

O-329-10

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 2493638
BY MKS LTD TO REGISTER THE TRADE MARK**

gr@ce!
EUROPEAN | MODERN | UNIQUE ●

IN CLASSES 30 and 32

**AND IN THE MATTER OF OPPOSITION
THERE TO UNDER NO 98824
BY GRACE FOODS LTD**

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IN THE MATTER OF Opposition thereto under No. 98824

by Grace Foods Ltd

BACKGROUND

1. On 23rd July 2008, MKS Ltd of 3rd Floor, Geneva Place, Waterfront Drive, Road Town, Tortola, British Virgin Islands (hereafter “MKS”) applied to register the mark:

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2. The application was made in respect of the following goods in Classes 30 and 32:

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; vinegar, sauces (condiments); spices; ice; aromatic preparations for food; allspice; almond confectionery; almond paste; aniseed; baking soda [bicarbonate of soda for cooking purposes]; barley meal; bean meal; bee glue [propolis] for human consumption; beer vinegar; binding agents for ice cream [edible ices]; biscuits; bread rolls; breadcrumbs; buns; cake paste; cake powder; cakes; candy for food; capers; caramels [candy]; celery salt; cereal preparations; cereal-based snack food; chewing gum, not for medical purposes; chicory [coffee substitute]; chips [cereal products]; chocolate; chocolate beverages with milk; chocolate-based beverages; chow-chow [condiment];


chutneys [condiments]; cinnamon [spice]; cloves [spice]; cocoa beverages with milk; cocoa products; cocoa-based beverages; coffee beverages with milk; coffee flavorings [flavourings]; coffee-based beverages; condiments; confectionery for decorating Christmas trees; cookies; cooking salt; corn flakes; corn flour; corn meal; corn, milled; corn, roasted; couscous [semolina]; crackers; crushed barley; crushed oats; curry [spice]; custard; dressings for salad; edible decorations for cakes; edible ices; essences for foodstuffs, except etheric essences and essential oils; farinaceous food pastes; farinaceous foods; ferments for pastes; flavorings [flavourings], other than essential oils; flavorings [flavourings], other than essential oils, for beverages; flavorings [flavourings], other than essential oils, for cakes ; flour for food; flour-milling products; fondants [confectionery]; frozen yoghurt (yogurt) [confectionery ices]; fruit jellies [confectionery]; garden herbs, preserved [seasonings]; ginger [spice]; gingerbread; glucose for food; gluten for food; golden syrup; groats for human food; gruel, with a milk base, for food; halvah; hominy; hominy grits; husked barley; husked oats; ice cream; ice for refreshment; ice, natural or artificial; iced tea; infusions, not medicinal; ketchup [sauce]; leaven; liquorice [confectionery]; lozenges [confectionery]; macaroni; Macaroons [pastry]; maize flakes; maize flour; maize meal; Malt biscuits; malt extract for food; malt for human consumption; maltose; marzipan; mayonnaise; meal; meat gravies; meat pies; meat tenderizers, for household purposes; mint for confectionery; molasses for food; muesli; mustard meal; natural sweeteners; noodles; nutmegs; oat flakes; oat-based food; oatmeal; pancakes; pasta; pastilles [confectionery]; pastries; pasty; pâté [pastries]; peanut confectionery; pepper; peppermint sweets; peppers [seasonings]; petit-beurre biscuits; petits fours [cakes]; pies; pizzas; popcorn; potato flour for food; powders for ice cream; pralines; preparations for stiffening whipped cream; puddings; quiches; ravioli; relish [condiment]; ribbon vermicelli; rice cakes; rice-based snack food; royal jelly for human consumption, not for medical purposes; rusks; saffron [seasoning]; salt for preserving foodstuffs; sandwiches; sausage binding materials; sea water for cooking; seasonings; semolina; sherbets [ices]; soya bean paste [condiment]; soya flour; soya sauce; spaghetti; spring rolls; star aniseed; starch for food; starch products for food; stick liquorice [confectionery]; sugar confectionery; sushi; sweetmeats [candy]; tabbouleh; tacos; tapioca flour for food; tarts; tea- based beverages; thickening agents for cooking foodstuffs; tomato sauce; tortillas; turmeric for food; unleavened bread; unroasted coffee; vanilla [flavoring] [flavouring]; vanillin [vanilla substitute]; vegetal preparations for use as coffee substitutes; vermicelli [noodles]; waffles; weeds [condiment]; wheat flour; yeast in pill form, not for medical use.

Class 32:

Beers; mineral and aerated waters and other non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparations for making beverages; aperitifs, non-alcoholic; beer wort; cider, non-alcoholic; cocktails, non-alcoholic; essences for making beverages; extracts of hops for making beer; fruit nectars, non-alcoholic; ginger ale; ginger beer; grape must, unfermented; isotonic beverages; kvass [non-alcoholic beverages]; lemonades; lithia water; malt beer; malt wort; milk of almonds [beverage]; must; non-alcoholic beverages; non-alcoholic fruit extracts; non-alcoholic fruit juice beverages; non-alcoholic honey-based beverages; orgeat; pastilles for effervescing beverages; peanut milk [soft drink]; powders for effervescing beverages; preparations for making aerated water; preparations for making beverages; preparations for making liqueurs; preparations for making mineral water; sarsaparilla [soft drink]; seltzer water; sherbets [beverages]; soda water; sorbets [beverages]; syrups for beverages; syrups for lemonade; table waters; tomato juice [beverage]; vegetable juices [beverages]; waters [beverages]; whey beverages.

3. The application was published on 5th December 2008 and on 5th March 2009 Grace Foods Ltd of Canon's Court, 22 Victoria Street, Hamilton, HM 12, Bermuda (hereafter "Grace") lodged an opposition against the goods specified above.
4. Grace has two earlier marks, UK 894341 ('341) and CTM 1077015 ('015), the details of which are as follows:

Mark. Filing and registration dates	Goods and services relied upon under section 5(2)(b)
GRACE 9 th May 1966 and 12 th November 1969	Class 29 Fruits, vegetables, sausages and salmon, all being canned; and carrot juice (cooking), all for sale in England, Scotland and Wales. Class 30: Rice for sale in England, Scotland and Wales.

	<p>Class 32:</p> <p>Fruit juices; and carrot juice for use as a beverage, all for sale in England, Scotland and Wales.</p>
 <p>16th February 1999 and 28th March 2000</p>	<p>Class 29</p> <p>Vegetables, fruit, meat, poultry, fish and seafood, all these products in the form of extracts, soups, jellies, pastes, preserves, ready-made dishes and frozen or dehydrated preserves, as well as fresh or canned; coconut milk; coconut cream; dried prepared soup mixes, dried peas and beans; jams; eggs; milk, cheese and other food preparations having a base of milk, milk substitutes, edible oils and fats; protein preparations for food.</p> <p>Class 30:</p> <p>Coffee and coffee extracts; coffee substitutes and extracts of coffee substitutes; tea and tea extracts; cocoa and preparations having a base of cocoa; chocolate, confectionery, sweets; sugar; bakery products, pastry; desserts, puddings; ice cream, products for the preparations of ice cream; honey and honey substitutes; rice and cereals, foodstuffs having a base of rice or other cereals; flour; cornmeal; aromatizing or seasoning products for food; mayonnaise; condiments, namely prepared sauces, brown sauces, pepper sauces, hot sauces, fruit sauces, chutney and ketchup.</p> <p>Class 32:</p> <p>Non-alcoholic drinks, carbonated beverages, non-carbonated malt beverages, syrups, extracts and essences for making non-alcoholic beverages; fruit juices.</p>

5. Grace has based its opposition solely upon section 5(2)(b) of the Trade Marks Act 1994 (hereafter “the Act”). They say the application is dominated by the

word “gr@ce”, which is virtually identical to the its earlier marks and the goods covered by the earlier registrations are all included in the later application and that overall there is a high risk of confusion.

6. MKS filed a counterstatement denying the ground of the opposition. They say there is no likelihood of confusion as the respective marks are visually significantly different, eg the “@” symbol gives the application a ‘modern’ feel, whilst the earlier marks (notably the CTM mark) have a “traditional” feel. Moreover, the application includes the words “EUROPEAN”, “MODERN” and “UNIQUE” to add to the visual differences. Although there is an overlap of goods, taking into account global appreciation this is not such as to cause likelihood of confusion. They put Grace to proof of use in respect of all of the goods of registration ‘341 and the beverages listed in classes 30 and 32 of ‘015
7. Evidence has been filed by both parties which, insofar as it is factually relevant, I shall summarise below. Neither party has requested a hearing and instead, both parties are content for a decision to be issued based on the papers. Both parties request costs.

Opponent’s evidence

8. This takes the form of a witness statement, dated 29th October 2009, by Kate Cheney who is a Trade Mark Attorney acting for Grace. She says that, having searched the UK IPO register she notes that every existing trade mark in classes 30 and 32 which contains the word “grace” is owned by the opponent, or with regard to CTM 8125239, by a company related to the opponent. From this, she says that the word “grace” is highly distinctive and that no third party needs to use this word. If they do, there is a high risk of association with the opponent.
9. As regards proof of use, Exhibit KLC 2 shows an example of the mark in use. In the example, the earlier CTM ‘015 is shown under a banner “Quality Since 1922”. The mark is shown on the packaging of “COCK FLAVOUR SOUP MIX”, a spicy noodle soup mix. The package also indicates the country of origin, being Jamaica.
10. At Exhibit KLC 3 there is a selection of invoices from a Company called ENCO PRODUCTS LTD to assorted retailers and wholesalers, including what appear to be specialist localised retailers and wholesalers, as well as larger national ones, such as TESCO. The invoices are dated between April 2008 and July 2009. As the selection is large I will confine myself to giving some examples. I should say that the invoices contain a variety of foods and drinks supplied, not all of which utilise the GRACE mark. The acronym “GR” on the invoices is used to signify that the products bear the ‘GRACE’ mark. There is an invoice dated 24th April 2008 to TESCO stores for the sale of GRACE

JERK BBQ Sauce and GRACE TROPICAL RHYTHMS Sorell Ginger. An invoice of the same date to BESTWAYS CASH & CARRY LTD of London for GRACE TROPICAL RHYTHMS Fruit Punch, GRACE mackerel and GRACE condensed milk. Other products sold under the GRACE name on the invoices include, eg creamed coconut, TROPICAL RHYTHMS REGGAE MED (Invoice dated 24th April 2008 to BAINS SELF SERVICE in Huddersfield); TROPICAL RHYTHMS PINE GINGER (invoice dated 26th March 2009 to ICELAND FROZEN FOODS in Enfield; seasoning and mixed spice, halal corned beef, (Invoice dated 20th June 2008 to TRS INTERNATIONAL LOODS LTD in London); pepper sauce, strawberry syrup, porridge, plantain chips, oxtail seasoning (Invoice dated 31st March 2009 to AFRO FOOD CENTE of London); pilchards in various sauces, guava jelly, and banana chips (Invoice dated 24th March 2009 to PAK FOODS of Derby; chicken viennas (sausages), cock soup, callaloo (Invoice dated 7th July 2009 to AMIN & SONS & Co LTD of Birmingham; ginger beer (Invoice dated 13th July 2009 to C J LANG & SON LTD of Dundee; peppermint, ginger honey and lemon ginger tea, 'mighty malt' (Invoice dated 10th July 2009 to THE NEW MEDINA SUPERMARKET of Birmingham; instant cornmeal porridge (Invoice dated 7th July 2009 to AMIN & SONS & Co LTD of Birmingham; tomato ketchup (Invoice dated 10th July 2009 to THE NEW MEDINA SUPERMARKET of Birmingham. The selection of invoices shows a regular pattern of ordering with the same companies placing repeat orders for the same items.

11. There is then a second batch of (tax) invoices direct from GRACE FOODS of Kingston Jamaica (with the CTM '015 mark at the top) to a company called KTC EDIBLES LTD of Wednesbury. These include products such as green pigeon peas, "T/R" (from the evidence referred to above I think "T/R" stands for TROPICAL RHYTHMS) mango carrot, june plums, ackee, kidney beans, butter beans, gungo peas, black eye beans, carrot juice and coconut juice. These invoices date from between December 2005 and May 2006.

Applicant's evidence

12. This takes the form of a witness statement dated 20th January 2010 from Dmytro Aslanov, who is an attorney acting on behalf of MKS. This consists not of evidence of fact but legal submission in the form of critique of Ms Cheney's evidence, eg going to the distinctiveness of the earlier mark and a comparison of the respective marks. I will leave these comments and submissions to be addressed below in my decision.

Opponent's evidence in reply

13. This comprises a witness statement dated 23rd April 2010 by Ms Jandan Aliss, a trade mark attorney acting for Grace. Again, much of it is submission and critique of Mr Aslanov's evidence and I do not intend to summarise that,

but instead will deal with it below in my decision. Exhibit JMA1 comprises a print out from the Registry's online database showing the number of Grace marks, specifically in the name of GRACE FOODS LTD.

14. A further batch of 25 invoices has been supplied at exhibit JMA3, which predate the operative date of publication of the application, namely 5th December 2008. These invoices contain many of the products already listed above in para 10, but additionally, items called "refreshers", "grape syrup" "kola syrup". At exhibit JMA4 there are print outs illustrating some of the Grace products, including the TROPICAL RHYTHMS fruit punch, the IRISH MOSS vanilla flavoured drink, CARIBBEAN COMBOS, being a rice and blackeye peas mix, and assorted 'Cock Flavour' soups. The examples all show use of the Grace mark with crown device.

DECISION

Proof of use

15. The Trade Marks (Proof of Use, etc) Regulations 2004 apply in respect to the Section 5(2) (b) grounds of this case. The provision reads as follows:

"6A Raising of relative grounds in opposition proceedings in case of non-use

(1) This section applies where –

(a) an application for registration of a trade mark has been published,

(b) there is an earlier trade mark of a kind falling within section 6(1)(a), (b) or (ba) in relation to which the conditions set out in section 5(1),(2) or (3) obtain, and

(c) the registration procedure for the earlier trade mark was completed before the start of the period of five years ending with the date of publication.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if –

(a) within the period of five years ending with the date of publication of the application the earlier trade mark has been

put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

(b) the earlier trade mark has not been so used, but there are proper reasons for non-use.

(4) For these purposes –

(a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, ...

(5) In relation to a Community trade mark or international trade mark (EC), any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Community.

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services...”

16. With registration dates of 12th November 1969 and 28th March 2000, it is clear that under Section 6(1) of the Act, both Grace’s marks are earlier trade marks. Further, as they completed their registration procedure more than five years before the publication of the contested mark (being 5th December 2008), they are subject to the proof of use requirements set out in section 6A of the Act. The relevant 5 year period ends on 5th December 2008 and starts on 6th December 2003.

17. That said, MKS has only put Grace to proof of use of certain goods. Specifically they request use to be proven in respect of all the goods specified in respect of UK ‘341 and only beverages specified in Classes 30 and 32 of CTM ‘015.

18. My understanding then, of the request is that Grace **will** potentially need to prove use in relation to the following goods:

UK 894341 (‘341)	Class 29
	Fruits, vegetables, sausages and salmon, all being canned; and carrot juice (cooking), all for sale in England, Scotland and Wales.

	<p>Class 30</p> <p>Rice for sale in England, Scotland and Wales.</p>
	<p>Class 32</p> <p>Fruit juices: and carrot juice for use as a beverage, all for sale in England, Scotland and Wales</p>
CTM 1077015 ('015)	<p>Class 30</p> <p>Coffee and coffee extracts; coffee substitutes and extracts of coffee substitutes; tea and tea extracts; cocoa and preparations having a base of cocoa.</p>
	<p>Class 32</p> <p>Non-alcoholic drinks, carbonated beverages, non-carbonated malt beverages; fruit juices.</p>

19. MKS has not requested that Grace prove use on the following remaining goods:

CTM 1077015 ('015)	<p>Class 29</p> <p>Vegetables, fruit, meat, poultry, fish and seafood, all these products in the form of extracts, soups, jellies, pastes, preserves, ready-made dishes and frozen or dehydrated preserves, as well as fresh or canned; coconut milk; coconut cream; dried prepared soup mixes, dried peas and beans; jams; eggs; milk, cheese and other food preparations having a base of milk, milk substitutes, edible oils and fats; protein preparations for food.</p>
	<p>Class 30</p> <p>Chocolate, confectionery, sweets;</p>

	sugar; bakery products, pastry; desserts, puddings; ice cream, products for the preparations of ice cream; honey and honey substitutes; rice and cereals, foodstuffs having a base of rice or other cereals; flour; cornmeal; aromatizing or seasoning products for food; mayonnaise; condiments, namely prepared sauces, brown sauces, pepper sauces, hot sauces, fruit sauces, chutney and ketchup.
	Class 32 Syrups, extracts and essences for making non-alcoholic beverages

20. It is noted that the foods of Classes 29 and 30 of '341 are wholly covered by the specification in those classes of '015, and for which MKS has **not** required proof of use. The goods in respect of which MKS requires proof of use, in effect then, are all *beverages* as they appear in Classes 30 and 32 of '015. My analysis will therefore confine itself to these goods. Furthermore, as Grace's marks differ in certain respects, but given the complete inclusion of all the goods in '341 within those of '015, provided I can satisfy myself that use by Grace of the beverages in Classes 30 and 32 of '015 is of that mark (ie '015) as registered, or an acceptable variant thereof, there will be no further need to factor into my further consideration the '341 mark at all. I will further consider this once I have set out the legal principles.

21. In terms of the onus in respect of proof of use, consideration has to be taken, also, of section 100 of the Act which states:

"100. If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it."

Consequent upon section 100, the onus is upon the registered proprietor to prove that it has made use of the trade mark in suit, or that there are proper reasons for non-use.

22. The basis of what constitutes genuine use was decided by the European Court of Justice (ECJ) in *Ansul BV v Ajax Brandbeveiliging BV*, Case C-40/01 [2003] ETMR 85 at paragraph 47 ("*Ansul*"):

“1. Article 12(1) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks must be interpreted as meaning that there is “genuine use” of a trade mark where the mark is used in accordance with its essential function, which is to guarantee the identity of the origin of the goods or services for which it is registered, in order to create or preserve an outlet for those goods or services; genuine use does not include token use for the sole purpose of preserving the rights conferred by the mark. When assessing whether use of the trade mark is genuine, regard must be had to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark is real, particularly whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark, the nature of the goods or services at issue, the characteristics of the market and the scale and frequency of use of the mark. The fact that a mark that is not used for goods newly available on the market but for goods that were sold in the past does not mean that its use is not genuine, if the proprietor makes actual use of the same mark for component parts that are integral to the make-up or structure of such goods, or for goods or services directly connected with the goods previously sold and intended to meet the needs of customers of those goods.”

23. In *La Mer Technology Inc v Laboratoires Goemar SA* [2004] FSR 38, the ECJ considered the extent of use, the amount of use and the types of use that can be considered when deciding whether there has been genuine use of a trade mark:

“20. It follows from those considerations that the preservation by a trade mark proprietor of his rights is predicated on the mark being put to genuine use in the course of trade, on the market for the goods or services for which it was registered in the Member State concerned.

21. Moreover, it is clear from paragraph 39 of *Ansul* that use of the mark may in some cases be sufficient to establish genuine use within the meaning of the Directive, even if that use is not quantitatively significant. Even minimal use can therefore be sufficient to qualify as genuine, on condition that it is deemed to be justified, in the economic sector concerned, for the purpose of preserving or creating market share for the goods or services protected by the mark.

22. The question whether use is sufficient to preserve or create market share for those products or services depends on several factors and on a case-by-case assessment which is for the national court to carry out. The characteristics of those products and services, the frequency or regularity of the use of the mark, whether the mark is used for the purpose of marketing all the identical products or services of the proprietor or merely some of them, or evidence which the proprietor is able to provide, are among the factors which may be taken into account.

23. Similarly, as emerges from paragraphs 35 to 39 of *Ansul* set out above, the characteristics of the market concerned, which directly affect the marketing strategy of the proprietor of the mark, may also be taken into account in assessing genuine use of the mark.

24. In addition, use of the mark by a single client which imports the products for which the mark is registered can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor of the mark.”

24. In *Laboratoires Goemar S.A. v La Mer Technology Inc* [2005] ETMR 114, Neuberger LJ held that:

“45 The notion that the use of the trade mark must be substantial or significant before it qualifies as "genuine" seems to me to run into two difficulties in any event. The first is that it does not involve attributing the word "genuine" its natural meaning, although this point of course potentially substantially weakened by the fact that the equivalent word used in the text in Art.10 in other languages may carry with it a slightly different meaning.

46 Secondly, once one imposes a requirement of significance or substantiality, it becomes potentially difficult, time-consuming, and expensive to decide whether, in any particular case, that requirement is satisfied. In this connection, Mr Tritton made a fair point when he suggested that the introduction of a test of significant use could lead to detailed arguments about the precise nature and extent of the market in which a particular trade mark is to be used, as well as a detailed enquiry in many cases as to the precise nature and extent of the use of the particular mark over the relevant five-year period. I do not regard that as a particularly desirable outcome.

47 Although the use of the instant mark within the jurisdiction can be said to be close to exiguous, I do not think it could be

characterised as *de minimis*. Even if it could be so characterised, I do not consider that that concept would be a useful or helpful one to invoke or apply, even if it had not been effectively ruled out by the European Court.

48 I turn to the suggestion, which appears to have found favour with the judge, that in order to be "genuine", the use of the mark has to be such as to be communicated to the ultimate consumers of the goods to which it is used. Although it has some attraction, I can see no warrant for such a requirement, whether in the words of the Directive, the jurisprudence of the European Court, or in principle. Of course, the more limited the use of the mark in terms of the person or persons to whom it is communicated, the more doubtful any tribunal may be as to whether the use is genuine as opposed to token. However, once the mark is communicated to a third party in such a way as can be said to be "consistent with the essential function of a trade mark" as explained in [36] and [37] of the judgment in *Ansul*, it appears to me that genuine use for the purpose of the Directive will be established.

49 A wholesale purchaser of goods bearing a particular trade mark will, at least on the face of it, be relying upon the mark as a badge of origin just as much as a consumer who purchases such goods from a wholesaler. The fact that the wholesaler may be attracted by the mark because he believes that the consumer will be attracted by the mark does not call into question the fact that the mark is performing its essential function as between the producer and the wholesaler."

25. In *The Sunrider Corp v Office for Harmonization in the Internal Market (TradeMarks and Designs) (OHIM)*, Case C-416/04 P, the ECJ stated:

"72 It follows that it is not possible to determine a priori, and in the abstract, what quantitative threshold should be chosen in order to determine whether use is genuine or not. A *de minimis* rule, which would not allow OHIM or, on appeal, the Court of First Instance, to appraise all the circumstances of the dispute before it, cannot therefore be laid down (see, to that effect, order in *La Mer Technology*, paragraph 25). Thus, when it serves a real commercial purpose, in the circumstances referred to in paragraph 70 of this judgment, even minimal use of the trade mark can be sufficient to establish genuine use (order in *La Mer Technology*, paragraph 27)."

26. A further, helpful synthesis of the 'legal learning' from these cases has been provided in the appointed person case, *Sant Ambroeus* (BL O-371-09), as follows:

“42. The hearing officer set out most of the key extracts from *Ansul* and *La Mer* in his decision, so I shall not reproduce them here. Instead, I try to summarise the “legal learning” that flows from them, adding in references to *Silberquelle GmbH v Maselli-Strickmode GmbH* Case C-495/07, [2009] ETMR 28 (*Silberquelle*) where relevant:

(1) Genuine use means actual use of the mark by the proprietor or third party with authority to use the mark: *Ansul*, [35] and [37].

(2) The use must be more than merely “token”, which means in this context that it must not serve solely to preserve the rights conferred by the registration: *Ansul*, [36].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end-user by enabling him, without any possibility of confusion, to distinguish the goods or services from others which have another origin: *Ansul*, [36]; *Silberquelle*, [17].

(4) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, i.e. exploitation that is aimed at maintaining or creating an outlet for the goods or services or a share in that market: *Ansul*, [37]-[38]; *Silberquelle*, [18].

(a) Example that meets this criterion: preparations to put goods or services on the market, such as advertising campaigns: *Ansul*, [37].

(b) Examples that do not meet this criterion: (i) internal use by the proprietor: *Ansul*, [37]; (ii) the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle*, [20]-[21].

(5) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including in particular, the nature of the goods or services at issue, the characteristics of the market concerned, the scale and frequency of use of the mark, whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some

of them, and the evidence that the proprietor is able to provide: *Ansul*, [38] and [39]; *La Mer*, [22] - [23].

(6) Use of the mark need not always be quantitatively significant for it to be deemed genuine. There is no *de minimis* rule. Even minimal use may qualify as genuine use if it is the sort of use that is appropriate in the economic sector concerned for preserving or creating market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor: *Ansul*, [39]; *La Mer*, [21], [24] and [25].”

Grace’s own use and what the evidence shows

27. In his evidence, Mr Aslanov submits that exhibits KLC 2 and 3, taken together, do not prove genuine use on the goods and as requested by MKS. He also says no evidence of the relationship between ENCO PRODUCTS LTD and Grace has been advanced. He notes finally, that in regard to the second batch of invoices no evidence of any relationship between the company name on the invoices, ‘GRACE FOODS INTERNATIONAL LTD of Jamaica and the applicant has been established.
28. On the final point, Ms Aliss responds by saying that ENCO PRODUCTS LTD and GRACE INTERNATIONAL FOODS LTD are both companies within the GRACE FOODS UK GROUP. A print out from GRACE FOODS UK GROUP is exhibited at JMA2 to establish that. The print says that GRACE FOODS UK was established following the acquisition of WT FOODS in 2007 by GRACEKENNEDY ‘one of the Caribbean’s leading corporate groups’. GRACE FOODS UK comprises three diverse food groups ENCO PRODUCTS LTD, established in 1933 and now the UK’s leading supplier of Afro-Caribbean Food and drinks. CHADHA ORIENTAL FOODS LTD and FUNNYBONES FOODSERVICE LTD. As a starting point, I accept that use by ENCO PRODUCTS LTD and GRACE INTERBATIONAL FOODS LTD is use by the proprietor.
29. The principal exhibit demonstrating use comprises the selection of invoices is KLC3 which I have summarised at para 9 above, as well as the additional exhibits JMA 3 and JMA4, filed as evidence in reply. In terms, specifically, of use in respect of the beverages which are referred to on those invoices and print outs from the Grace website, I can identify the following:
- Grace TROPICAL RHYTHMS range of blended fruit and vegetable juices, which include a fruit punch, sorell ginger, ‘reggae med’, mango

- carrot, as well as new flavours added to the range in July 2009, pineapple and guava, orange and mango and lulo and orange;
- ginger beer, including in cans;
- IRISH MOSS, which is a Jamaican Style vanilla flavoured drink;
- coconut water and juice, which I assume to be a drink based on coconut;
- carrot juice,
- a range of teas, including peppermint, ginger honey and lemon ginger.

30. The evidence does not establish the precise turnover for these drinks products, but from the selection of invoices, range of dates and the companies to which the invoices are sent it is clear there is a pattern of regular supply to certain (geographically spread) retailers and possibly wholesalers. Some of these companies are very large retailers, such as TESCO or ICELAND, but others are evidently more specialised and local ethnic food suppliers. In other words, we are not talking here about a single, isolated order for only a few drinks; the use is not token, sham or colorable in any way and qualifies as 'genuine' and in accordance with the case law referred to above.
31. I have also mentioned the need to consider whether the mark being used by Grace is the same as, or an 'acceptable variant' of the '015 mark. I should explain that the term "acceptable variant" is intended to give effect to Section 6A (4) of the Act which requires the use to in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered. The test has been expounded on in a case of the Appointed Person (*NIRVANA* (BL O/262/06)) and I shall seek to apply the Appointed Person's thinking below. I might mention that I do not understand this to be a particular point raised by MKS, but given that the onus in relation to genuine use falls to 'Grace' it is nonetheless something I feel I should consider. Furthermore, and as mentioned, if I can satisfy myself that Grace has used the '015 mark as registered, or an acceptable variant thereof, then I can proceed in my consideration only in relation to the '015 mark and not the '341 mark.
32. As far as the mark being used is concerned, the invoices indicate products sold under the Grace name by the letters 'GR', but what does the mark on the actual products look like ? There are various examples of the mark in use; the Grace COCK FLAVOUR SOUP (exhibit KLC2), and Ms Cheney says in her witness statement at para 5 that "this is how the marks are used throughout the product range", which includes I must assume the beverages for which proof of use has been requested. In addition there are various print outs from the website, including use on beverages shown in exhibits JMA3 and JMA4. In all these examples, the mark shown on the products is exactly the same as CTM '015, including the 'crown' device. In the event, or to the extent, I may be wrong on this and that certain of the relevant beverage items may be sold

bearing a word only mark "Grace" (ie without the crown or oval device), then I would still find that such use is of an 'acceptable variant' of '015 as registered. That is to say (applying the *NIRVANA* test), that although the consumer may register that the mark in use is not as registered, such a recognition and the differences involved would not affect distinctive character. Any distinctive character plainly resides in the word "Grace" and in nothing else; all else is decoration.

33. My conclusions in this regard mean that I can discount mark '341 from my further consideration.
34. Bringing these findings together, I conclude that genuine use of the CTM '015 mark has been shown in respect of the beverages indicated in para 29.
35. The next question is, what would a 'fair specification' be, bearing in mind the use made by Grace ? Grace's relevant specification for '015 reads as follows:

Class 30 : Coffee and Coffee extracts; coffee substitutes and extracts of coffee substitutes; tea and tea extracts; cocoa and preparations having a base of cocoa.

Class 32 Non alcoholic drinks; carbonated beverages, non carbonated malt beverages; fruit juices.

36. I must decide if the evidence reflects use on such a range of goods and if not, what would be a fair specification ? In doing so, I keep in mind the guidance in *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32 in relation to determining what constitutes a fair specification, namely:

"29 I have no doubt that Pumfrey J. was correct to reject the approach advocated in the Premier Brands case. His reasoning in paras [22] and [24] of his judgment is correct. Because of s.10(2), fairness to the proprietor does not require a wide specification of goods or services nor the incentive to apply for a general description of goods and services. As Mr Bloch pointed out, to continue to allow a wide specification can impinge unfairly upon the rights of the public. Take, for instance, a registration for "motor vehicles" only used by the proprietor for motor cars. The registration would provide a right against a user of the trade mark for motor bikes under s.10(1). That might be understandable having regard to the similarity of goods. However, the vice of allowing such a wide specification becomes apparent when it is envisaged that the proprietor seeks to enforce his trade mark against use in relation to pedal cycles. His chances of success under s.10(2) would be considerably increased if the specification of goods included both motor cars and motor

bicycles. That would be unfair when the only use was in relation to motor cars. In my view the court is required in the words of Jacob J. to "dig deeper". But the crucial question is--how deep?

30 Pumfrey J. was, I believe, correct that the starting point must be for the court to find as a fact what use has been made of the trade mark. The next task is to decide how the goods or services should be described. For example, if the trade mark has only been used in relation to a specific variety of apples, say Cox's Orange Pippins, should the registration be for fruit, apples, eating apples, or Cox's Orange Pippins?

31 Pumfrey J. in *Decon* suggested that the court's task was to arrive at a fair specification of goods having regard to the use made. I agree, but the court still has the difficult task of deciding what is fair. 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 s.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."

37. The comments of Mr Justice Jacob (as he then was) in *Animal Trade Mark* [2004] FSR 19 are also relevant:

"20 The reason for bringing the public perception in this way is because it is the public which uses and relies upon trade marks. I do not think there is anything technical about this: the consumer is not expected to think in a pernicky way because the average consumer does not do so. In coming to a fair description the notional average consumer must, I think, be taken to know the purpose of the description. Otherwise they might choose something too narrow or too wide. Thus, for instance, if there has only been use for three holed razor blades imported from Venezuela (Mr T.A. Blanco White's brilliant and memorable example of a narrow specification) "three-holed razor blades imported from Venezuela" is an accurate description of the goods. But it is not one which an average consumer would pick for trade mark purposes. He would surely say "razor blades" or just "razors". Thus the "fair description" is one which would be given in the context of trade mark protection. So one must assume that the average consumer is told that the mark will get absolute

protection ("the umbra") for use of the identical mark for any goods coming within his description and protection depending on confusability for a similar mark or the same mark on similar goods ("the penumbra"). A lot depends on the nature of the goods--are they specialist or of a more general, everyday nature? Has there been use for just one specific item or for a range of goods? Are the goods on the High Street? And so on. The whole exercise consists in the end of forming a value judgment as to the appropriate specification having regard to the use which has been made."

38. Finally, I am also mindful of the guidance provided by *Reckitt Benckiser (España), SL v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) (ALADIN)* Case T-126/03:

"42 The Court observes that the purpose of the requirement that the earlier mark must have been put to genuine use is to limit the likelihood of conflict between two marks by protecting only trade marks which have actually been used, in so far as there is no sound economic reason for them not having been used. That interpretation is borne out by the ninth recital in the preamble to Regulation No 40/94, which expressly refers to that objective (see, to that effect, *Silk Cocoon*, cited at paragraph 27 above, paragraph 38). However, the purpose of Article 43(2) and (3) of Regulation No 40/94 is not to assess commercial success or to review the economic strategy of an undertaking, nor is it to restrict trade-mark protection to the case where large-scale commercial use has been made of the marks (Case T-334/01 *MFE Marienfelde v OHIM – Vétoquinol (HIPOVITON)* [2004] ECR II-0000, paragraph 32, and Case T-203/02 *Sunrider v OHIM – Espadafor Caba (VITAFRUIT)* [2004] ECR II-0000, paragraph 38).

43 Therefore, the objective pursued by the requirement is not so much to determine precisely the extent of the protection afforded to the earlier trade mark by reference to the actual goods or services using the mark at a given time as to ensure more generally that the earlier mark was actually used for the goods or services in respect of which it was registered.

44 With that in mind, it is necessary to interpret the last sentence of Article 43(2) of Regulation No 40/94 and Article 43(3), which applies Article 43(2) to earlier national marks, as seeking to prevent a trade mark which has been used in relation to part of the goods or services for which it is registered being afforded extensive protection merely because it has been registered for a wide range of goods or services. Thus, when those provisions are applied, it is necessary to take account of the breadth of the categories of goods or services for which the earlier mark was registered, in particular the extent to which the categories concerned are described in general terms for registration

purposes, and to do this in the light of the goods or services in respect of which genuine use has, of necessity, actually been established.

45 It follows from the provisions cited above that, if a trade mark has been registered for a category of goods or services which is sufficiently broad for it to be possible to identify within it a number of subcategories capable of being viewed independently, proof that the mark has been put to genuine use in relation to a part of those goods or services affords protection, in opposition proceedings, only for the subcategory or sub-categories relating to which the goods or services for which the trade mark has actually been used actually belong. However, if a trade mark has been registered for goods or services defined so precisely and narrowly that it is not possible to make any significant sub-divisions within the category concerned, then the proof of genuine use of the mark for the goods or services necessarily covers the entire category for the purposes of the opposition.

46 Although the principle of partial use operates to ensure that trade marks which have not been used for a given category of goods are not rendered unavailable, it must not, however, result in the proprietor of the earlier trade mark being stripped of all protection for goods which, although not strictly identical to those in respect of which he has succeeded in proving genuine use, are not in essence different from them and belong to a single group which cannot be divided other than in an arbitrary manner. The Court observes in that regard that in practice it is impossible for the proprietor of a trade mark to prove that the mark has been used for all conceivable variations of the goods concerned by the registration. Consequently, the concept of 'part of the goods or services' cannot be taken to mean all the commercial variations of similar goods or services but merely goods or services which are sufficiently distinct to constitute coherent categories or sub-categories.

...

53 First, although the last sentence of Article 43(2) of Regulation No 40/94 is indeed intended to prevent artificial conflicts between an earlier trade mark and a mark for which registration is sought, it must also be observed that the pursuit of that legitimate objective must not result in an unjustified limitation on the scope of the protection conferred by the earlier trade mark where the goods or services to which the registration relates represent, as in this instance, a sufficiently restricted category."

39. As the authorities to which I have referred state, this is a sometimes tricky 'value judgment', and as I write this decision I am aware that there is some uncertainty that the various UK and European authorities, to which I have

referred, are wholly consistent (see, eg the Appointed Person's recent decision in BL O-217-10 *EXTREME*, especially para 15). The potential difference is said to be that the English Courts approach is based upon the perception of the average consumer (and may therefore be more generous in outcome) and the General Court's approach which provides no clear yardstick for determining when a 'sub-category' of products cannot be further divided. If and to the extent that the authorities are inconsistent, then as with the Appointed Person in *EXTREME*, I intend to follow the more generous approach adopted by the English Courts. As I understand it, that approach urges a practical approach, based upon consumer perception and 'fairness' in the sense, inter alia, that it would not be fair to deprive a proprietor of their statutory monopoly on an arbitrary basis, ie to be seduced into adopting arbitrary subcategories of goods or services which would be artificial and unrecognised in trade. Furthermore, it is important to bear in mind that it would be practically impossible for Grace to show use on *all* drinks in order to retain a specification of "non-alcoholic drinks". What concerns the English authorities in particular, is the effect of depriving proprietors of significant elements of their statutory monopoly, unless I am absolutely sure that, in an infringement action for example, the proprietor ought to have to demonstrate confusion in fact. In other words, if Grace's 'umbra' of protection were, on this evidence, to be reduced to "blended (ie containing more than one) fruit drinks" for example, they would then have to demonstrate confusion in any infringement action as regards "plain (ie single) fruit drinks". This in my opinion would not be fair.

40. I shall then seek to apply the guidance in the *EXTREME* case. In relevant part, Grace's original specification reads:

Class 30 : Coffee and Coffee extracts; coffee substitutes and extracts of coffee substitutes; tea and tea extracts; cocoa and preparations having a base of cocoa.

Class 32 Non alcoholic drinks; carbonated beverages, non carbonated malt beverages; fruit juices.

41. Taking Class 30 first, Grace has not demonstrated any use in respect of "*coffee and coffee extracts; coffee substitutes; cocoa and preparations having a base of cocoa*". It has however demonstrated use on "tea and tea extracts" (see the evidence referred to at para 29).

42. In Class 32, Grace is entitled to the full specification as registered being: "*non-alcoholic drinks; carbonated beverages, non carbonated malt beverages; fruit juices.*" Recalling the generous approach in *EXTREME* I need to adopt, and having regard to the evidence listed at para 29, it is clear that Grace has used its mark on a wide variety of drinks and juices, including carrot (whether blended together or not), teas, as well as ginger beer. In all

the circumstances I believe a fair specification would be that as filed in respect of Class 32.

43. These findings will be carried forward to my analysis under section 5(2)(b).

Section 5(2)(b)

44. The opposition is founded firstly upon Section 5(2) (b) of the Act. This reads:

“(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.”

45. In my consideration of a likelihood of confusion, I take into account the guidance from the settled case law 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] F.S.R. 77 and *Marca Mode CV v Adidas AG & Adidas Benelux BV* [2000] E.T.M.R. 723, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH* C-120/04 and *Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* C-334/05 P (LIMONCELLO). 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 and 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.*,

(k) 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; 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; *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*

(l) it is only when all other components of a complex mark are negligible that it is permissible to make the comparison on the basis of the dominant element; *Shaker di L. Laudato & C. Sas v OHIM*

The average consumer and nature of the purchase

46. The average end consumer for both parties' products, in a notional sense, will be the general public, but along the way both parties' products are likely to be handled through wholesalers or intermediaries.
47. All the items involved are food and drink items available from a wide variety of outlets; as the evidence shows, some larger and some smaller. Although some may be purchased on a more regular basis than others, they are not purchases which will involve particular attention or be otherwise very carefully considered. Nevertheless, the purchasing public do have their favourite brands and will be nothing other than reasonably circumspect and observant in their selection.
48. As the consumer for both parties' goods will both be drawn from the general public as well as wholesalers and intermediaries, I must assume there is identity and commonality as far as the question as to who the respective average consumers are is concerned.

Comparison of marks

49. The case law makes it clear that I must undertake a full comparison of both marks in their totalities, taking account of all differences and similarities. The comparison needs to focus on the visual, aural and conceptual identities of both marks, that is to say, the '015 mark and the mark the subject of the application.
50. Visually, MKS's mark comprises the word "gr@ce" in lower case, the letter 'g' and an exclamation mark following the word being larger than the letters '@ace'. Placed between those larger elements, and in much smaller script but upper case, are the words: "EUROPEAN", "MODERN" and "UNIQUE", divided by a bar device between each of the words. The word 'gr@ce' however dominates the mark in its totality, in terms of its physical size and positioning. It is worth mentioning also that there are no spaces or separation between the letters comprising the word 'gr@ce'.
51. As regards Grace's CTM ('015) mark, visually the mark presents as the word "Grace" (the G being in upper case) surrounded by an oval border comprising two lines. The letter 'a' in Grace is topped with a three point crown device. Taking account of similarities (the words 'grace' and gr@ce') and dissimilarities (the '@' in 'gr@ce', the oval border and crown device and the additional words in MKS's mark) I regard the respective marks as being visually similar to a moderately high degree.

52. Aurally, Grace's mark will be pronounced as "GR-ACE". Any other visual element in the '015 mark may not be enunciated. The word "gr@ce" in MKS's mark will be pronounced in exactly the same way. The letter @, rather than 'a', will not affect its pronunciation as, taken in the context of the whole word in which it appears, it is highly improbable that anyone would enunciate @ as 'at', as in "GR at CE". As I have said, there are no spaces or separation between the letters of the word "gr@ce". Whilst the letter @ is commonly understood to have the 'at' meaning when it appears as part of, eg an e-mail address, when used in this context it will be pronounced as a normal 'a' letter. MKS's mark also includes, of course, the additional words, much lower in prominence, "EUROPEAN", "MODERN" and "UNIQUE". It is most unlikely however, that anyone will use those descriptive and/or laudatory words in everyday speech if asking for products bearing the 'grace' mark. On that basis, I consider that aurally, the respective marks are identical.
53. Conceptually, the dominating 'concept' behind the respective marks is that of the known dictionary word, 'grace'. This could also be a female forename of course, or even a surname, eg W G Grace. The additional matter in Grace's mark, being the oval border and crown device does not in my opinion impart any variant concept, save perhaps that some regal connotation may be being alluded to. Likewise, the additional descriptive/laudatory words "EUROPEAN", "MODERN" and "UNIQUE" in MKS's mark do not impart any 'variant' concept. That is to say the distinctive and dominant message, is still the word 'grace'. I need however to also consider if the @ in 'grace' is actually likely to vary the underlying 'concept'. Does it for example give the overall mark a modern 'feel' to it, as distinct from 'Grace's 'plain' (or even 'traditional', taking account of the crown device) rendition? My view is that whilst the letter @ may come across as a visual play on the letter 'a', it will be no more than a visual play, and not such that the underlying concept, the word 'grace', will in any way be varied. It could be that the consumer will understand that an attempt has been made to impart to the mark a 'modern' feel (especially when the word 'modern' appears also in the mark), but imparting a modern feel does not in my view vary the underlying concept. Given the additional matter in each mark I am unable to find the respective marks conceptually 'identical'; Grace's mark could be said have regal 'connotation' and this is absent in MKS's which also could be said to be 'suggestive' (no more than that, and as I have said not varying the distinctive dominant element) of modernity. On that basis I find that, conceptually, the marks are highly similar.
54. Taking my visual, aural and conceptual findings together, I find that the respective marks are highly similar.

Comparison of the goods

55. In assessing the similarity of the goods, it is necessary to apply the approach advocated by case law and to take account of all the relevant factors relating to the services in the respective specifications. In *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* the ECJ stated at paragraph 23 of the Judgment:

‘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.’

56. Other factors have been identified in *British Sugar Plc v James Robertson & Sons Limited (Treat)* [1996] R.P.C. 281, such as the nature of the users and the channels of trade.

57. It is important to recognise that even though the factual evidence on similarity non-existent, I nevertheless have the statements of case, submissions and am able to draw upon commonly known facts. Mr Geoffrey Hobbs QC sitting as the appointed person said in *Raleigh International trade mark* [2001] R.P.C. 11, at para 20, that such evidence will be required if the goods or services specified in the opposed application for registration are not identical or self-evidently similar to those for which the earlier trade mark is registered. But where there is self-evident similarity, and especially in relation to everyday items, evidence may not be necessary. He also stated that the tribunal may, in an appropriate case, consider the question of similarity from the viewpoint of the notional member of the relevant purchasing public.

58. I should also mention a further case in terms of the application of legal principle, and that is the European Court of First Instance (“CFI”) in *Gérard Meric v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) (“Meric”)* Case T-133/05, where, at para 29, it is stated:

“In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by the trade mark application (Case T-388/00 *Institut für Lernsysteme v OHIM – Educational Services (ELS)* [2002] ECR II-4301, paragraph 53) or when the goods designated by the trade mark application are included in a more general category designated by the earlier mark (Case T-104/01 *Oberhauser v OHIM – Petit Liberto (Fifties)* [2002] ECR II-4359, paragraphs 32 and 33; Case T-110/01 *Vedial v OHIM – France Distribution (HUBERT)* [2002] ECR II-5275, paragraphs 43 and 44;

and Case T-10/03 *Koubi v OHIM – Flabesa (CONFORFLEX)* [2004] ECR II-719, paragraphs 41 and 42.”

59. The table below shows the respective goods to be compared. I should mention, given the extensive nature of MKS’s specification in Class 30, I have taken the opportunity to subdivide the foods and drinks into groups. The groups are based not just on the properties of the foods and drinks, but are also intended to reflect how they may be grouped in trade in, eg a supermarket, specialised ethnic food supplier or other retail outlet, as well as their trading channels. In other words, the producers of one item in any particular category may be expected to have an interest in another in that category. This exercise has not been easy and there may be products that fit more than one category. That said, the parties have supplied no particular evidence on similarity of goods, and in effect, left it up to me how exactly I tackle the question. In the circumstances, I have found grouping the goods to be of help in my determination, but importantly, as I have said, I have approached the groupings not on an arbitrary basis, but intended to reflect the nature of the foods and drinks as well as trading patterns and exposure to the average consumer.

Grace's relevant goods.	MKS's goods
<p><i>Class 29</i></p> <p>Vegetables, fruit, meat, poultry, fish and seafood, all these products in the form of extracts, soups, jellies, pastes, preserves, ready-made dishes and frozen or dehydrated preserves, as well as fresh or canned; coconut milk; coconut cream; dried prepared soup mixes, dried peas and beans; jams; eggs; milk, cheese and other food preparations having a base of milk, milk substitutes, edible oils and fats; protein preparations for food.</p> <p><i>Class 30</i></p> <p>Tea and tea extracts; chocolate, confectionery, sweets; sugar; bakery products, pastry; desserts, puddings; ice cream, products for the preparations of ice cream; honey and honey substitutes; rice and cereals, foodstuffs having a base of rice or other cereals; flour; cornmeal; aromatizing or seasoning products for food; mayonnaise; condiments, namely prepared sauces, brown sauces, pepper sauces, hot sauces, fruit sauces, chutney and ketchup.</p>	<p><i>Class 29</i></p> <p>None</p> <p><i>Class 30</i></p> <p><i>Beverage and beverage flavourings</i></p> <p>Coffee; tea; cocoa; artificial coffee; chicory [coffee substitute]; chocolate beverages with milk; chocolate based beverages; cocoa beverages with milk; cocoa products; cocoa-based beverages; coffee beverages with milk; coffee flavourings [flavourings]; coffee based beverages; flavorings [flavourings], other than essential oils, for beverages; iced tea; infusions, not medicinal; tea based beverages; unroasted coffee; vegetal preparations for use as coffee substitutes.</p> <p><i>Cakes; bread; biscuits; baking and cake ingredients; cereals</i></p> <p>Flour and preparations made from cereals; bread; pastry; yeast;</p>

	<p>baking powder; almond paste; baking soda [bicarbonate of soda for cooking purposes]; barley meal; bean meal; biscuits; bread rolls; breadcrumbs; buns; cake paste; cake powder; cakes; cereal preparations; cereal based snack food; chips [cereal products]; cookies; corn flakes; corn flour; corn meal; corn, milled; corn, roasted; crackers; crushed barley; crushed oats; edible decorations for cakes; essences for foodstuffs, except etheric essences and essential oils; farinaceous food pastes; farinaceous foods; ferments for pastes; flavorings [flavourings], other than essential oils; flavorings [flavourings] other than essential oils, for cakes; flour for food; flour milling products; gingerbread; glucose for food; gluten for food; golden syrup; groats for human food; gruel, with a milk base, for food; hominy; hominy grits; husked barley; husked oats; leaven; macaroons [pastry]; maize flakes; maize flour; maize meal; malt biscuits; malt extract for food; malt for human consumption; maltose; marzipan; meal; molasses for food; muesli; mustard meal; nutmegs; oat flakes; oat based food; oatmeal; oat pastries; pasty; pate [pastries]; petit-beurre biscuits; petit fours [cakes]; potato flour for food; rice cakes; rice-based snack food; rusks; soya flour; starch for food; starch products for food; tortillas; thickening agents for cooking food stuffs; unleavened bread; vanilla flavoring [flavouring]; vanillin [vanilla substitute]; wheat flour; yeast in pill form, not for medical use.</p>
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	<p><i>Seasonings and condiments</i></p> <p>Salt; mustard; vinegar; sauces (condiments); spices; aromatic preparations for food; allspice; aniseed; beer vinegar; capers; celery salt; chow-chow [condiment]; chutneys [condiments]; cinnamon [spice]; cloves [spice]; condiments; cooking salt; curry [spice]; dressings for salad; garden herbs; preserved [seasonings]; ginger [spice]; ketchup [sauce]; mayonnaise; meat gravies; meat tenderizers, for household purposes; pepper; peppers [seasonings]; relish [condiment]; saffron [seasoning]; salt for preserving foodstuffs; sea water for cooking; seasonings; soya bean paste [condiment]; soya souce; star aniseed; tabbouleh; tomato sauce; turmeric for food; weeds [condiment].</p> <p><i>Confectionery, sweeteners, puddings and desserts (including ices)</i></p> <p>Sugar; tapioca; sago; confectionery; ices; almond confectionery; honey; treacle; ice; bee glue [propolis] for human consumption; binding agents for ice cream [edible ices]; candy for food; caramels [candy]; chocolate; confectionery for decorating Christmas trees; couscous [semolina]; custard; edible ices; fondants [confectionery]; frozen yogurt (yogurt) [confectionery ices]; fruit jellies [confectionery]; halvah; ice cream; ice for refreshment; ice, natural and</p>
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<p><i>Class 32</i></p> <p>Non-alcoholic drinks, carbonated beverages, non-carbonated malt beverages, syrups, extracts and essences for making non-alcoholic beverages; fruit juices.</p>	<p>artificial; liquorice [confectionery]; lozenges [confectionery]; mint for confectionery; natural sweeteners; pancakes; pastilles [confectionery]; peanut confectionery; peppermint sweets; powders for ice cream; pralines; preparations for stiffening whipped cream; puddings; royal jelly for human consumption, not medical purposes; semolina; sherbets [ices]; stick liquorice [confectionery]; sugar confectionery; tacos; tapioca flour for food; tarts; waffles.</p> <p><i>Rice, pasta, noodles</i></p> <p>Rice; macaroni; noodles; pasta; ravioli; ribbon vermicelli; spaghetti; vermicelli [noodles].</p> <p><i>Other items</i></p> <p>Meat pies; sandwiches; sausage binding materials; spring rolls; sushi.</p> <p><i>Class 32</i></p> <p>Beers; mineral and aerated waters and other non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparations for making beverages; aperitifs, non-alcoholic; beer wort; cider, non-alcoholic; cocktails, non-alcoholic; essences for making beverages; extracts of hops for making beer; fruit nectars, non-alcoholic; ginger ale; ginger beer; grape must, unfermented; isotonic beverages; kvass [non-alcoholic beverages]; lemonades;</p>
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	lithia water; malt beer; malt wort; milk of almonds [beverage]; must; non-alcoholic beverages; non-alcoholic fruit extracts; non-alcoholic fruit juice beverages; non-alcoholic honey-based beverages; orgeat; pastilles for effervescing beverages; peanut milk [soft drink]; powders for effervescing beverages; preparations for making aerated water; preparations for making beverages; preparations for making liqueurs; preparations for making mineral water; sarsaparilla [soft drink]; seltzer water; sherbets [beverages]; soda water; sorbets [beverages]; syrups for beverages; syrups for lemonade; table waters; tomato juice [beverage]; vegetable juices [beverages]; waters [beverages]; whey beverages.
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Class 30

60. Taking firstly the group I have categorised under the heading *beverage or beverage flavourings* in Class 30. I should say that phrases I put in italics relate to my chosen headings. The item closest to this group in Grace's specifications is "tea and tea extracts". Clearly "tea" in MKS's specification is identical, and "iced tea", "tea based beverages" and "infusions, not medicinal" are all highly similar given their physical properties and their being based, one assumes, on tea. The remaining items in this category, I regard as highly similar. That is to say that although tea and, eg coffee or cocoa have different physical properties and originate from different areas and plants, at the point they are sold in supermarkets, cafes or specialised retailers, they are all sold together. Likewise, coffee and cocoa based substitutes and flavourings will be sold in the same areas of a supermarket. It is common for consumers to be confronted with a mix of hot beverages in café's and elsewhere, and these will invariably include tea, coffee and in some cases hot chocolate.
61. Dealing secondly with the foods I have categorised as *cakes; bread; biscuits; baking and cake ingredients; cereals*. Grace has in its specification: "bakery products"; "pastry"; "rice and cereals"; "foodstuffs having a base of rice or other cereals"; "flour" and "cornmeal". Given the breadth of the term "bakery

products”, “cereals” and “foodstuffs having a base of cereals”, it is impossible to avoid the conclusion that all those specific items in MKS’s specification are caught within those terms and must therefore be regarded as identical. Even those products, such as biscuits, which may be regarded as at the ‘outer edge’ of the term “bakery products” must, if not within the term, be considered “highly similar” as they are in general “baked” and can be found close to “bread” and other related products in larger supermarkets and retailers.

62. The third group of products is “*seasonings and condiments*”. Grace has “aromatizing or seasoning products for food; mayonnaise; condiments, namely prepared sauces, brown sauces, pepper sauces, hot sauces, fruit sauces, chutney and ketchup”. On that basis, again all MKS’s specification will come directly within those terms, or if they are not condiments specifically within Grace’s breadth of specification then I would still conclude they are highly similar. This is on the basis that condiments are also generally in the same location in larger supermarkets, and in terms of their physical properties and purpose it is the same; namely to add flavour and spice to food either during preparation or on eating.
63. The fourth group is “*confectionery, sweeteners, puddings and desserts*”. Grace has “chocolate, confectionery, sweets, sugar, desserts, puddings, ice cream, products for the preparation of ice cream, honey and honey substitutes”. I conclude again that MKS’s items are all contained within the terms in Grace’s specification and its breadth. An item such as ‘treacle’ must still be regarded as ‘highly similar’ given its proximity on supermarket shelves to honey, as well of course as its physical properties.
64. The fifth group is “*rice, pasta, noodles*”. Grace has “rice and cereals” and “foodstuffs having a base of rice or other cereals”. Plainly ‘rice’ in MKS’s specification is therefore identical, and I find the other products within this category in MKS’s specification are similar on the basis that they can all be found in close proximity to rice on supermarket shelves and share the same properties, that is to say that all have the same starchy properties, such that they comprise an ideal base for a meal or dish.
65. The final group in Class 30 is “*Other items*”, namely, “meat pies, sandwiches, sausage binding materials, spring rolls and sushi”. It is questionable that these are properly classified to Class 30, as this Class is intended to comprise food products of plant rather than animal origin. Assuming they are properly classified in Class 30, “sushi” is a product based on rice and therefore caught within Grace’s specification in the same Class. The other items are highly similar to certain terms in Grace’s Class 29 specification, being, “Vegetables....meat, poultry, fish and seafood, all these products being in the form of extracts,... pastes, preserves, ready made dishes... as well as fresh or canned”.

Class 32

66. The primary issue in relation to this Class is the fact that Grace's specification is confined by the main terms "non-alcoholic drinks" and "syrups, extracts and essences that go into the production of non-alcoholic drinks". MKS's specification on the other hand, includes "beers, malt beer, malt wort and preparations for making liqueurs". Grace however has "non carbonated malt beverages", which must either encompass "malt beer and malt wort", or be highly similar. Grace's terms "non alcoholic drinks" and "syrups, extracts and essences that go into the production of non-alcoholic drinks" will encompass everything else in MKS's specification in Class 32 (including pastilles and powers for effervescing beverages), except for "beers; preparations for making liqueurs". Grace does also have "carbonated drinks", and remembering also that I found genuine use on 'ginger beer', the boundary between Grace's coverage and MKS's becomes blurred. Ginger beer can be an alcoholic beverage or simply carbonated with no alcoholic content. For my purposes I have assumed it to come within either the 'non-alcoholic' or 'carbonated' drinks category. Given however, its 'cross over' nature and the fact that the categories of drinks covered in Grace's specification are very broad, I nonetheless find that 'beers and preparations for making liqueurs' are similar to a moderate degree to the goods covered by Grace's specification. They are likely to be found in the same proximity in a large supermarket.
67. Up to this point, and if in any doubt, I have purposely looked at the position of certain foods in the context of a large supermarket or other retailer as being one factor in particular in the assessment of similarity. As I have already said however, the evidence is clear that Grace sell their products to a range of outlets and wholesalers. In larger towns especially it is normal to have "ethnic" outlets, selling exclusively foods of particular origin, such as Chinese, Indian or Pakistani, to take account of demand from those particular ethnic groups. The evidence makes clear that Grace is engaged in the sale, specifically, of Caribbean food and drink though it would not be appropriate to have limited their rights in this regard. To some extent this may be stocked by the larger supermarkets such as TESCO, but much smaller ethnic suppliers will also engaged in the sale of such food and drink, especially in areas of dense Caribbean or Afro Caribbean populations. No doubt there is also a demand for such food and drink also from the indigenous British who, these days, show much more inclination towards culinary pluralism than in the past. This is another factor in my overall analysis of similarity of goods and services; the fact that entire and exclusive ranges of Caribbean food will be stocked under one, sometimes small, roof. This factor has to be mentioned and is taken into account overall, and especially as regards the Class 32 drinks. I should stress however that nothing turns on this particular factor in

my evaluation. I would have arrived at the same overall conclusions irrespective of this factor.

- 68. In conclusion, I have found that every single item in MKS's specification is either identical to, highly similar to or similar to a moderate degree to the foods and drinks contained in Grace's specification.**

Likelihood of confusion

69. Before proceeding to bring all my findings together in an overall global assessment, I need to make an assessment of the distinctive character of the earlier CTM mark. The applicant's attorney says that the mark lacks distinctiveness, noting that the earlier UK mark was "advertised before acceptance" and this indicates evidence of acquired distinctiveness was required to overcome a distinctiveness objection. I do not know the background to the acceptance of the UK mark but it would be wrong for me to conclude that the basis of that acceptance means, a priori, that the mark is either low on the distinctiveness scale or does not register on that scale at all. The procedures adopted by the registry and indeed language of the time, make it necessary to adopt a more than circumspect and untrammelled approach in appraising distinctiveness at a much later date in time, and in the context of inter-partes proceedings.
70. In general, invented words register highest on the distinctiveness scale. The word "Grace" is not an invented word, but it has variety of meanings, including that of a name, being a female forename or a surname. It is furthermore not clear to me that any of those meanings has a direct relevance or reference to the Grace's goods. Even any laudatory meaning would not be such that other traders would naturally describe or refer to their food products by reference to that word. It has almost old fashioned, biblical connotations, far removed from prosaic supermarket shelves. On that basis, I find that the earlier mark is inherently distinctive but not at the highest possible level.
71. I am also required to decide whether the earlier mark's inherent distinctiveness is in any way enhanced through use. It is clear that I have found use of the earlier mark, but Grace has not put that use into any context which may better explain the full extent and exposure of the mark, relative to the overall UK markets for the particular food and drink products involved. Accordingly, I do not find that the inherent distinctiveness of the mark is enhanced through use in this case. I should though mention that my overall conclusion below is unaffected by this particular aspect of my finding.
72. I also bear in mind that I must consider marks as a whole and factor in 'imperfect' recollection, rather than a side by side comparison which appears to have been engaged in by the MKS's attorney. Taking into account of all the

relevant factors, but in particular the distinctive nature of the earlier mark and the identity and similarity of the goods, ***I find that the opposition succeeds in its entirety, in respect of all the goods opposed.***

Costs

73. Grace has been totally successful in its opposition. Accordingly, it is entitled to a contribution towards its costs. I take account of the fact that the decision has been reached without a hearing taking place. In the circumstances I award Grace the sum of £900 as a contribution towards the costs of the proceedings. The sum is calculated as follows:

1. Filing fee for opposition - £200
2. Preparing a statement and considering counterstatement - £200
3. Preparing evidence and considering and commenting on other sides evidence - £500

Total £900

74. I order MKS Ltd to pay Grace Foods Ltd the sum of £900. The sum should 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 23 day of September 2010

**Edward Smith
For the Registrar,
the Comptroller-General**