

O-174-08

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. 82882
IN THE NAME OF GEORGIA-PACIFIC CONSUMER PRODUCTS LP
FOR A DECLARATION OF INVALIDITY IN RESPECT OF
REGISTRATION NO 2425370 IN THE NAME OF
ACCROL PAPERS LIMITED**

Trade Marks Act 1994

IN THE MATTER OF application No 82882 in the name of Georgia-Pacific Consumer Products LP for a Declaration of Invalidity in respect of Registration No. 2425370 in the name of Accrol Papers Limited

BACKGROUND

1. Registration number 2425370 is for the marks THIRSTY BUBBLES and is registered in the name of Accrol Papers Limited in respect of the following goods in

Toilet rolls, facial tissues, kitchen towels tissue products

2. By an application dated 25 May 2007, Accrol Papers limited applied for the registration to be declared invalid under the following grounds:

Section 47(2)(a) of the Act on the basis that the trade marks were registered in contravention of Section 5(2)(b) of the Act, in that their earlier trade mark No 2047526 is conceptually very similar, and the respective goods the identical or similar.

Section 47(2)(b) on the basis of the law of passing off (Section 5(4)(a)).

3. The registered proprietors filed a Counterstatement in which, amongst other things, they accept the applicant's statement of having used THIRST POCKETS in relation to "kitchen towels".

4. Both sides ask that an award of costs be made in their favour.

5. Both sides filed evidence in these proceedings, which, insofar as it may be relevant I have summarised below. The matter came to be heard on 17 March 2008, when the applicants for invalidity were represented by Mr Chris Mcloed of Hammonds, their trade mark attorneys. The registered proprietors were represented by Mr Phillip Johnson of Council for KG Solicitors Limited, their trade mark attorneys.

Applicants' evidence

6. This consists of two Witness Statements. The first is dated 31 August 2007, and comes from Lorraine Payne, Company Secretary of Georgia Pacific GB (GP), a position which she has held for 9 months. Ms Payne says that the facts contained within her statement are either made from her own knowledge, or from the records of her company to which she has ready access.

7. Ms Payne states that GP has made continuous use of the trade mark THIRST POCKETS in the UK in relation to kitchen towels since at least 1995, in the years 2000 to 2006 achieving the following sales:

2000	£9.4 million
2001	£10.5 million
2002	£9.7 Million
2003	£12.7 million
2004	£14.2 million
2005	£18.2 million
2006	£24.3 million

8. Ms Payne extrapolates this to a trade of approximately 6 million cases of THIRST POCKETS kitchen towels each year, making it either the best selling, or second best selling product of this type in the UK. Ms Payne goes on to give details of the advertising expenditure promoting THIRST POCKETS in the years 2000 to 2006:

2000	£1,581,926
2001	£766,938
2002	£699,960
2003	£652,388
2004	£881,875
2005	£1,104,735
2006	£1,571,088

9. Ms Payne recounts conducting a search for products bearing the name THIRST on the websites of some leading supermarkets, the results of which are shown as Exhibit LP1. The search was either for product names that incorporate the word THIRST, or a general search of kitchen towels sold by the supermarket. The only kitchen towel that has the word as part of the product is the applicant's THIRST POCKETS, albeit sometimes as part of the larger mark LOTUS THIRST POCKETS.

10. Ms Payne goes on to refer to Exhibit LP2, which consist of a Brand Awareness chart relating to Lotus Thirst Pockets and its main competitors. This seems to have been compiled from a survey of shoppers between April 2006 and May 2007, in response to the question "Which of these brands of kitchen towels have you heard of?" The result for April 2006, the only one prior to the relevant date show an awareness of THIRST POCKETS of 36% of those questioned, with 19% having heard of LOTUS THIRST POCKETS.

11. Exhibit LP3 consists of a "Final Debrief" for "LOTUS THIRST POCKETS ADVERTISING RESEARCH", conducted by Georgia Pacific on 17 May 2006. Under the heading LOTUS is the statement "Limited awareness of the Lotus Brand was apparent: - Many of those who were using LTP tended to refer to them as 'Thirst Pockets' and forget the Lotus". The remainder of the Statement consists of submissions on the applicant's claim to a goodwill and reputation in relation to their allegation of passing off, and the entitlement of their mark to enhanced protection as a result of this reputation.

12. The second Witness Statement is dated 5 September 2007, and comes from Christopher James Mcleod, the Director of Trade Marks for Hammonds, the opponent's representatives. This Witness Statement consists of submissions on the applicant's case and on the evidence provided by Lorraine Payne in support of the applicant's case. As such it does not constitute evidence of fact and it is not

appropriate to summarise it as such. I will, of course take these submissions fully into account in my determination of these proceedings.

Registered proprietor's evidence

13. This consists of two Witness Statements. The first is dated 16 October 2007, and comes from Ronald James Shipley, a solicitor acting for the registered proprietors.

14. This Witness Statement consists of submissions on the relative merits of the applicant's arguments and the substantive case, in doing so citing a number of authorities. As such it does not constitute evidence of fact and it is not appropriate to summarise it as such. I will, of course, take these submissions fully into account in my determination of these proceedings.

15. The second Witness Statement is dated 16 October 2007, and comes from Majid Hussain, General Manager of Accrol Papers Limited, the registered proprietors.

16. Mr Hussain states that he does not dispute the sales or expenditure figures given by Ms Payne, or the fact that the goods are similar and/or identical. Beyond challenging the objectivity of the applicant's representative, and supporting Mr Shipley's evidence, Mr Hussain does not provide any relevant information or fact.

DECISION

17. Turning to consider the first ground on which the applications have been made, that is, Section 5(2)(b). That section reads as follows:

“5. - (1) A trade mark shall not be registered if it is identical with an earlier trade mark and the goods or services for which the trade mark is applied for are identical with the goods or services for which the earlier trade mark is protected.

(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.”

18. An earlier trade mark is defined in Section 6 of the Act as follows:

“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,”

19. In my consideration of a likelihood of confusion or deception 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 B.V.* [2000] 45 F.S.R. 77 and *Marca Mode CV v Adidas AG & Adidas Benelux BV* [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*,
- (b) the matter must be judged through the eyes of the average consumer of the goods/services in question; *Sabel BV v Puma AG*, 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 Schuhfabrik Meyer & Co. GmbH v Klijsen Handel B.V.*,
- (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*,
- (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*,
- (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-Mayer Inc*,
- (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*,
- (g) in determining whether similarity between the goods or services covered by two trade marks is sufficient to give rise to the likelihood of confusion, the distinctive character and reputation of the earlier mark must be taken into account; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*,
- (h) 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*,
- (i) 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 & Adidas Benelux BV*,

(j) 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-Mayer Inc.*

20. The applicants rely on one earlier mark, for the trade mark THIRST POCKETS which is registered under number 2047526 in Class 16 for the following goods:

“Paper towels, facial tissues, disposable paper products; wipes, table covers, napkins, all made from paper or from paper-like materials.”

21. In their counterstatement the registered proprietors do not dispute that the applicants have used the mark THIRST POCKETS in respect of "kitchen towels". A further concession is given by Mr Hussain, who in his Statement accepts the sales and expenditure figures given by Ms Payne.

22. Mr Hussain also accepts that the respective goods are similar and/or identical. Given this I must proceed on the basis that not only is there identity in the goods, but also that the channels of trade, from manufacturer to retailer, and also the relevant consumer are the same. The goods covered by the respective marks, which are ordinary, everyday items, the relevant consumer should be regarded as the public at large. Whilst in making the purchase they must be deemed to be reasonably well informed, circumspect and observant, given the low-cost and basic nature of the goods they will not be so above the norm.

23. The opponent's mark consists of a combination of the two ordinary English words THIRST and POCKETS. Dictionaries give the word THIRST the meaning of "a desire to drink". In respect of the goods such as kitchen towels it is used as a reference to the absorbent properties of the items. Likewise the word POCKETS can be a reference to the fact that the paper has compartments that are “pocket-like”. These words hang together to create an impression of a product that has pockets that are absorbent, but not in a grammatically correct way. When used in connection with goods such as kitchen roll where absorbency is a usual or desired feature, it is easy to see the relevance of these words, and I am sure that this will not escape the notice of the consumer. Even so, whether viewed individually or as a collective whole, the use of the words THIRST POCKETS in such a way is unusual and in my view is no more an allusion, albeit not the most skilful or covert.

24. The obvious capacity of the words THIRST POCKETS to conjure up a characteristic of goods such as kitchen towels means that this is not the most distinctive mark, but is distinctive nonetheless. The words have individual meanings that are an indirect reference to some quality of absorbent paper goods, but also combine to create a meaningful whole. In my view this means that, setting aside the usual argument that it is the first element of the mark that dominates, there is no dominant distinctive element. The same arguments extend to the registered proprietor's mark THIRSTY BUBBLES.

25. In her evidence Ms Payne states that her company has made continuous use of THIRST POCKETS in the UK in relation to kitchen towels since at least 1995, which gives them some 10 years of use by the relevant date. Sales figures for the years 2000

to 2006 show almost a year on year increase, from a base of £9.4 million in 2000, rising to £18.2 million in 2005, the last full year prior to the relevant date. Ms Payne also provides details by units sold, stating this to be in the order of 6 million cases each year. These are significant figures, but without details of the market as a whole, this information, of itself, does not enable me to put the applicant's trade into context. However, Ms Payne further states that THIRST POCKETS kitchen towels are either the best, or second best selling product of this type in the UK, a claim that has not been challenged by the registered proprietors. I therefore consider it to be appropriate to accept that the applicant's THIRST POCKETS mark has a strong, and long-standing reputation in respect of kitchen roll.

26. The decisions in *Claudia Oberhauser v OHIM (Fifties)* [2003] E.T.M.R. 58, and *Criminal Clothing Ltd v Aytan's Manufacturing (UK) Ltd*, [2005] EWHC 1303 indicate that the circumstances in which the relevant goods and trade marks are encountered by the consumer, particularly at the point at which the purchase is made is an important consideration, but the matter must be assessed by applying an assessment of all relevant factors. The goods covered by the respective marks are usually obtained by self-selection, but even though this is essentially a visual act that places most importance on the appearance of marks, this does not negate the need to consider and balance any aural and conceptual similarities.

27. The opponent's earlier mark consists of the words THIRST POCKETS, whereas the mark applied for consists of the words THIRSTY BUBBLES. Insofar as both marks contain essentially the same word THIRST/THIRSTY as the first element there must be some degree of visual similarity. However, the second element of the respective marks is quite different. By no means could POCKETS and BUBBLES be deemed to have much, if any visual resemblance. However, the question is not whether the elements of the mark look similar, but whether the marks as a whole do, and in my view the impact of the second element on the overall visual impression is such that they are not. The letter "Y" in THIRSTY also adds something to the look of the registered proprietor's mark, and to the distinction in the appearance when compared to the applicant's mark.

28. The words THIRST and THIRSTY are both composed of a single, and the same syllable, and all but the same letters in the same sequence. This must inevitably mean that they share a strong similarity in sound. The terminal letter Y in the registered proprietor's mark has a more obvious impact on the sound when spoken than it does on the eye when seen. The word THIRST cuts off in a strong and somewhat harsh sound, whereas THIRSTY terminates in a sound that drifts into its ending. Although there is a tendency to slur the end of words, in the case of THIRSTY, the terminal "TEE" sound is likely to be enunciated reasonably clearly. Again, I cannot see that there is any similarity in sound between the words POCKETS and BUBBLES. Even accepting that it is the beginning of marks that is of most significance, when taken as a whole I am of the view that the respective marks are different in sound.

29. This leaves the matter of the conceptual similarity. This is where the opponents focussed their arguments, which given my comments in the visual and aural assessment is perhaps not surprising. Mr Mcleod expressed the applicant's argument as follows:

“Conceptually, the marks are similar because the first element of each is THIRST or THIRSTY, both of which evoke the same meaning. The second element of the earlier mark is POCKETS and that of the second mark is BUBBLES. POCKET is defined in the Shorter English Dictionary, inter alia, as “a recess or cavity resembling a pocket in use or position, e.g. a receptacle in the cover of a book for a folded map, etc”. BUBBLE is defined in the same dictionary, inter alia, as a “thin vesicle of water or other liquid, filled with gas or air” and “a quantity of air or gas occluded within a liquid”. It is clear therefore that a “pocket” and a “bubble” of water are conceptually similar and therefore that THIRST POCKETS and THIRSTY BUBBLES are conceptually similar.”

30. THIRSTY is the adjective of the noun THIRST so I cannot see that there can be much dispute over the similarity in their meaning, and idea that they create. The question is whether the addition of BUBBLES and POCKETS, as appropriate, will create the same, or a similar idea in the minds of the relevant consumer. From the dictionary reference provided by Mr Mcleod I would say that this is far from certain. A “pocket” is described as a recess or cavity, whereas a “bubble” is a space enclosed within a film. That said, there is usage of “pocket” such as in a “pocket of air” that is much closer than the example given, but even then it is a reference to air trapped in a cavity or recess rather than self-contained and enclosed. These are, however, dictionary definitions and academic considerations that pay little regard to how the consumer would receive the marks when encountering them in relation to the goods. In relation to paper products, both marks will be taken as an indication of the fact that the goods have a form of “pocket” or “bubble” that helps absorb, which is no doubt the intention. This meaning is obvious and will not escape the notice of the consumer. I therefore consider the respective marks to be conceptually similar.

31. Balancing these factors, I come to the position that the respective marks overall are not similar.

32. In response to the registered proprietor’s submission in the counterstatement that the consumer “...will be able to view the products, for example on a supermarket shelf, before purchase.” Mr Mcleod argued that “...use is not limited to a direct and detailed in situ comparison...”, and that is indeed the case. This argument extends to an assertion that there may be confusion through imperfect recollection. This relies upon the proposition that the consumer familiar with the applicant’s THIRST POCKETS, on seeing the registered proprietor’s goods marked THIRSTY BUBBLES will, through poor recollection, be confused into thinking that this is the product they know, or is from or connected with the applicants.

33. Whilst the words THIRST POCKETS may not be directly descriptive, they will have the effect of being so to the consumer’s perception. *In The European Limited v The Economist Newspaper Limited* [1998] ETMR 307, Millett LJ said:

“Where descriptive words are included in a registered trade mark, the courts have always (and rightly) been exceedingly wary of granting a monopoly in their use.”

34. It would be wrong to go as far as to say the consequence of this is that THIRST POCKETS does not deserve protection, it justifies the argument that similarity should be confined to marks that are closer than for a mark that is pure invention.

35. The applicant's THIRST POCKETS mark may have a strong reputation in respect of "kitchen towels" but the fact that they have this reputation does not give grounds for presuming a likelihood of confusion. For this to be the case the association caused by the use of the mark applied for, in relation to the goods for which registration is sought, would have to cause the public to wrongly believe that these are goods from the applicants or some linked undertaking. Such a conclusion requires that the consumer will see the registered proprietor's mark and translate its meaning into the same as the applicants, and through imperfect recollection or whatever, will be confused. Taking all factors into account, I do not consider this to be a likely consequence of the registered proprietor's use of THIRSTY BUBBLES in relation to the goods of the application. There is no likelihood of confusion and the ground under Section 5(2)(b) fails accordingly.

36. This leaves the ground under Section 5(4)(a). That section states:

"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,"

37. I intend to adopt the guidance given by the Appointed Person, Mr Geoffrey Hobbs QC in the *Wild Child* case [1998] RPC 455. In that decision Mr Hobbs stated that:

"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 *Erven Warnink BV v J Townend & Sons (Hull) Ltd* [1979] ACT 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 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."

.....Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:

“To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

(1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and

(2) that members of that class will mistakenly infer from the defendant’s use of a name, mark or other feature which is the same or sufficiently similar that the defendant’s goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact. In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

(a) the nature and extent of the reputation relied upon;

(b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;

(c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;

(d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.””

38. The first matter that I have to decide is the material date. It is well established that the material date for passing-off is the date of the behaviour complained of (see *Cadbury Schweppes Pty Ltd v Pub Squash Co Pty Ltd* [1981] RPC 429 and *Inter Lotto (UK) Ltd v Camelot Group PLC* [2004] RPC 8 and 9). Section 5(4)(a) is derived from article 4(4)(b) of First Council Directive 89/104 of December 21, 1998 which states:

“rights to a non-registered trade mark or to another sign used in the course of trade were acquired prior to the date of application for registration of the subsequent trade mark”.

39. Consequently, the material date cannot be after the date of application. There is no evidence of any use of the trade mark by the registered proprietors, so the behaviour complained must be taken as the act of filing the application which occurred on 23 June 2006.

40. I have already accepted that the opponents have established a strong reputation in the trade mark THIRST POCKETS in respect of “kitchen towels”, and had clearly done so by the material date. This has been built from a significant trade over many years, seemingly under the Lotus house mark, but from the unchallenged evidence has hit the consumers consciousness primarily as THIRST POCKETS. I consider that it is appropriate to infer that the applicants have goodwill in THIRST POCKETS in relation to kitchen towels that is commensurate with their reputation.

41. On the question of misrepresentation. I have already given my views on whether the respective trade marks are similar for the purposes of determining a likelihood of confusion; taking all factors into account they are not. Notwithstanding this, had the applicant's mark been pure invention, this could have given cause to consider whether there was some ulterior motive in the registered proprietor's choice of a mark that bears a conceptual similarity to a brand leader. In other words, were they trying to gain some advantage by leading the consumer to think their goods are those of the applicants? The earlier mark is a construction formed from two ordinary words that individually and collectively send a message about a characteristic of the kitchen towel for which it is used. It is perhaps, therefore, less surprising that another trader should come up with a similar concept, and far less certain that in doing so they are attempting to misrepresent their goods. I therefore find that there is no misrepresentation.

42. Turning to the matter of whether the registered proprietor's use will result in damage. In *Erven Warnink BV v J Townend & Sons (Hull) Ltd* [1980] RPC 31, Lord Fraser emphasised the substantial nature of the damage that a plaintiff must establish:

“That he has suffered, or is really likely to suffer, substantial damage to his property in the goodwill by reason of the defendants selling goods which are falsely described by the trade name to which the goodwill is attached.”

43. Christopher Wadlow in “The Law of Passing-Off” (third edition) at 4-23 puts forward the following proposition:

“Most of the authorities may perhaps be reconciled with the proposition that the risk of damage is sufficiently real if:

1. Confusion between the parties will be widespread and inevitable, even though there may be no immediate reason to believe that actual damage in any particular form will occur, or

2. There will be some confusion of the parties, and the defendant's business poses a special risk to the claimant because of the way it is currently conducted or because of future developments which can actually be expected. If confusion with the claimant is slight and tangible damage speculative then there is no liability for passing off."

44. In *Mastercard International v Hitachi Credit (UK) Plc* [2004] EWHC 1623 (Ch) Smith J held that there:

"must be real possibilities as opposed to theoretical possibilities" of the damage claimed."

45. In *Electrocoin Automatics Limited v Coinworld Limited and others* [2004] EWHC 1498 (Ch) Mr Geoffrey Hobbs QC (sitting as a deputy judge) stated:

"102. I think it is clear that in order to be productive of advantage or detriment of the kind prescribed, 'the link' established in the minds of people in the market place needs to have an effect on their economic behaviour. The presence in the market place of marks and signs which call each other to mind is not, of itself, sufficient for that purpose."

46. The bottom line is that for there to be damage, or a potential for such, the consumer will have to make a "link", in this case brought about by their perceptions of the mark they know. I have been through the reasons why I do not consider there to be a likelihood of consumers being led into believing that there is a connection between THIRSTY POCKETS and THIRSTY BUBBLES. I see no reason why the public would be induced into buying the registered proprietor's goods believing them to have directly or indirectly originated from, or are in some way connected with the applicants. I do not consider there to be a misrepresentation by the registered proprietors, whether intentional or not, and consequently here is no potential for damage. The ground under Section 5(4)(a) is therefore dismissed.

47. The application having failed, the registered proprietors are entitled to an award of costs. I order the applicants to pay the registered proprietors the sum of £2,250 as a contribution towards their costs. This 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 June 2007

**Mike Foley
for the Registrar
the Comptroller General**