

O-389-14

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. 2633858 BY
PEROS LIMITED TO REGISTER:**



IN CLASS 30

AND

**IN THE MATTER OF OPPOSITION
THERE TO UNDER NO. 400014 BY
SOCIÉTÉ DES PRODUITS NESTLÉ S.A.**

BACKGROUND

1. On 5 September 2012, Peros Limited (“the applicant”) applied to register the trade mark shown on the cover page of this decision. The application was published for opposition purposes on 28 December 2012 for the following goods in class 30:

Coffee, tea, cocoa, sugar, rice, tapioca, sago, artificial coffee; flour and preparations made from cereals, bread, pastry and confectionery, ices; honey, treacle; yeast, baking-powder; salt, mustard; vinegar, sauces (condiments); spices; ice; sandwiches; prepared meals; pizzas, pies and pasta dishes.

2. The application is opposed by Société des Produits Nestlé S.A. (“the opponent”) under section 5(2)(b) of the Trade Marks Act 1994 (“the Act”). The opponent directs its opposition against all of the goods in the application and relies upon all of the goods in the following International Registration (“IR”) which designates the European Union (“EU”):

No. 0921410 for the mark:



which designated the EU on 12 February 2007 (claiming an international convention priority date (from Switzerland) of 21 November 2006) and which has a Date of Protection in the EU of 22 April 2008. The following colours are claimed: “Dark brown, light brown, dark yellow, light yellow and white”.

Class 29 - Milk and milk products, beverages made with milk, milk product substitutes.

Class 30 - Coffee and coffee extracts, artificial coffee and artificial coffee extracts, in particular chicory and chicory extracts, mixtures based on coffee and chicory as well as coffee and chicory extracts; beverages made with cocoa and chocolate; edible ices and edible ice preserves; powders and essences for preparing edible ices.

3. The applicant filed a counterstatement in which basis of the opposition is denied. Although the applicant comments in some detail on what it considers to be the differences in the competing marks, it makes no comments on the similarity or otherwise in the competing goods.

4. Both parties filed evidence and the applicant filed written submissions during the evidential rounds. A hearing took place before me at which the opponent was

represented by Mr Simon Malynicz of counsel instructed by Nestlé UK Ltd; the applicant was represented by Mr Michael Edenborough of Her Majesty's Counsel instructed by Fry Heath & Spence.

The opponent's primary and secondary cases

5. In his skeleton argument, Mr Malynicz explained:

“7. [The opponent] contends that the mark applied for is confusingly similar to its earlier mark on the standard basis. There is visual and aural similarity...and the goods are identical or similar. This is [the opponent's] primary argument in these proceedings.

8. However this case raises a further issue, namely whether [the opponent] can rely upon an enhanced distinctive character in a CTM [the opponent's mark is an IR designating the EU] built up in one or more other Member States than that in which the national mark is applied for...if this question is answered in the affirmative this will be an additional argument available to it.”

Mr Malynicz went on to state:

“48. [The opponent] suggests that the Registrar should proceed as follows. First, decide the opposition on a standard mark-for-mark basis without having regard to the enhanced distinctive character evidence. This is [the opponent's] primary case and it should succeed...

49. However, if (and only if) the registrar is against [the opponent] on its primary case, the tribunal should proceed as follows...”

My approach and the parties' evidence

6. I intend to proceed on the basis suggested by Mr Malynicz above i.e. I will deal with the opponent's primary case first, and will only go on to consider its secondary case i.e. on the basis of its evidence, if I consider it necessary to do so. For the avoidance of doubt, I have, of course, read and considered all of the written evidence and submissions filed by the parties to these proceedings.

7. In this regard, the opponent filed three witness statements from Dale Carter, a Trade Mark Advisor in the legal department of Nestlé UK Ltd. Nestlé UK Ltd is a member of the Nestlé group of companies and licensee of the opponent. The first two statements (accompanied by forty exhibits) were filed as evidence-in-chief and the third statement (accompanied by one exhibit) as evidence-in-reply, specifically to the evidence of Mr Austin Sugarman (see below). The purpose of Mr Carter's evidence-in-chief was, broadly speaking, to demonstrate that that the earlier mark upon which the opponent relies in these proceedings had been used (in relation to coffee) for various lengths of time and with varying degrees of commercial intensity in a number of European

jurisdictions i.e. France, Belgium, Hungary, Czech Republic, Slovakia, Spain and Poland.

8. The applicant's evidence consists of three witness statements. The first statement (accompanied by five exhibits) is from Peter Goodey, the applicant's Joint Manager and Director. The second statement (accompanied by two exhibits) is from Austin Sugarman, the Joint Managing director of Fine Foods International Limited. The third and final statement is from Paul Cryer, the Head of Vending at Aima Foods Limited. The purpose of the applicant's evidence was, once again broadly speaking, to establish that the opponent's mark had not been used in the United Kingdom prior to the date of its application and that any use that had been made of it (in relation to coffee) following the date of its application was negligible.

DECISION

9. The opposition is based solely upon section 5(2)(b) of the Act which reads as follows:

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

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

An earlier trade mark is defined in section 6 of the Act, the relevant parts of which state:

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

(a) a registered trade mark, international trade mark (UK) or Community trade mark 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,

(2) References in this Act to an earlier trade mark include a trade mark in respect of which an application for registration has been made and which, if registered, would be an earlier trade mark by virtue of subsection (1)(a) or (b), subject to its being so registered.”

10. In these proceedings, the opponent is relying upon the trade mark shown in paragraph 2 above, which qualifies as an earlier trade mark under the above provisions. Given the interplay between the date on which the application was published (i.e. 28 December 2012) and the date on which the opponent's earlier trade mark achieved protection in the EU (i.e. 22 April 2008), the opponent's earlier trade mark is not subject

to proof of use, as per section 6A of the Act and the opponent can, as a consequence, rely upon all of the goods for which its earlier mark is registered.

Section 5(2)(b) – case law

11. In his decision in *La Chemise Lacoste SA v Baker Street Clothing Ltd* - BL O/330/10 (approved by Arnold J in *Och-Ziff Management Europe Ltd v Och Capital LLP* [2011] FSR 11), the Appointed Person, Mr Geoffrey Hobbs QC, expressed the test under this section (by reference to the Court of Justice of the European Union (CJEU) cases mentioned) on the basis indicated below:

The CJEU cases

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; *Marca Mode CV v Adidas AG & Adidas Benelux BV* [2000] E.T.M.R. 723; *Matratzen Concord GmbH v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-6/01; *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH* C-120/04; *Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) C-334/05 P.*

The principles

- “(a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors;
- (b) the matter must be judged through the eyes of the average consumer of the goods or services in question, 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, and whose attention varies according to the category of goods or services in question;
- (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;
- (d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;
- (e) nevertheless, the overall impression conveyed to the public by a composite trade mark may, in certain circumstances, be dominated by one or more of its components;

(f) and beyond the usual case, where the overall impression created by a mark depends heavily on the dominant features of the mark, it is quite possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a greater degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

(i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;

(j) 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;

(k) if the association between the marks causes the public to wrongly believe that the respective goods [or services] come from the same or economically-linked undertakings, there is a likelihood of confusion.”

The average consumer and the nature of the purchasing decision

12. As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective parties' goods; I must then determine the manner in which these goods are likely to be selected by the average consumer in the course of trade. Both parties agreed (as do I) that the average consumer of the goods at issue is a member of the general public. As to how such goods will be selected and the degree of care that will be taken, in his skeleton argument, Mr Malynicz stated:

“20. The goods covered by the mark are not bought with particular care or attention and may cover modestly priced items which are picked off a shelf at a supermarket or grocery.”

13. At the hearing, Mr Malynicz further argued that as some of the goods may be bought from, for example, a coffee shop, aural considerations must not be overlooked, concluding that the visual/aural aspect of the selection process was likely to be of roughly equal importance. In Mr Edenborough's view, the visual aspect of the comparison was the most important. He characterised the degree of care taken during the selection process as not too low but not too high either, adding that the goods at issue were of some concern to the average consumer.

14. In my view, the average consumer is most likely to acquire the goods at issue by self selection from the shelves of a supermarket (as Mr Malynicz suggests) or (as the

evidence indicates) from the pages of a website. Whilst this supports Mr Edenborough’s view that the visual aspect of the comparison is the most important, I agree with Mr Malynicz (as, in fairness, did Mr Edenborough, albeit to a lesser extent), that aural considerations must not be overlooked. As most of the goods at issue are low cost items that will be bought on a fairly regular basis, I agree with Mr Malynicz that they will be selected without any particular care or attention. That said, the average consumer is, in my experience, likely to pay a somewhat higher level of attention to the selection of, for example, coffee, in relation to which they are likely to have an established preference.

Comparison of goods

15. The competing goods are as follows:

Opponent’s goods	Applicant’s goods
<p>Class 29 - Milk and milk products, beverages made with milk, milk product substitutes.</p> <p>Class 30 - Coffee and coffee extracts, artificial coffee and artificial coffee extracts, in particular chicory and chicory extracts, mixtures based on coffee and chicory as well as coffee and chicory extracts; beverages made with cocoa and chocolate; edible ices and edible ice preserves; powders and essences for preparing edible ices.</p>	<p>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; sandwiches; prepared meals; pizzas, pies and pasta dishes.</p>

16. The leading authorities on how to determine similarity between goods and services are considered to be *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* [1999] R.P.C. 117 and *British Sugar Plc v James Robertson & Sons Ltd (Treat)* [1996] R.P.C. 281. In the first of these cases the CJEU accepted that all relevant factors should be taken into account including the nature of the goods/services, their intended purpose, their method of use and whether they are in competition with each other or are complementary. The criteria identified in the *Treat* case were:

- (a) The respective uses of the respective goods or services;
- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or acts of service;
- (d) The respective trade channels through which the goods or services reach the market.

(e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;

(f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

17. In relation to complementary goods and services, the comments of the Court of First Instance (now the General Court) in *Boston Scientific Ltd v OHIM* case T-325/06 are relevant:

“82 It is true that goods are complementary if there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking (see, to that effect, Case T-169/03 Sergio Rossi v OHIM – Sissi Rossi (SISSI ROSSI) [2005] ECR II-685, paragraph 60, upheld on appeal in Case C-214/05 P Rossi v OHIM [2006] ECR I-7057; Case T-364/05 Saint-Gobain Pam v OHIM – Propamsa (PAM PLUVIAL) [2007] ECR II-757, paragraph 94; and Case T-443/05 El Corte Inglés v OHIM – Bolaños Sabri (PiraNAM diseño original Juan Bolaños) [2007] ECR I-0000, paragraph 48).”

18. In relation to complementarity, I also bear in mind the guidance given by Mr Daniel Alexander Q.C., sitting as the Appointed Person, in case BL O/255/13 *LOVE* where he warned against applying too rigid a test:

“20. In my judgment, the reference to “legal definition” suggests almost that the guidance in *Boston* is providing an alternative quasi-statutory approach to evaluating similarity, which I do not consider to be warranted. It is undoubtedly right to stress the importance of the fact that customers may think that responsibility for the goods lies with the same undertaking. However, it is neither necessary nor sufficient for a finding of similarity that the goods in question must be used together or that they are sold together. I therefore think that in this respect, the Hearing Officer was taking too rigid an approach to *Boston*.”

19. In his skeleton argument, Mr Edenborough indicated those goods which the applicant accepts are identical (shown below in bold) or highly similar (shown below in italics) to goods in the earlier mark i.e.

Coffee, cocoa, artificial coffee, ices.

20. In his skeleton argument, Mr Malynicz argued that:

(i) “cocoa” in the application is identical to “beverages made with cocoa and chocolate”;

(ii) “ices” and “ice” in the application are identical to “edible ices and edible ice preserves; powders and essences for preparing edible ices”;

(iii) “tea” and “sugar” are highly similar to “coffee” and “beverages made with cocoa and chocolate” because “tea and cocoa are consumed on a similar occasion and may be served side by side with coffee, and sugar is complementary.”

21. Insofar as the remaining goods are concerned i.e.

Rice, tapioca, sago, flour and preparations made from cereals, bread, pastry and confectionery, honey, treacle, yeast, baking-powder, salt, mustard, vinegar, sauces (condiments), spices; sandwiches, prepared meals, pizzas, pies and pasta dishes,

these were, in Mr Malynicz’s view, similar to the goods in the opponent’s mark. In his skeleton argument, he stated:

“14. ...In particular, so far as “*bread, pastry and confectionery*” is concerned, there is similarity. As the First Board of Appeal of OHIM put it in Case R 2455-2011 *Nutrexpa SL v Kraft Foods Italia* (ORO) in its decision dated 11 February 2013 at [41]:-

The applicant’s ‘coffee, tea, cocoa, artificial coffee’ are beverages and as such differ in nature in relation to the opponent’s goods. However, they are regularly consumed together with the opponent’s ‘biscuits, pastries, snacks, bakery goods’ and, therefore, commonly served in coffee houses for instance. The drinking of a tea, for instance, goes hand in hand for many consumers with the consumption of tea cakes. It is also a well-known fact that some coffee roasters market little biscuits bearing the same brand as the coffee, since such biscuits are often served as a complementary item. On the other hand, some bakeries sell their products for consumption on their very premises and provide these beverages too. By virtue of this close complementary relationship of the goods which are consumed on the same occasions and offered for sale by the same entities, according to the criteria mentioned above, a low similarity arises.”

22. Focussing on the opponent’s goods in class 30, Mr Malynicz argued that the goods in the application which remained were either similar to these goods on the principle outlined in *Nutrexpa* or because they were all food products of one sort or another. Although the decision in *Nutrexpa* (which Mr Malynicz accepted was not binding upon me) only points to a low degree of similarity with “bread, pastry and confectionery”, at the hearing, Mr Malynicz argued that as similar market conditions existed in the United Kingdom, similar considerations applied to many of the remaining goods. That said, it is, I think, fair to say that he accepted that the some of the remaining goods were, to use

his words, “peripheral items”, and he did not argue the position in relation to all of them with the same degree of vigour. At the hearing, Mr Edenborough accepted that “tea” was similar (but not very similar) and that “sugar” was similar (but, in Mr Edenborough’s view, less similar than “tea”). Save for those specific goods, the remaining goods were not, in Mr Edenborough’s view, similar.

23. Having considered the applicant’s concessions and the parties’ competing submissions, my own conclusions are as follows. As both the application and the earlier mark include references to “coffee”, “artificial coffee” and as “ices” in the application would be included in the term “edible ices and edible ice preserves” appearing in the earlier mark, these goods are identical. As to “tea” in the application, as tea and coffee are beverages that are selected on similar occasions and for similar purposes, are consumed in similar measures, can be consumed hot or cold and are often in competition with one another, I agree with Mr Edenborough that “tea” in the application is similar to (at least) “coffee” in the opponent’s mark, although, in my view, it is similar to a reasonable degree. Although the opponent argues that “cocoa” in the application is identical to “beverages made with cocoa and chocolate”, whilst the applicant considers it to be only highly similar, as this is not a distinction that will be material when I consider the likelihood of confusion, I shall proceed on the basis that the competing goods are, as the applicant accepts, highly similar.

24. As to “sugar”, I remind myself that at the hearing Mr Edenborough accepted that it was similar (albeit to a lower degree of similarity than tea). I have my reservations in this regard, but I will bear this concession in mind when I consider the likelihood of confusion.

25. In relation to: “Rice, tapioca, sago, flour and preparations made from cereals, honey, treacle, yeast, baking-powder, salt, mustard, vinegar, sauces (condiments), spices”, I am, having applied the case law mentioned above and bearing in mind the position adopted by Mr Malynicz at the hearing, unable to see any meaningful similarity between these goods and those of the opponent. The fact that these goods are all food products, ingredients of food products or goods used to flavour food products is, in my view, much too high a level of generality to make them similar to any of the opponent’s goods (at least to any meaningful extent). Insofar as “ice” in the application is concerned, at the hearing both parties felt that this term was somewhat ambiguous; I disagree. Ice is readily understood as frozen water and is most likely to be sold in the form of ice cubes. Considered in that context, “ice” as a product is not, in my view, similar to edible ices etc. in the opponent’s specification which are items of confectionery or goods for use in preparing such goods.

26. That leaves “Bread, pastry and confectionery, sandwiches, prepared meals, pizzas, pies and pasta dishes” to consider. Although at the hearing, there was some debate as to whether the term “pastry” appearing in the applicant’s mark should be construed as meaning the raw ingredient or the finished product i.e. pastries, in my view, it doesn’t matter. I say that because notwithstanding the decision in *Nutrexpa*, in my view, these goods cannot, inter alia, be considered to be complementary on the basis of the case

law i.e. they are not indispensable or important to the use of the opponent goods. As a consequence, these goods are not, in my view, similar to the opponent's goods.

Conclusions on the similarity of the competing goods

27. In summary, I have concluded that:

“Coffee” and “artificial coffee” are **identical** to the identically worded goods appearing in the earlier mark and “ices” in the application are **identical** to “edible ices and edible ice preserves” in class 30 of the earlier mark;

“Tea” in the application is **similar to a reasonable degree** to “coffee” in the earlier mark;



“Cocoa” is **highly similar** to “beverages made with cocoa and chocolate” appearing in the earlier mark;

The applicant accepts that there is a **low degree of similarity** between “sugar” and some of the opponent's goods in class 30;

“Rice, tapioca, sago, flour and preparations made from cereals, bread, pastry and confectionery, honey, treacle, yeast, baking-powder, salt, mustard, vinegar, sauces (condiments), spices, ice, sandwiches, prepared meals, pizzas, pies and pasta dishes” are **not similar** to the opponent's goods in class 30.

Comparison of trade marks

28. The marks to be compared are:

Opponent's trade mark	Applicant's trade mark
 <p>Colours claimed: “Dark brown, light brown, dark yellow, light yellow and white”.</p>	

29. It is well established that the average consumer is considered to be reasonably well informed, circumspect and observant but perceives trade marks as a whole and does not pause to analyse their various details. In addition, he rarely has the chance to make

direct comparisons between trade marks and must instead rely upon the imperfect picture of them he has kept in his mind. In reaching a conclusion on similarity, I must identify what I consider to be the distinctive and dominant elements of the respective trade marks and, with that conclusion in mind, I must then go on and compare the respective trade marks from the visual, aural and conceptual perspectives.

30. The opponent's mark consists of the six letter word Ricore (presented in what the parties agree is a sans serif font). This word is presented in the colours dark and light brown and is accompanied by two device elements which appear above the letters "i" and "e". The word is presented in a rectangular device against a predominantly yellow background, although it also contains an element of white reminiscent of a sun burst.

31. The applicant's mark consists of the four letter word RICO in white against a black rectangular background in what Mr Malynicz states is "a plain, Times New Roman style font." Below the word RICO is a thin underlining which will, in my view, go unnoticed by the average consumer. The words are the distinctive and dominant elements of the competing marks.

32. Although the parties agreed that I must consider the applicant's mark in contrasting shades, at the hearing, Mr Malynicz argued that as the applicant's mark is not limited to colour, I must, as per the comments in *Specsavers International Healthcare Limited & Others v Asda Stores Limited*, consider it as if it were presented in the same colours as the opponent's mark e.g. yellow and brown (the comments of Kitchin LJ at paragraph 96 of [2012] EWCA Civ 24) refer. Whilst Mr Malynicz conceded that colour was not the most important aspect of the comparison, as the applicant would, in my view, be entitled to use its mark in the same colours as the opponent's mark i.e. yellow and brown, this is an issue I will return to when I consider the likelihood of confusion.

33. The letters R-I-C-O- comprise the entirety of the word element of the applicant's mark and the first four letters of the word element of the opponent's six letter mark. The marks differ to the extent that they are presented in different (but equally unremarkable fonts), the opponent's mark contains the additional letters "re" at the end of the mark and in the opponent's mark device elements appear above the letters "i" and "e". These devices appear to be the same although their orientations differ. Although there was a good deal of debate at the hearing as to whether these devices would be noticed and how they would be understood by the average consumer, Mr Malynicz arguing that that they may be seen as leaves, in my view, the device above the letter "i" is most likely to be interpreted as a tittle whilst it is possible the device above the letter "e" will be construed as an accent.

34. Both marks have the same first four letters in the same order in common, but the opponent's mark also contains an additional two letters which are alien to the applicant's mark. Although the opponent's mark also contains the devices mentioned, these do not, in my view, affect the degree of visual similarity one way or the other. Considered overall, there is, in my view, a reasonable degree of visual similarity between the competing marks. Considered from the aural perspective the applicant's

mark is most likely to be construed as a two syllable word and pronounced as REE-CO. As to the opponent's mark, if the average consumer construes the device above the letter "e" as an accent and is familiar with how an accent changes the pronunciation of a word, the opponent's mark is likely to be articulated as the three syllable word REE-COR-RAY. However, if they do not/are not, then the most likely pronunciation is as a two syllable word REE-COR; in my view, both pronunciations are equally likely. Considered on that basis, the applicant's mark is similar to a fairly high degree to the opponent's mark if it is pronounced REE-COR and to a much lesser degree if it is pronounced REE-COR-RAY. At the hearing, the parties agreed that as neither mark was likely to convey any concrete conceptual message to the average consumer, the conceptual position was neutral; I agree.

Distinctive character of the opponent's earlier trade mark

35. The distinctive character of a trade mark can be appraised only, first, by reference to the goods in respect of which registration is sought and, secondly, by reference to the way it is perceived by the relevant public – *Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91. In determining the distinctive character of a trade mark and, accordingly, in assessing whether it is highly distinctive, it is necessary to make an overall assessment of the greater or lesser capacity of the trade mark to identify the goods for which it has been registered as coming from a particular undertaking and thus to distinguish those goods from those of other undertakings - *Windsurfing Chiemsee v Huber and Attenberger* Joined Cases C-108/97 and C-109/97 [1999] ETMR 585. The opponent's primary case is based upon its mark's inherent distinctive character. In his skeleton argument, Mr Malynicz stated:

“22. The earlier mark is highly distinctive per se as a fancy word, irrespective of any use that has been made of it.”

36. Whilst, at the hearing, Mr Edenborough accepted that the earlier mark was not descriptive, he argued that as it alluded to chicory (which is one of the principle ingredients of the goods sold under the opponent's mark), its distinctive character was just above average. Mr Malynicz argued that if that argument was correct at all, it would only have relevance for some of the goods upon which the opponent relies, not all of them. In my view, Mr Malynicz is correct; I see no reason why the average consumer would detect even an allusion to chicory in the opponent's mark. As the opponent's mark neither describes, alludes to nor is non-distinctive for the goods for which it stands registered, it is, absent use in the United Kingdom, in my view, possessed of a high degree of inherent distinctive character.

Likelihood of confusion

37. In determining whether there is a likelihood of confusion, a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of

similarity between the respective goods and vice versa. As I mentioned above, it is also necessary for me to keep in mind the distinctive character of the opponent's trade mark as the more distinctive this trade mark is, the greater the likelihood of confusion. I must also keep in mind the average consumer for the goods, the nature of the purchasing process and the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them he has retained in his mind.

38. As per the comments of the CJEU in *Waterford Wedgwood plc v OHIM Case C-398/07*, there must be some similarity in the competing goods to engage the test for the likelihood of confusion. As I have concluded that there is no similarity in the opponent's goods in class 30 and the following goods in the application:

Rice, tapioca, sago, flour and preparations made from cereals, bread, pastry and confectionery honey, treacle, yeast, baking-powder, salt, mustard, vinegar, sauces (condiments), spices, ice, sandwiches, prepared meals, pizzas, pies and pasta dishes",

there can be no likelihood of confusion in relation to these goods and the opposition based upon section 5(2)(b) of the Act is dismissed accordingly.

39. Turning to the goods which I have found to be identical, highly similar or similar to a reasonable degree (many of which the applicant accepts fall into the categories I have identified) i.e.

Coffee, artificial coffee, ices, tea and cocoa,

and in relation to "sugar" which at the hearing the applicant accepted was similar albeit to a low degree, I must now consider the likelihood of confusion. In reaching a conclusion, I remind myself of what I consider to be the predominately visual nature of the selection process, the reasonable degree of visual similarity between the competing marks and the fact that this similarity stems from the beginnings of the competing marks which, as a rule of thumb, is considered to be more important than their endings. I must also keep in mind, the relatively low cost of the goods at issue which are likely to be selected routinely and, for the most part, without any special care and attention (thus making the average consumer more susceptible to the effects of imperfect recollection); finally, there is the high degree of inherent distinctive character the opponent's mark possesses to consider. Having done so, I am satisfied that these factors combine to lead to a likelihood of direct confusion in respect of those goods I have identified as ranging from identical to reasonably similar. However, in relation to those goods which the applicant accepted were similar albeit to a low degree i.e. "sugar", the differences in the competing marks together with what I consider to be either the very low degree of similarity in the goods (or more likely no similarity at all) is insufficient, in my view, to lead to a likelihood of either direct or indirect confusion.

40. Finally, I should add that I would have reached those conclusions on the basis of the marks in the form in which they have been applied for and registered. The fact that the applicant would be entitled to present its mark in, for example, the colours brown and yellow (bringing the competing marks even closer from a visual perspective), is just another factor pointing to the same conclusion.

Conclusion on the opponent's primary case

41. The opposition based upon section 5(2)(b) of the Act succeeds in relation to:

Coffee, artificial coffee, ices, tea and cocoa,

but fails in relation to all the other goods in the application.

The opponent's secondary case

42. I need only consider this to the extent that the opponent has not already succeeded in its primary case. As I have already concluded that the opponent's mark is highly distinctive per se, Mr Edenborough's comments at the hearing to the effect that the opponent would be in no better position even if it could rely upon added distinctiveness from other European jurisdictions have, in my view, a great deal of force (although Mr Malynicz argued that the analysis would be somewhat different if the opponent could rely upon such use which proved that the opponent's mark was a household name in, for example, France). However, as the opposition is only based upon section 5(2)(b) of the Act (which requires at least some similarity in the competing goods to engage the test for the likelihood of confusion), no amount of enhanced distinctive character in relation to coffee (irrespective of where it was acquired) even if it could be taken into account would assist the opponent in relation to the goods I have found not to be similar. In those circumstances, I can see no reason to consider the opponent's secondary case.

Costs

43. At the hearing, Mr Edenborough argued that the evidence filed was irrelevant and wasted everyone's time. In his skeleton argument he had previously stated:

"13. In order to discourage this sort of time wasting, an off-the-scale award of costs ought to be made against the opponent so that it thinks twice about abusing the system in this way again."

44. Mr Malynicz argued that other than the evidence filed to support the opponent's secondary case, costs should be on the scale and follow the event. In relation to the evidence filed in support of the claim to enhanced distinctive character from European jurisdictions other than the United Kingdom, he pointed to case C-125/14 - *Iron & Smith Kft. v Unilever NV* which consists of a pending reference to the CJEU lodged on 18 March 2014 from the Hungarian Court which appears, from the information provided to

me for the hearing, to be on point. I also note that in a decision dated 19 June 2014 (but not available at the date of the hearing), this issue was considered (and rejected) by the Appointed Person, Mr Iain Purvis Q.C., in paragraphs 30-34 of BL O-281-14 (both of which suggest that the issue was, as Mr Malynicz argued at the hearing, a serious live point). Although the opponent's approach to these proceedings is, in light of the above, clearly not abusive, there can no do doubt that the evidence filed by it would have taken some considerable time for the applicant to consider.

45. In BL O/197/11 *Wm Morrison Supermarkets Plc v Nisa-Today's (Holdings) Limited*, Ms Amanda Michaels, sitting as the Appointed Person, said in a case where one party was largely, but not wholly, successful:

"22. The starting point for the exercise of the discretion, as set out in CPR 44.3 and reflected in *Johnsey*, is that costs should follow the event. As CPR 44.3(2)(a) puts it "the general rule is that the unsuccessful party will be ordered to pay the costs of the successful party". Nevertheless, as CPR 44.3(4) indicates, the judge "must have regard to all the circumstances" which may include "whether a party has succeeded on part of his case, even if he is not be wholly successful." The court may therefore make different orders for the costs incurred in relation to discrete issues and should consider doing so where a party has been successful on one issue but unsuccessful on another.

...

Approaching the matter in accordance with CPR 44.3, it seems to me that NISA ought be considered the successful party and to have its costs, subject to a deduction of an amount to reflect the fact that it was not wholly successful in the invalidation application or in respect of the opposition based on sub-section 5(2)(b). NISA was only unsuccessful in both the invalidation and opposition proceedings in relation to a fairly narrow range of goods, yet in my judgment some credit should be given to Morrisons to reflect the result. Without a breakdown of the parties' costs by reference to the issues, a process which it would be disproportionate to ask the parties to undertake at this stage, making such a reduction is necessarily a rough and ready process. Doing the best I can, in my judgment it would be appropriate to reduce the costs awarded to NISA by 20% to reflect its partial level of success (save as stated in sub-paragraph 27(d) below)."

46. The applicant has been largely successful in terms of the breadth of goods it retains in its application and the opponent largely unsuccessful in relation to the narrow range of goods in relation to which it has succeeded. However, it appears to me that the opponent has achieved most of what it could have realistically hoped to have achieved when it filed its opposition. Regardless, the opposition was filed against all of the goods in the application and maintained against all of the goods right up to, and, following an enquiry from me at the hearing, at the hearing itself. Bearing the above in mind, as well as the nature and extent of the evidence filed by the opponent, the applicant is, in my

view, entitled to an award of costs, adjusted (on a rough and ready basis) to reflect the time and effort involved and the measure of the opponent's success. I award costs to the applicant on the following basis:

Preparing a statement and considering the opponent's statement:	£300
Preparing evidence and considering and commenting on the opponent's evidence:	£1000
Preparing for and attending a hearing:	£700
Total:	£2000

47. I order Société des Produits Nestlé S.A. to pay to Peros Limited the sum of **£2000**. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 5th day of September 2014

C J BOWEN
For the Registrar
The Comptroller-General