

O-207-07

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No 2393801
BY FAR PEAK FARM LIMITED
TO REGISTER THE TRADE MARK**



IN CLASS 29

**AND IN THE MATTER OF OPPOSITION
THERE TO UNDER NO 93909
BY KETTLE FOODS INC.**

BACKGROUND

1) On 8 June 2005, Far Peak Farm Limited, of 91 Purewell, Christchurch, Dorset, BH23 1EJ applied under the Trade Marks Act 1994 for registration of the following trade mark:



2) In respect of the following goods in Class 29: “Preserved, dried and cooked fruits and vegetables, and food products made wholly or principally of these goods”.

3) On 14 November 2005, Kettle Foods Inc. of P.O. Box 664, Salem, Oregon, 97308-0664, United States of America 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
PEAK By Consent No. E1661362	2248506	09.10.00	29	Potato crisps and snack foods included in this class; fried, baked and cooked vegetables.
			30	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; pepper, vinegar, sauces (condiments); spices; ice; popcorn, corn chips and snack foods included in this class; excluding sweet biscuits, chocolate covered biscuits and Christmas puddings.
PEAK	CTM 3278371	22.07.03	32	Beers; mineral and aerated waters and other non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparations for making beverages.
			35	The bringing together, for the benefit of others, of a variety of goods relating to and including snack foods and soft drinks enabling customers to conveniently view and purchase those goods in a retail store, supermarket, wholesale outlet or from an Internet web site; advertising; business management; business administration; advertising and marketing services; promotion services; database management services; business information services provided online from a computer database or the Internet; composing

				advertisements for use as web pages; market surveys; analysis of advertising response and market research; radio and television advertising; rental of vending machines.
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b) The opponent claims that the goods and services are identical and/or similar and that the marks are confusingly similar. The mark therefore offends against Sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994.

4) The applicant subsequently filed a counterstatement denying the opponent's claims and also puts the opponent to proof of use.

5) Both sides filed evidence in these proceedings. Both sides ask for an award of costs. Neither side wished to be heard although the applicant filed written submissions which I shall refer to in my decision as they are relevant.

OPPONENT'S EVIDENCE

6) The opponent filed two witness statements. The first, dated 15 August 2006, is by Katherine Atkinson the Company Secretary and Solicitor of the opponent company. She states that her company has a reputation for producing a range of high quality foods using only natural ingredients. She states that her company began selling its goods in the UK in March 1988. She states that in April 2001 it launched its PEAK snack products in the UK. The products in this range are, she states, "premium natural, healthy, low-fat snacks". Basically the products are crisps. Between October 2000 and June 2005 she states that £87,088 was spent on promoting the brand. She states that marketing was halted in 2003 as her company intended to re-launch the product. She states that over £40,000 was spent on research into how to conduct the re-launch. However, a fire at the production facility halted production of the product entirely. Ms Atkinson states that the products were sold in supermarkets such as Sainsbury and Waitrose, and various smaller outlets and were available throughout the UK. She provides sales figures as follows:

Period	Sales £
April 2001 – September 2001	63,879
October 2001 – September 2002	209,402
October 2002 - September 2003	44,640
October 2003 - September 2004	58,863
October 2004 - September 2005	30,401

7) Ms Atkinson states that the crisps will be on sale in different places in the store, on shelves with other healthy snacks, with related products such as dips and sauces, with items such as sandwiches and ready made meals and also with other snack foods such as cereal bars, energy bars, crisps and confectionery.

8) Ms Atkinson states that the product has received publicity in newspapers and magazines such as WeightWatchers magazine Women's Health, The Sunday Mercury, the Southern Daily Echo and the Daily Echo (Bournemouth). She states that the combined readership of these publications is over 750,000. She therefore believes that her company has reputation in the mark PEAK for snacks.

9) Ms Atkinson explains at some length that her company has a reputation for quality. She also points out that it is common practice in the food industry for brands to begin with a single product but then to expand into a number of food ranges. The opponent's own not just trade marks in the name PEAK but also domain names. She also provides her opinions on the similarity of the mark in suit to her company's mark and speculates on the potential damage to her company if the mark is allowed to be registered.

10) The second witness statement, dated 16 August 2006, is by Marius Haman the opponents' Trade Mark Attorney. He states that his company has contacted the applicant's trade mark representatives to obtain the withdrawal of the application, and also to progress settlement discussions but the applicant's representatives were unable to obtain instructions from the applicant and so the opponent had to submit evidence.

APPLICANT'S EVIDENCE

11) The applicant filed a witness statement, dated 13 December 2006, by Alan Baum who is a Director of the applicant company. He states that the mark in suit has been used by his company since 1985 in relation to the production and sale of preserved, dried and cooked fruit and vegetables. He states that the total turnover under the mark between March 1985 and December 2006 has been approximately £10.5 million, with approximately £500,000 turnover each year since 1999. He estimates advertising expenditure of between £10,000 – £15,000 each year since 1999. The goods are sold throughout the UK and he provides a copy of the label used which shows the mark in suit.

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

DECISION

13) The first ground of opposition is under section 5(2)(b) which reads:

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

(a)....

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

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 trade mark” is defined in section 6, the relevant part of which states:

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

(a) a registered trade mark, international trade mark (UK), Community trade mark or International Trade mark (EC) 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.”

15) The opponent is relying upon its UK trade mark No. 2248506 which has an effective date of 9 October 2000, and its CTM 3278371 which has an effective date of 22 July 2003, both of which are clearly earlier trade marks.

16) The opposition was published on 12 August 2005 therefore The Trade Marks (Proof of Use, etc.) Regulations 2004 does not come into play.

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] E.T.M.R. 1, *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v Adidas AG and Adidas Benelux B.V.* [2000] E.T.M.R 723.

18) In essence the test under section 5(2)(b) is whether there are similarities in marks and goods or services which would combine to create a likelihood of confusion. In my consideration of whether there are similarities sufficient to show a likelihood of confusion, I am guided by the judgements of the European Court of Justice mentioned above. The likelihood of confusion must be appreciated globally and I need to address the degree of visual, aural and conceptual similarity between the marks, evaluating the importance to be attached to those different elements taking into account the degree of similarity in the goods and services, the category of goods and services in question and how they are marketed. Furthermore, I must compare the applicant’s mark and the marks relied upon by the opponent on the basis of their inherent characteristics assuming normal and fair use of the marks on a full range of the goods and services covered within the respective specifications.

19) The effect of reputation on the global consideration of a likelihood of confusion under Section 5(2)(b) of the Act was considered by David Kitchin Q.C. sitting as the Appointed Person in *Steelco Trade Mark* (BL O/268/04). Mr Kitchin concluded at paragraph 17 of his decision:

“The global assessment of the likelihood of confusion must therefore be based on all the circumstances. These include an assessment of the distinctive character of the earlier mark. When the mark has been used on a significant scale that distinctiveness will depend upon a combination of its inherent nature and its factual distinctiveness. I do not detect in the principles established by the European Court of Justice any intention to limit the assessment of distinctiveness acquired through use to those marks which have become household names. Accordingly, I believe the observations of Mr. Thorley Q.C in *DUONEBS* should not be seen as of general application irrespective of the circumstances of the case. The recognition of the earlier trade mark in the market is one of the factors which must be taken into account in making the overall global assessment of the likelihood of confusion. As observed recently by Jacob L.J. in *Reed Executive & Ors v Reed Business Information Ltd & Ors*, EWCA Civ 159, this may be particularly important in the case of marks which contain an element descriptive of the goods or services for which they have been registered. In the case of marks which are descriptive, the average

consumer will expect others to use similar descriptive marks and thus be alert for details which would differentiate one mark from another. Where a mark has become distinctive through use then this may cease to be such an important consideration. But all must depend upon the circumstances of each individual case.”

20) I also have to consider whether the marks that the opponent is relying upon have a particularly distinctive character either arising from the inherent characteristics of the marks or because of the use made of them. The marks as registered have a degree of inherent distinctiveness. The opponent has not provided evidence of the market share, or total sales in the market which would allow their sales figures to be put into context. To my mind the sales and marketing figures are quite small especially in the context of the market for food stuffs which must be vast. The opponent cannot rely upon any enhanced protection on the basis of reputation.

21) I shall first consider the specifications of both parties. For ease of reference these are as follows:

Applicant’s specification	Opponent’s specification	
In Class 29: Preserved, dried and cooked fruits and vegetables, and food products made wholly or principally of these goods.	2248506	In Class 29: Potato crisps and snack foods included in this class; fried, baked and cooked vegetables.
		In Class 30: 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; pepper, vinegar, sauces (condiments); spices; ice; popcorn, corn chips and snack foods included in this class; excluding sweet biscuits, chocolate covered biscuits and Christmas puddings.
	CTM 3278371	In Class 32: Beers; mineral and aerated waters and other non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparations for making beverages.
		In Class 35: The bringing together, for the benefit of others, of a variety of goods relating to and including snack foods and soft drinks enabling customers to conveniently view and purchase those goods in a retail store, supermarket, wholesale outlet or from an Internet web site; advertising; business management; business administration; advertising and marketing services; promotion services; database management services; business information services provided online from a computer database or the Internet; composing advertisements for use as web pages; market surveys; analysis of advertising response and market research; radio and television advertising; rental of vending machines.


22) In carrying out the comparison of the specifications of the two parties I take into account the factors referred to in the opinion of the Advocate General in *Canon* [1999] ETMR 1. In its judgement, the ECJ stated at page 6 paragraph 23:

“23. In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, *inter alia*, their nature, their end users and their method of use and whether they are in competition with each other or are complementary.”

23) Clearly, both parties goods in Class 29 are identical. As this provides the strongest possible case for the opponent I do not need to consider the other parts of the specification.

24) I must also consider the average consumer for the types of goods in Class 29. The average consumer must be the general public, who must be considered to be reasonably well informed and reasonably circumspect and observant. In my view, food items are not purchased without some consideration, especially given the level of media attention on food issues. Although I must take into account the concept of imperfect recollection.

25) I now move onto consider the marks of the two parties which are as follows:

Applicant's mark	Opponent's mark
	<p data-bbox="970 712 1059 741">PEAK</p>

26) I have shown only one mark for the opponent as both its UK and CTM are for the same word, PEAK. The opponent's mark consists of a single word and so there are considerable visual and aural differences between the marks. Although clearly the opponent's mark is contained in full within the applicant's mark. The opponent's mark is a well known English word which the applicant has submitted has a number of meanings. These were given as:

- a) a pointed end of something (eg of a hill),
- b) the optimum time or condition (eg something in peak condition)
- c) a sharp increase (eg a peak in performance).

27) In contrast the applicant's mark is obviously a reference to a distinct geographical location. Whilst I do not discount the device element in the applicant's mark I do not believe that it provides much that is distinctive. To my mind there are clear visual, aural and particularly conceptual differences which far outweigh any similarities.

28) Taking account of all of the above when considering the marks globally, I have no hesitation in stating that there is no likelihood of consumers being confused into believing that the goods provided by the applicant are those of the opponent or provided by some undertaking linked to them. The opposition under Section 5(2)(b) therefore fails.

29) I now turn to the ground of opposition under Section 5(3) of the Act which in its original form reads:

"5-(3) A trade mark which -

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

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

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

30) By virtue of regulation 7 of the Trade Mark (Proof of Use, etc) Regulations 2004, Section 5(3)(b) has now been repealed. The equivalent provision in Section 10 of the Act dealing with infringement has also been amended. As the explanatory note indicates:

"These amendments implement the decision of the European Court of Justice in *Davidoff & Cie SA and Zino Davidoff SA v Gofkid Ltd* of 9th January 2003 (C-292/00) which was confirmed by its decision in *Adidas-Salomon AG and Adidas Benelux BV v Fitnessworld Trading Ltd* of 23rd October 2003 (C-408/01). Those decisions determined that Article 5(2) of the Directive, which on the face of it, grants a right to the proprietor of a trade mark to prevent third parties from using an identical or similar trade mark in relation to goods or services which are *not similar* where the earlier trade mark has a reputation and the use of that sign takes unfair advantage or is detrimental to the distinctive character of that earlier trade mark, also applies to goods or services which are similar or identical to those for which the earlier trade mark is registered."

31) The opponents' claim here is based on the fact that the respective goods are similar, and which would therefore take unfair advantage of, or be detrimental to the distinctive character of the repute of the opponent's marks.

32) The scope of the Section has been considered in a number of cases notably *General Motors Corp v Yplon SA (Chevy)* [1999] ETMR 122 and [2000] RPC 572, *Premier Brands UK Limited v Typhoon Europe Limited (Typhoon)* [2000] RPC 767, *Daimler Chrysler v Alavi (Merc)* 2001 [RPC] 42, *C.A. Sheimer (M) Sdn Bhd's TM Application (Visa)* 2000 RPC 484, *Valucci Designs Ltd v IPC Magazines (Loaded)* O/455/00, *Mastercard International Inc and Hitachi Credit (UK)Plc* [2004] EWHC 1623 (Ch) and *Electrocoin Automatics Limited and CoinworldLimited and others* [2004] EWHC 1498 (Ch).

33) In relation to reputation under Section 5(3), *General Motors Corporation v Yplon SA* [2000] RPC 572 paragraphs 26 & 27 indicate the standard that must be reached:-

"26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.

27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.”

34) This test sets out a high threshold, and the onus is upon the opponent to prove that its trade marks enjoy a reputation or public recognition. At paragraph 20 above I have determined that the opponent has not shown that it has reputation in its marks. The evidence filed by the opponent does not, in my opinion, enable the opponent to overcome what is acknowledged as a high threshold.

35) Taking into account the strict requirements which need to be satisfied under Section 5(3) to expand the parameters of “normal” trade mark protection I cannot find that the opponent has shown reputation under Section 5(3) of the Act and the opposition under Section 5(3) must fail on this basis.

36) I now turn to consider the opposition under section 5(4)(a) which reads:

“5. (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, or

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.”

37) In *South Cone Inc. v. Jack Bessant, Dominic Greensmith, Kenwyn House, Gary Stringer (a partnership)* [2002] RPC 19 Pumrey J. in considering an appeal from a decision of the Registrar to reject an opposition under Section 5(4)(a) said:

“27. There is one major problem in assessing a passing off claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent’s reputation extends to the goods comprised in the applicant’s specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under s.11 of the 1938 Act (see *Smith Hayden & Co. Ltd’s Application (OVAX)* [1946] 63 R.P.C. 97 as qualified by *BALI Trade Mark* [1969] R.P.C. 472). Thus, the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed to the relevant date.”

38) This cannot be interpreted in a prescriptive fashion. There will be occasions when the evidence does not fall within the above parameters but still establishes goodwill for passing off purposes - see the decision of Professor Annand, sitting as the Appointed Person, in *Loaded* BL 0/191/02.

39) Earlier in this decision I found that use of the mark in suit, actual or on a fair and notional basis would not result in confusion with the opponent's marks. Accordingly, it seems to me that the necessary misrepresentation required by the tort of passing off will not occur. The opposition under Section 5(4)(a) of the Act must fail.

COSTS

40) As the opponent was unsuccessful the applicant is entitled to a contribution towards its costs. I order the opponent to pay the applicant the sum of £2,000. 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 24th day of July 2007

**George W Salthouse
For the Registrar,
the Comptroller-General**