such goods there would be, in my view, a presumption that they contained sage. Such an expectation would exist, in my view, in relation to all the other types of goods to which I have referred above; if not as strongly. Consequent upon this, I consider that use of the trade mark would deceive the public as to the nature of the goods, if they do not contain sage, in respect of the following goods:

pharmaceutical, veterinary, medicinal and dietetic preparations and substances; multi vitamin and multi mineral preparations; infants and invalids food; food supplements, tonics and nutritional additives; herbal remedies; herbal supplements;

organic food supplements; health foods;

health foods;

health drinks.

13) There are various goods, owing to their nature and the reasonable expectations of the average consumer, for which I do not consider that there is a sufficiently serious risk that the average consumer will be deceived:

meat, fish, poultry and game; meat extracts; preserved, dried and cooked fruits and vegetables; jellies, jams, fruit sauces; eggs, milk; edible oils and fats;

coffee, tea, cocoa, sugar, rice, tapioca, sago, artificial coffee; flour and preparations made from cereals, bread, pastry and confectionery, ices; honey, treacle; yeast, baking powder; salt, mustard; vinegar, spices; ices; organic snack bars;

beers; mineral and aerated waters and other non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparations for making beverages; organic drinks.

14) This leaves the following goods to be considered:

milk products; organic foods;

sauces (condiments); organic food preparations and food substances;;

Milk products include cheese. I am aware that some cheeses contain herbs, indeed I know of a cheese called Sage Derby; a cheese flavoured with sage. Owing to this tradition it seems that a consumer seeing the trade marks used on cheese would have a

reasonable expectation that it contained sage. *Organic foods* and *organic food preparations and food substances* are vague terms that obviously cover any foods that are the product of organic farming and so would include eg organic cheese and organic health foods. Consequently, the aforementioned goods must also fall foul of section 3(3)(b) of the Act. *Sauces (condiments)* are made from a variety of fruits, vegetables and herbs. Sage is a herb commonly used in cooking; there are few people who will not know of sage and onion stuffing. Taking into account the nature of the goods and the resultant reasonable expectation of the purchaser of the goods, I consider that the average consumer is likely to be deceived if the goods do not contain or are flavoured with sage.

15) I am of the view that in relation to the goods identified in paragraphs 12 and 14 there is a sufficiently serious risk that the consumer will be deceived if these goods do not contain or are not flavoured with sage. As the specification would allow use on goods that do not contain or are not flavoured with sage; I consider that the use of the trade marks on such goods would deceive the public as to the nature of the goods. Consequently, registration of the trade marks in respect of such goods would be contrary to section 3(3)(b) of the Act.

Likelihood of confusion – section 5(2)(b) of the Act

16) According to section 5(2)(b) of the Act a trade mark shall not be registered if because:

“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.”

Section 6(1)(a) of the Act defines an earlier trade mark as:

“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”

The two registered trade marks are earlier trade marks within the meaning of the Act.

17) In determining the question under section 5(2)(b), I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117, *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* [2000] FSR 77, *Marca Mode CV v Adidas AG and Adidas Benelux BV* [2000] ETMR 723 and *Vedial SA v Office for the Harmonization of the Internal Market (trade marks, designs and models) (OHIM)* C-106/03 P.

18) In considering the similarity of the trade marks I take into account that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details (*Sabel BV v Puma AG*). 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*). Consequently, I must not indulge in an artificial dissection of the trade marks, although taking into account any distinctive and dominant components. The average consumer 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 he/she is deemed to be reasonably well informed and reasonably circumspect and observant (*Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV*). “The analysis of the similarity between the signs in question constitutes an essential element of the global assessment of the likelihood of confusion. It must therefore, like that assessment, be done in relation to the perception of the relevant public” (*Succession Picasso v OHIM - DaimlerChrysler (PICARO)* Case T-185/02).

19) In *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* the ECJ held in relation to the assessment of the similarity of goods and/or services that the following factors, inter alia, should be taken into account: their nature, their intended purpose (the original incorrect translation of ‘Verwendungszweck’ in the English version of the judgment has now been corrected), their method of use and whether they are in competition with each other or are complementary. In *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281, Jacob J considered that the following should be taken into account when assessing the similarity of goods and/or services:

- “(a) The respective uses of the respective goods or services;
- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or acts of service;
- (d) The respective trade channels through which the goods or services reach the market;
- (e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
- (f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.”

In relation to the terms used in specifications Jacob J stated:

“When it comes to construing a word used in a trade mark specification, one is concerned with how the product is, as a practical matter, regarded for the purposes of trade. After all a trade mark specification is concerned with use in trade.”

Neuberger J in *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another* [2000] FSR 267 stated:

“I should add that I see no reason to give the word "cosmetics" and "toilet preparations" or any other word found in Schedule 4 to the Trade Mark Regulations 1994 anything other than their natural meaning, subject, of course, to the normal and necessary principle that the words must be construed by reference to their context. In particular, I see no reason to give the words an unnaturally narrow meaning simply because registration under the 1994 Act bestows a monopoly on the proprietor.”

I take on board the class in which the goods or services are placed is relevant in determining the nature of goods and services (see *Altecnic Ltd's Trade Mark Application* [2002] RPC 34). Although it dealt with a non-use issue, I consider that the words of Aldous LJ in *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32 are also useful to bear in mind:

“In my view that task should be carried out so as to limit the specification so that it reflects the circumstances of the particular trade and the way that the public would perceive the use. The court, when deciding whether there is confusion under section 10(2), adopts the attitude of the average reasonably informed consumer of the products. If the test of infringement is to be applied by the court having adopted the attitude of such a person, then I believe it appropriate that the court should do the same when deciding what is the fair way to describe the use that a proprietor has made of his mark. Thus, the court should inform itself of the nature of trade and then decide how the notional consumer would describe such use.”

Average consumer and nature of purchasing decision

20) The goods of the application are goods bought by the public at large. The goods in classes 29, 30 and 32 could generally be bought without a great deal of care and consideration; perhaps during the weekly supermarket dash. Certain of the goods could literally be the proverbial “bags of sweets”. More attention might be given to the class 5 goods and *organic food supplements*. These goods are likely to be bought for a specific medical/veterinary purpose. However, the attention in purchasing could to a large extent be directed to the properties of the product, to satisfy the particular purpose of the purchase, rather than the trade mark.

United Kingdom registration no 2303932

21) The trade marks to be compared are:

Earlier trade marks:

THE SAGE GATESHEAD
The Sage Gateshead

The Sage Gateshead

Organic's trade marks:



I do not consider that anything will turn upon the fact that Organic's second trade mark is in colour. The trade marks coincide in the word sage. There is now a substantial body of European case law in relation to the consideration and comparison of complex and composite trade marks: *Shaker di L Laudaato & C Sas v Office for Harmonization in the Internal Market Trade Marks and Designs* (OHIM) Case T-7/04, *Inex SA v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM) Case T-153/03, *Camper, SL v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM) Case T-43/05, *GfK AG v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM) Case T-135/04, *Simonds Farsons Cisk plc v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM) Case T-3/04, *Société des produits Nestlé SA v Office de l'harmonisation dans le marché intérieur (marques, dessins et modèles)* (OHMI) Case T-74/04, *The Royal County of Berkshire Polo Club Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM) Case T-214/04, *Athinaiki Oikogeniaki Artopoiia AVEE v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM) Case T-35/04, *Chum Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM) Case T-359/02, *Miles Handelsgesellschaft International mbH v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM) Case T-385/03 and *Matratzen Concord GmbH v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM) Case C-3/03P. In *The Royal County of Berkshire Polo Club Ltd* the Court of First Instance (CFI) stated:

“39 Next, it must be recalled that a complex trade mark cannot be regarded as being similar to another trade mark which is identical or similar to one of the components of the complex mark unless that component forms the dominant element within the overall impression created by the complex mark. That is the case where that component is likely to dominate, by itself, the image of that mark which the relevant public keeps in mind, with the result that all the other components of the mark are negligible within the overall impression created by it (Case T-6/01 *Matratzen Concord v OHIM – Hukla Germany (MATRATZEN)* [2002] ECR II-4335, paragraph 33).”

22) The assessment of similarity must be done in relation to the perception of the relevant public (*Succession Picasso*). I have decided in respect of section 3(3)(b) of the Act that the presence of the word SAGE will bring the expectation that certain of the goods contain sage or are sage flavoured. Group has argued this in relation to all goods. The corollary of this is that in relation to such goods SAGE will be seen as a descriptor rather than as an indicator of origin. I cannot see that Group can argue that the SAGE element of the trade marks gives rise to deception, which must be born of the descriptive nature of the word, and at the same time claim that the SAGE element for the goods is the distinctive and dominant element; the two positions are mutually exclusive. If the average consumer sees SAGE as a descriptor, he or she will not give it trade mark significance. Consequently, the consideration of the trade marks must be divided between those goods for which it is considered that the SAGE element will give rise to deception and those in which it will not. In relation to the former group it is useful to bear in mind the finds of the CFI in *Shaker di L Laudaato & C Sas*:

“54 However, if the trade mark claimed is a complex mark which is visual in nature, the assessment of the overall impression created by that mark and the determination as to whether there is any dominant element must be carried out on the basis of a visual analysis. Accordingly, in such a case, it is only to the extent to which a potentially dominant element includes non-visual semantic aspects that it may become necessary to compare that element with the earlier mark, also taking into account those other semantic aspects, such as for example phonetic factors or relevant abstract concepts.”

A non-distinctive element will have an effect on the consideration of the similarity of the trade marks. In *José Alejandro SL v Office for Harmonization in the Internal Market (Trade Marks and Designs), Anheuser-Busch Inc Intervening*(Case T-129/01) [2004] ETMR 15 the CFI stated:

“The Court notes that the public will not generally consider a descriptive element forming part of a complex mark as the distinctive and dominant element of the overall impression conveyed by that mark.”

This is a view that the CFI has also upheld in *Koubi v OHIM – Flabesa (CONFORFLEX)* Case T-10/03, paragraph 60 and *Grupo El Prado Cervera v OHIM – Debuschewitz (CHUFAFIT)* Case T-117/02, paragraph 51. In *GfK AG v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-135/04 the CFI stated:

“59. It should be noted in this connection that the fact that one component of the signs at issue is identical does not lead to the conclusion that the signs are similar unless it constitutes the dominant element in the overall impression created by each of those signs, such that all the other components are insignificant (*MATRATZEN*, paragraph 33).”

So in relation to the “deceptive” goods I consider that the device element must be considered to be the distinctive and dominant component and the SAGE element a mere

descriptor of the goods. The device element is completely alien to Group's trade marks. The dominant and distinctive element in relation to "deceptive" goods is the device element in Organic's trade marks.

23) In relation to the "non-deceptive" goods SAGE will have trade mark significance. SAGE is the largest element of Organic's trade marks. It is the part that immediately catches the eye. Owing to its being a dictionary work, it can hook onto the memory of the consumer. It is, in my view, the element of the trade mark which the average consumer will keep in mind; it will be element which the consumer uses to buy the goods, if he or she is pleased with them, or to avoid them, if he or she is not.

24) I know that The Sage Gateshead is an arts venue in the environs of Newcastle-upon-Tyne. However, I cannot take this as a notorious fact and so it does not come within the purlieu of judicial notice. There is no evidence that the average consumer would know of this; although no doubt a good number of people in the north east of England could be expected to know. Consequently, for the purposes of this case this fact does not give rise, of itself, to a conceptual association. Gateshead has notoriety for the running club, the Gateshead Harriers, the Metro Centre and the Great North Run; it is included in the spelling checker of the Word® program that I am using to write this decision. So, I consider for the average consumer that Gateshead will have geographical significance. The definite article before SAGE, gives SAGE the flavour of a particular establishment eg a hotel, public house, a restaurant, club or gym. This is reinforced by the presence of GATESHEAD at the end of the trade marks. (The structure of the trade marks also give geographical significance to GATESHEAD.) The structure of the trade marks, and the geographical nature of GATESHEAD, in my view gives primary significance to the THE SAGE elements of the trade marks. One is told that the goods or services are provided by THE SAGE which is based in GATESHEAD. A geographical location, if it is known as such or thought to be such, will have little trade mark significance; it advises from where goods or services emanate rather than acting as a badge of origin. The definite article in Group's trade marks has an effect upon the perception, however, that does not make it a distinctive and dominant element. Definite, or indefinite, articles do not lodge in the mind of the consumer. In my view, the distinctive and dominant component of Group's trade mark is the word SAGE. The trade marks coincide in the presence of the word SAGE. It is the dominant and distinctive element of both sides' trade marks. The impression that Group's trade marks gives is that of a particular establishment, which Organic's trade marks do not.

25) The goods of the application are encompassed by the specification of Group's trade mark. They are identical.

26) In considering whether there is a likelihood of confusion various factors have to be taken into account. There is the interdependency principle – a lesser degree of similarity between trade marks may be offset by a greater degree of similarity between goods, and vice versa (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*). In this case the respective goods are identical. It is necessary to consider the distinctive character of the earlier trade mark; the more distinctive the earlier trade marks (either by nature or

nurture) the greater the likelihood of confusion (*Sabel BV v Puma AG*). The distinctive character of a trade mark can be appraised only, first, by reference to the goods or services in respect of which registration is sought and, secondly, by reference to the way it is perceived by the relevant public (European Court of First Instance Case T-79/00 *Rewe Zentral v OHIM (LITE)* [2002] ETMR 91). In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ETMR 585). The structure of the trade marks of Group means that they will not be seen as being descriptive of goods containing sage. Taking the trade marks in their entirety I do not consider that they are descriptive or allusive of the goods. The earlier trade marks enjoy a reasonable degree of distinctiveness.

27) In considering the matter before me I bear in mind the findings of the ECJ in *Medion AG v Thomson multimedia Sales Germany & Austria GmbH* Case C-120/04:

“29 In the context of consideration of the likelihood of confusion, assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark. On the contrary, the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components (see *Matratzen Concord*, paragraph 32).

30 However, beyond the usual case where the average consumer perceives a mark as a whole, and notwithstanding that the overall impression may be dominated by one or more components of a composite mark, it is quite possible that in a particular case an earlier mark used by a third party in a composite sign including the name of the company of the third party still has an independent distinctive role in the composite sign, without necessarily constituting the dominant element.

31 In such a case the overall impression produced by the composite sign may lead the public to believe that the goods or services at issue derive, at the very least, from companies which are linked economically, in which case the likelihood of confusion must be held to be established.

32 The finding that there is a likelihood of confusion should not be subject to the condition that the overall impression produced by the composite sign be dominated by the part of it which is represented by the earlier mark.

33 If such a condition were imposed, the owner of the earlier mark would be deprived of the exclusive right conferred by Article 5(1) of the directive even

where the mark retained an independent distinctive role in the composite sign but that role was not dominant.”

So the common presence of the word SAGE does not presuppose confusion; it is the context that is important. Of course, I am considering the trade marks in their entireties whilst bearing in mind the distinctive and dominant components. Confusion is about confusing the undertaking which is responsible for the goods or services. It is about trade mark origin. In relation to the “deceptive” goods, the use of SAGE is effectively descriptive use rather than use that indicates origin. If one identifies the common element, SAGE, as a descriptor rather than an indicator of origin, I cannot see how there can be confusion or a likelihood of confusion as to origin. Therefore, in relation to the “deceptive” goods, there is no likelihood of confusion.

28) I turn now to the “non-deceptive” goods. Here SAGE in Organic’s trade marks indicates origin. The respective goods are identical. The earlier trade marks have a reasonable degree of distinctiveness. The trade marks coincide in relation to their distinctive and dominant component. Group’s trade marks give the impression of a particular establishment but an establishment with the name SAGE. It is possible that to some consumers the definite article will not have such an effect, just seeing the trade marks as indicating that the producers of SAGE goods is based in Gateshead. The effects of imperfect recollection have to be taken into account. It is necessary to bear in mind that the “non-deceptive” goods are unlikely to be bought as the result of a careful and researched purchasing decision. Taking all these factors into account, I have to come to the conclusion that there is a likelihood of confusion in relation to the “non-deceptive” goods ie:

meat, fish, poultry and game; meat extracts; preserved, dried and cooked fruits and vegetables; jellies, jams, fruit sauces; eggs, milk; edible oils and fats;

coffee, tea, cocoa, sugar, rice, tapioca, sago, artificial coffee; flour and preparations made from cereals, bread, pastry and confectionery, ices; honey, treacle; yeast, baking powder; salt, mustard; vinegar, spices; ices; organic snack bars;

beers; mineral and aerated waters and other non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparations for making beverages; organic drinks.

Community trade mark registration no 1958073

29) The trade marks to be compared are:

Earlier trade mark:

SAGE

Organic's trade marks



30) The various arguments re the “deceptive” and “non-deceptive” goods hold good in relation to the considerations in relation to the Community trade mark. The same considerations considered above apply to Organic’s trade marks.

31) Group’s trade mark is patently highly similar to those of Organic.

32) Other than in class 42, there is no relationship between the goods and services of the Group’s registration and the goods of the application. In class 42 the only possible clash has been indicated in Group’s notice of opposition:

“provision of food and drink; medical, hygienic and beauty care; veterinary.... services;... information, advisory and consultancy services in relation to all of the foregoing services”.

I do not consider it necessary to consider the “deceptive” goods, as the argument that I have advanced in relation to these goods and the likelihood of confusion must hold good regardless of the earlier trade mark (unless it included a similar device). So the goods that I have to consider in the application are:

meat, fish, poultry and game; meat extracts; preserved, dried and cooked fruits and vegetables; jellies, jams, fruit sauces; eggs, milk; edible oils and fats;

coffee, tea, cocoa, sugar, rice, tapioca, sago, artificial coffee; flour and preparations made from cereals, bread, pastry and confectionery, ices; honey, treacle; yeast, baking powder; salt, mustard; vinegar, spices; ices; organic snack bars;

beers; mineral and aerated waters and other non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparations for making beverages; organic drinks.

The only services that have any intersection with these goods are: *provision of food and drink*. This specification encompasses a wide range of services eg restaurant services, take-away services, public house services and pizza deliveries.

33) There is a long tradition of brewers owning and running pubs to which they supply their beers. *Organic drinks* and *non-alcoholic drinks* will include beers. (I am aware that beers described as non-alcoholic usually still have a very low amount of alcohol present, however, they are described as non-alcoholic (rather than low alcoholic) and that is how they are considered.) There is a symbiotic relationship between beers and pubs. I consider that pub services and beers are complementary to a high degree.

34) Of recent years there has been a rise in the number of juice bars; establishments that specialise in selling beverages made freshly from fruits and vegetables. These establishments primarily offer a takeaway service. So in relation to *fruit drinks and fruit juices* the services of Group could be substituted, they are in competition. In relation to takeaway services there is no clear delineation between the goods and services; they are supplying the same product for consumption. *Non-alcoholic drinks* and *organic drinks* will include *fruit drinks and fruit juices* and so must be considered on a par with the last mentioned goods.

35) In the light of the above, I find that *beers; other non-alcoholic drinks; fruit drinks and fruit juices; organic drinks* are similar to the *provision of food and drink*.

34) If there is any clash between the class 42 services of Group's registration and the goods of the application in classes 29 and 30 it will, in my view, revolve around prepared meals, takeaways, sandwiches and the like; where the goods and the services are linked so closely that there is no clear delineation. The specification does not identify any such goods and so I do not consider that there are similar goods involved.

35) Where I consider that there is a clash with the goods of Organic, SAGE neither describes nor alludes to the services of Group. I consider that SAGE enjoys a reasonable degree of distinctiveness. The respective trade marks are similar to a high degree. There is a good degree of similarity between the goods of Organic and the services of Group, where I have found similarity. Consequently, I find that registration of *beers; other non-alcoholic drinks; fruit drinks and fruit juices; organic drinks* would be contrary to section 5(2)(b) of the Trade Marks Act 1994.

Summing-up

36) The combined effect of the objections under section 3(3)(b) and section 5(2)(b) is that the application is to be refused in its entirety. If I am wrong in relation to the deceptiveness, then SAGE is no long a descriptor and it will become the distinctive and dominant component of the trade marks in relation to the “deceptive” goods also. In such circumstances it will become similar to the trade marks of registration no 2303932 and, taking into account all the factors in relation to this trade mark, there will be a likelihood of confusion in respect of the “deceptive” goods also. So if the section 3(3)(b) objection doesn’t bite for these goods, then the section 5(2)(b) objection will.

37) The application is to be refused in its entirety.

COSTS

38) The Sage Group Plc has been successful and is entitled to a contribution towards its costs. I award costs on the following basis (as per the scale):

Opposition fee	£200
Notice of opposition	£300
Considering the counterstatement	£200
Evidence	£0
(The only evidence consisted of details of the earlier rights.)	
Written submissions	£200
TOTAL	£900

I order Sage Organic Limited to pay The Sage Group Plc the sum of £900. 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 1st day of February 2007

**David Landau
For the Registrar
the Comptroller-General**