

O-486-15

TRADE MARKS ACT 1994

IN THE MATTER OF
INTERNATIONAL REGISTRATION NO 1191866
IN THE NAME OF
CONG TY CO PHAN VIFON
TO REGISTER



VIFON®

IN CLASSES 29 AND 30

AND

OPPOSITION THERETO UNDER NO 402790 BY VION N.V.

Background

1. On 5 July 2013, Cong Ty Co Phan Vifon (“the applicant”) requested protection in the UK of the International Registration (“IR”) of the trade mark shown on the cover page of this decision. The UK Trade Marks Registry considered the request satisfied the requirements for protection and particulars of the IR were published in the *Trade Marks Journal* 2014/024 on 6 June 2014 for the following goods:

Class 29:

Meat, fish and poultry cooked, preserved vegetables, dried or cooked fruit jams, dairy products, eggs, vegetable oil, margarine, roasted and salted cashews, nuts; fried peanuts.

Class 30:

Instant noodles, rice-based Vietnamese noodles, vermicelli, rice noodle; types of pasta, pasta; sauces derived from plants.

2. The designation of the IR is opposed by Vion N.V. (“the opponent”) under sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”). In respect of its opposition under section 5(4)(a), the opponent relies on use throughout the UK since 1 January 2003 of the mark VION in relation to Meat, sausage, poultry and game; meat extracts; preserved meat, fresh meat, meat products, bacon, smoked ham. The opposition under sections 5(2)(b) and 5(3), which is directed against all of the goods in the IR, is based on the following Community Trade Mark (“CTM”):

CTM 3830007 for the mark VION which has a filing date of 12 May 2004, claims a priority date of 9 February 2004 from an earlier filing in Benelux and was entered into the register on 10 February 2006. The opponent relies on the CTM insofar as it is registered for the following goods:

Class 29

Meat, sausage, fish, poultry and game; molluscs and crustaceans; meat extracts; preserved meat; eggs, jellies, jams, compotes, edible oils and fats; products made out of dried and cooled fruits and vegetables and milk products, all these products being tasty snacks and excluding chocolate, cacao-based products and confectionery products; none of these products being used in relation to or being chocolate products, products made out of chocolate or sweetened confectionery.

Class 30

Coffee, artificial coffee, tea, rice, tapioca, sago, sugar; tortillas, burger buns, bread coatings, bread batters, breadcrumbs and sandwiches, only to be used as parts of savoury snacks and savoury pastry and excluding wafers, wafer-based products and other flours and preparations made from cereals, bread and pastry; ices; honey, treacle; yeast; baking-powder, salt, mustard, vinegar, sauces (condiments), spices, ice; none of these products being used in relation to or chocolate products, products made of chocolate or other sweetened confectionery.

Class 31

Agricultural, horticultural and forestry products and grains (not included in other classes); live animals; fresh fruits and vegetables; seeds; foodstuffs for animals, malt; non-processed salted and unsalted nuts.

3. The applicant filed a counterstatement in which, essentially, it denies the claims made.

4. Both parties filed evidence which I will refer to as necessary later in this decision. Neither party requested to be heard but the opponent filed written submissions in lieu of a hearing. I therefore give this decision on the basis of all of the written material before me.

The objection under section 5(2)(b) of the Act

5. Section 5(2)(b) of the Act states:

“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, or there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark”.

6. An earlier trade mark is defined in section 6 of the Act which states:

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

(a) a registered trade mark, international trade mark (UK), Community trade mark or international trade mark (EC) which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks,

(b) a Community trade mark or international trade mark (EC) which has a valid claim to seniority from an earlier registered trade mark or international trade mark (UK),

(ba) a registered trade mark or international trade mark (UK) which-

(i) has been converted from a Community trade mark or international trade mark (EC) which itself had a valid claim to seniority within paragraph (b) from an earlier trade mark, and

(ii) accordingly has the same claim to seniority, or

(c) a trade mark which, at the date of application for registration of the trade mark in question or (where appropriate) of the priority claimed in respect of the application, was entitled to protection under the Paris Convention or the WTO agreement as a well known trade mark.

(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.

(3) A trade mark within subsection (1)(a) or (b) whose registration expires shall continue to be taken into account in determining the registrability of a later mark for a period of one year after the expiry unless the registrar is satisfied that there was no *bona fide* use of the mark during the two years immediately preceding the expiry.”

7. Under this ground, the opponent relies on its CTM 3830007 which qualifies as an earlier trade mark under the above provisions. As this trade mark had completed its registration process more than 5 years before the publication date of the IR and, in its counterstatement the applicant puts the opponent to proof of its use, it is subject to the proof of use provisions set out in section 6A of the Act which state:

“6A. - (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, and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(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.”

8. In its counterstatement, the applicant points out that whilst the opponent states in its notice of opposition that it relies on each of the goods as set out in paragraph 2 above, it claims to have used its mark on the following goods only: Meat, sausage, poultry and game; meat extracts; preserved meat, fresh meat, meat products, bacon, smoked ham. It is in respect of these goods only that I go on to consider whether genuine use of the CTM has been made.

9. In *Stichting BDO v BDO Unibank, Inc.*, [2013] EWHC 418 (Ch), Arnold J. stated as follows:

“51. Genuine use. In *Pasticceria e Confetteria Sant Ambroeus Srl v G & D Restaurant Associates Ltd* (SANT AMBROEUS Trade Mark) [2010] R.P.C. 28 at [42] Anna Carboni sitting as the Appointed Person set out the following helpful summary of the jurisprudence of the CJEU in *Ansul BV v Ajax Brandbeveiliging BV* (C-40/01) [2003] E.C.R. I-2439; [2003] R.P.C. 40 ; *La Mer Technology Inc v Laboratoires Goemar SA* (C-259/02) [2004] E.C.R. I-1159; [2004] F.S.R. 38 and *Silberquelle GmbH v Maselli-Strickmode GmbH* (C-495/07) [2009] E.C.R. I-2759; [2009] E.T.M.R. 28 (to which I have added references to *Sunrider v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM) (C-416/04 P) [2006] E.C.R. I-4237):

(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]; *Sunrider* [70]; *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]; *Sunrider*, [70]-[71].

(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]; *Sunrider*, [72]".

10. Although minimal use may qualify as genuine use, the Court of Justice of the European Union stated in Case C-141/13 P, *Reber Holding GmbH & Co. KG v OHIM* (in paragraph 32 of its judgment), that "*not every proven commercial use may automatically be deemed to constitute genuine use of the trade mark in question*". The factors identified in point (5) above must therefore be applied in order to assess whether minimal use of the mark qualifies as genuine use.

11. The opponent's evidence consists of the following witness statements:

- Leon Barry Abbitt with exhibits LBA1 to LBA14. Mr Abbitt is Managing Director of VION Food (NL Division) Ltd;
- Sjoerd van Leeuwen with exhibits SVL1 to SVL13. Mr van Leeuwen is "Sale Director, Industry" with Vion N.V.;
- Terence John Jones with exhibits TJ1 and TJ2. Mr Jones is Director General of the Provisions Trade Federation, the only UK trade association for the dairy and meat trades.

12. The evidence shows that the opponent is one of an international group of companies, which I shall call Vion Group, all of whom are said to be entitled to use the CTM. Amongst other things, Vion Group produces foodstuffs which includes meat as well as meat products such as gelatine for use in the confectionery market.

It has its own slaughtering, processing and production companies in several countries including ones in the Netherlands and Germany. Vion Food (NL Division) Ltd is the name of the Vion Group's UK trading company and its office in Sittingbourne deals exclusively with the products produced from these two European sites which process a total of 16.5 million pigs a year with almost 100,000 pigs being processed each week at the largest of these sites. Mr Abbitt states that more than 110,000 tonnes of pigmeat products are delivered to the UK annually, with, on bacon alone, around 200,000 items each week bearing the mark. Mr Abbitt states that in 2013, it supplied more than 50,000 tonnes of bacon to the UK market. The company does not sell directly to end consumers but sells to trade customers who themselves sell on to Tesco, Asda, Sainsbury's, Morrisons, Co-op, Aldi, Lidl, Iceland and Marks & Spencer. Its direct customers are said to include all of the leading wholesalers such as 3663, Brakes and Bookers as well as "major UK bacon slicers".

13. Since 2008, the UK processing operations are said to have included beef (which itself includes young bull (veal), ox, cow and heifer meat), ostrich, lamb, poultry and "derived added-value products" which has led to it becoming the fourth largest UK food processing company in 2012 (see Exhibit LBA3) and the second largest importer to the UK market of pork and bacon products. Mr Abbitt states that Vion Group companies are the leading supplier of bacon and pork products that meet UK welfare standards and that a welfare supply chain has been developed by working with farmers and UK retailers. This is said to have required significant investment and commitment from the Group but afforded it an opportunity to expand in the UK market. A copy of its corporate brochure entitled *Managing Welfare in the Chain* is exhibited at LBA2.

14. Both Mr Abbitt and Mr van Leeuwen give annual turnover figures in the UK (in Euros) of what are said to relate primarily to pork and beef products. The two sets of figures differ slightly but the lowest, provided by Mr Abbitt, are as follows:

2009	2010	2011	2012	2013	2014
287,909,000	277,840,000	235,329,000	214,466,000	218,268,000	199,287,000

15. In addition to "raw" meat products, Vion Group produces and sells "convenience" products in the UK such as cuts of meat in breadcrumbs as well as frozen and chilled food including mince and sausages. The total value of such sales is given as follows (again, in Euros):

2009	2010	2011	2012	2013	2014
4,824,400	4,725,000	5,408,700	4,826,600	11,497,300	8,139,300

16. Mr van Leeuwen exhibits, at SVL3, copies of sample invoices from various companies within the Vion Group. They are addressed to companies in various countries in Europe and elsewhere and not all are dated within the relevant period but all make reference to VION and they include:

- at page 255, an invoice dated 13 September 2010 to a meat packing company in London for "Frozen pork femur bone" at a cost of \$1.16m. (I note that all other figures are given in Euros so do not know whether the dollar

sign is a typographical error or not and, if not, which particular currency to which this particular figure refers);

- at page 258, an invoice dated 10 December 2010 to a Birmingham food company for “Belliestrips” at a cost of £1,722;
- at page 265, an invoice dated 14 July 2011 to a Northampton company for “Grade A BSD Bellies” at a cost of £14,673;
- at page 268, an invoice dated 2 September 2011 to a Shropshire company for “Froz. pork tongue Swiss cut” at a cost of £16,250;
- at page 282, an invoice dated 11 November 2012 to a London company for “Topside” at a cost of £3,267;
- at page 287, an invoice dated 26 February 2013 to a Scunthorpe company for “BSD Back 190-10 sweet cure” at a cost of £20,082.

17. Mr van Leeuwen states that some 200 invoices and /or credit notes are raised each week for the UK market alone.

18. Advertising and promotional efforts are directed to the trade and, to that end, carried out primarily by attendance at trade shows and corporate events though it also uses the mark on stationery, press releases and its own website as well as appearing on its almost 50 physical premises throughout the UK. Articles have appeared in key publications in the UK meat sector, namely *The Grocer*, *The Meat Trades Journal* and *Meat Management* (see LBA8-LBA10). At SVL4 are exhibited copies of photographs taken of stands at various events in mainland Europe within the relevant period. At SVL8 is exhibited a copy of a brochure dated September 2009 which is entitled “VION convenience”. On the final page are contact details for Vion Group companies in Germany, Netherlands and the UK. The brochure sets out the various products it offers which includes fresh meat (p382), beef pork or lamb products (p383), coated roast pork loins (p384), frozen chicken kebabs (p 388), hamburgers (p389), chicken nuggets and hot dogs (p 390), sausages (p393), processed ham (p395), pâté (p 396) and “chicken bacon donuts” (p 399).

19. Mr Jones states that over 90% of companies operating in the UK dairy and meat markets belong to the Provisions Trade Federation, a company he joined in 2014. Vion Group companies have been members of the federation since at least 2006. Mr Jones states that he has been aware of the Vion brand name since 2008 when the company bought out the Grampian Food Group. He states that the Vion trade mark has a significant reputation in the UK meat industry and is well recognised in the UK fresh meat trade. He states that it is, in part, because of this reputation, that the federation currently has two representatives from the Vion Group amongst its committee members. The federation produces a yearbook and directory from time to time and members are able to purchase media space within it. At TJ2 he exhibits printouts from the 2011 and 2012 editions which show that VION Food (NL Division) Ltd placed advertisements in each and that Mr Abbitt provided commentary for earlier sections within the publication. The advertisements are identical and relate to “Quality pork and bacon”.

20. Throughout the evidence there are numerous references to VION, sometimes alone but in other instances with descriptive elements or in what I shall refer to as an incomplete heart-shaped border like this:



In *Colloseum Holdings AG v Levi Strauss & Co.*, Case C-12/12, which concerned the use of one mark with, or as part of, another mark, the CJEU found that:

“31. It is true that the ‘use’ through which a sign acquires a distinctive character under Article 7(3) of Regulation No 40/94 relates to the period before its registration as a trade mark, whereas ‘genuine use’, within the meaning of Article 15(1) of that regulation, relates to a five-year period following registration and, accordingly, ‘use’ within the meaning of Article 7(3) for the purpose of registration may not be relied on as such to establish ‘use’ within the meaning of Article 15(1) for the purpose of preserving the rights of the proprietor of the registered trade mark.

32. Nevertheless, as is apparent from paragraphs 27 to 30 of the judgment in *Nestlé*, the ‘use’ of a mark, in its literal sense, generally encompasses both its independent use and its use as part of another mark taken as a whole or in conjunction with that other mark.

33. As the German and United Kingdom Governments pointed out at the hearing before the Court, the criterion of use, which continues to be fundamental, cannot be assessed in the light of different considerations according to whether the issue to be decided is whether use is capable of giving rise to rights relating to a mark or of ensuring that such rights are preserved. If it is possible to acquire trade mark protection for a sign through a specific use made of the sign, that same form of use must also be capable of ensuring that such protection is preserved.

34. Therefore, the requirements that apply to verification of the genuine use of a mark, within the meaning of Article 15(1) of Regulation No 40/94, are analogous to those concerning the acquisition by a sign of distinctive character through use for the purpose of its registration, within the meaning of Article 7(3) of the regulation.

35 Nevertheless, as pointed out by the German Government, the United Kingdom Government and the European Commission, a registered trade mark that is used only as part of a composite mark or in conjunction with another mark must continue to be perceived as indicative of the origin of the product at issue for that use to be covered by the term ‘genuine use’ within the meaning of Article 15(1)”. (emphasis added)

21. On the opponent’s own admission, use of the mark has been made not to the end user of the goods but to other producers and retailers i.e. to the trade. In *Laboratoire de la Mer Trade Mark* [2006] FSR 5, the Court of Appeal held that sales under the mark to the trade may qualify as genuine use. Mummery L.J. stated that:

“31. After some hesitation I have reached a different conclusion from Blackburne J. on the application of the Directive, as interpreted in *Ansul* and *La Mer* , to the rather slender facts found by Dr Trott.”

32. Blackburne J. interpreted and applied the rulings of the Court of Justice as placing considerably more importance on the market in which the mark comes to the attention of *consumers and end users* of the goods than I think they in fact do. I agree with Mr Tritton that the effect of Blackburne J.'s judgment was to erect a quantitative and qualitative test for market use and market share which was not set by the Court of Justice in its rulings. The Court of Justice did not rule that the retail or end user market is the only relevant market on which a mark is used for the purpose of determining whether use of the mark is genuine.

33. Trade marks are not only used on the market in which goods bearing the mark are sold to consumers and end users. A market exists in which goods bearing the mark are sold by foreign manufacturers to importers in the United Kingdom. The goods bearing the LA MER mark were sold by Goëmar and bought by Health Scope Direct on that market in arm's length transactions. The modest amount of the quantities involved and the more restricted nature of the import market did not prevent the use of the mark on the goods from being genuine use on the market. The Court of Justice made it clear that, provided the use was neither token nor internal, imports by a single importer could suffice for determining whether there was genuine use of the mark on the market.

34. There was some discussion at the hearing about the extent to which Goëmar was entitled to rely on its intention, purpose or motivation in the sales of the goods bearing the mark to Health Scope Direct. I do not find such factors of much assistance in deciding whether there has been genuine use. I do not understand the Court of Justice to hold that subjective factors of that kind are relevant to genuine use. What matters are the objective circumstances in which the goods bearing the mark came to be in the United Kingdom. The presence of the goods was explained, as Dr Trott found, by the UK importer buying and the French manufacturer selling quantities of the goods bearing the mark. The buying and selling of goods involving a foreign manufacturer and a UK importer is evidence of the existence of an economic market of some description for the goods delivered to the importer. The mark registered for the goods was used on *that* market. That was sufficient use for it to be genuine use on the market and in *that* market the mark was being used in accordance with its essential function. The use was real, though modest, and did not cease to be real and genuine because the extinction of the importer as the single customer in the United Kingdom prevented the onward sale of the goods into, and the use of the mark further down, the supply chain in the retail market, in which the mark would come to the attention of consumers and end users.”

22. Neuberger L.J. (as he then was) stated that:

“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 trademark” 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 trademark 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.”

23. Taking the evidence as a whole, I am satisfied that genuine use of the mark has been shown with that use being in relation to each of the specific goods claimed i.e. Meat, sausage, poultry and game; meat extracts; preserved meat, fresh meat, meat products, bacon, smoked ham. These are the goods that I will take into account when considering the grounds of opposition under section 5(2) of the Act which I now go on to do.

24. The following principles are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

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 be dominated by one or more of its components;

(f) however, it is also 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 great 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 creates a risk that the public might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

Comparison of the respective goods

25. The goods to be compared are as follows:

Opponent's goods	Applicant's goods
Class 29: Meat, sausage, poultry and game; meat extracts; preserved meat, fresh meat, meat products, bacon, smoked ham	Class 29: Meat, fish and poultry cooked, preserved vegetables, dried or cooked fruit jams, dairy products, eggs, vegetable oil, margarine, roasted and salted cashews, nuts; fried peanuts Class 30: Instant noodles, rice-based Vietnamese noodles, vermicelli, rice noodle; types of pasta, pasta; sauces derived from plants

26. In the judgment of the CJEU in *Canon*, Case C-39/97, the court stated at paragraph 23 of its judgment that:

“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 intended purpose and their method of use and whether they are in competition with each other or are complementary”.

27. The relevant factors identified by Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, for assessing similarity were:

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

28. In *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T-133/05, the General Court stated that:

“29. 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 trade mark application (Case T-388/00 Institut für Lernsysteme v OHIM- Educational Services (ELS) [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark”.

29. The terms *meat* and *poultry* are included within both specifications and are clearly identical goods.

30. *Fish* as appears within the application is reasonably similar to *meat* as is included within the opponent's specification in that they both are the flesh of an animal eaten as food. There is also a degree of competition between them as one may be substituted for the other as part of a meal.

31. That leaves the applicant's *cooked preserved vegetables, dried or cooked fruit jams, dairy products, eggs, vegetable oil, margarine, roasted and salted cashews,*

nuts; fried peanuts in class 29 and all of its goods in class 30. Whilst they are each, on a general level, foodstuffs, the nature of the respective goods and their trade channels differ from the goods of the opponent and one is not a substitute for or in competition with the other. I find these are dissimilar goods to those covered by the opponent's earlier mark and for which use has been shown.

The average consumer and the nature of the purchasing process

32. The average consumer is deemed to be reasonably well-informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods in question: *Lloyd Schuhfabrik Meyer, Case C-342/97*.


33. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

“60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median.”

34. Each of the respective goods is a foodstuff. These are goods which are widely available and may be bought by the general public or businesses, on a regular basis and with a reasonable degree of care. The purchase is most likely to be a visual one with products being bought by self-selection from the shelf in a shop or from a screen or catalogue, however, I do not exclude aural considerations given that such goods may also be ordered e.g. over the telephone.

Comparison of the respective marks

35. The marks to be compared are as follows:

Opponent's mark	Applicant's mark
<p>VION</p>	

36. The opponent's mark consists of a single word. That word, which has no meaning in English that I have been made aware of, is likely to be pronounced as two syllables VI-ON. The applicant's mark consists of a single word above which is the device of what I take to be some sort of cooking pot and lid within a circular border. The word within the mark, which forms the largest element of it, also has no meaning in English that I have been made aware of and is likely to be pronounced as two syllables VI-FON. The device of a cooking pot is not distinctive of foodstuffs. The dominant and distinctive element of the mark is the word VIFON.

37. Visually, as both marks consist of or have as its dominant element a word that begins with the letters VI and end in the letters ON, there is a reasonable degree of similarity between them. Aurally, there is also a reasonable degree of similarity between the marks. The cooking pot device within the applicant's mark is unlikely to be articulated and the words of the respective marks differ only in respect of a soft letter 'f' which appears in the middle of the applicant's mark.

38. Whilst the cooking pot within the applicant's mark brings to mind something that has been subject to or requires cooking, the invented words in each mark mean that no particular image is brought to mind and the conceptual position is therefore neutral.

Distinctiveness of the earlier mark

39. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97, the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

40. The evidence referred to earlier in this decision shows that the opponent's mark has been used on a massive scale. The turnover figures provided show annual sales in the UK of raw meat etc. of at least €199m and sales of prepared meat of at least €4.7m and this is supported by a number of invoices to customers within the UK over

a period of years. Evidence from Mr Jones of the Provisions Trade Federation, the relevant trade body, confirms the mark's significant reputation in the UK meat industry and the fact that it is well recognised in the UK's fresh meat trade. That use will have enhanced the inherent distinctive character of the mark to the highest level. That use has been, primarily, to the trade which means the mark may not have come to the attention of the general public to the same extent, however, as an invented word, the earlier mark is one which would have, in any event, a high degree of inherent distinctive character.

Likelihood of confusion

41. 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.

42. Earlier in this decision, I found:

- *meat and poultry* as appears in the application are identical to *meat and poultry* as are included in the opponent's registration;
- *fish* as appears in the application is similar to a reasonable degree to *meat* as is included in the opponent's registration;
- all other goods in the application are dissimilar to any of the goods included within the opponent's registration;
- the respective goods are foodstuffs, bought by the general public and businesses with a reasonable degree of care with the purchase most likely to be a visual one though not to the exclusion of aural considerations;
- the respective marks share a reasonable degree of visual and aural similarity with the conceptual position being neutral;
- the earlier mark has a high degree of inherent distinctive character which been shown to have been enhanced through use.

43. In *eSure Insurance v Direct Line Insurance*, [2008] ETMR 77 CA, Lady Justice Arden stated that:

"49..... I do not find any threshold condition in the jurisprudence of the Court of Justice cited to us. Moreover I consider that no useful purpose is served by holding that there is some minimum threshold level of similarity that has to be shown. If there is no similarity at all, there is no likelihood of confusion to be considered. If there is some similarity, then the likelihood of confusion has to be considered but it is unnecessary to interpose a need to find a minimum level of similarity."

In light of this, there is no need for me to go on to consider the likelihood of confusion involving any of the applicant's goods other than *meat, fish and poultry*. Whilst the opponent's mark has been shown to be used in respect of sales to the trade e.g. to retailers for onward supply to the end user, the applicant's goods are not restricted in any way and would include sales to the same market. In respect of *meat, fish and poultry* and given my findings set out above, I consider the average consumer would believe the goods come from the same or an economically-linked company and thus that there is a likelihood of confusion.

44. The objection brought under section 5(2)(b) of the Act succeeds in respect of *meat, fish and poultry*.

The objection based on section 5(3) of the Act

45. In view of my finding above, I intend to consider the objection on this ground in respect only of the goods of the applicant which I have found already to be not similar to those of the opponent (see paragraph 31 above).

Section 5(3) of the Act states:

“(3) A trade mark which-

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

46. Under this ground the opponent again relies on its earlier IR in which it claims it has a reputation. In particular, the opponent argues that the applicant will benefit from the opponent's investment leading to it having an unfair advantage and that the applicant will benefit from the power of attraction, reputation and prestige of the earlier mark. The opponent also claims that such use will be out of its control and that lower quality goods will cause detriment to its valuable reputation and business. It claims that use of the later mark will dilute the distinctive character and reputation of its mark.

47. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, [1999] ETMR 950, Case 252/07, *Intel*, [2009] ETMR 13, Case C-408/01, *Addidas-Salomon*, [2004] ETMR 10 and C-487/07, *L'Oreal v Bellure* [2009] ETMR 55 and Case C-323/09, *Marks and Spencer v Interflora*. The law appears to be as follows.

a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors*, paragraph 24.

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors*, paragraph 26.

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman, paragraph 29* and *Intel, paragraph 63*.

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel, paragraph 42*

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel, paragraph 68*; whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel, paragraph 79*.

(f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel, paragraphs 76 and 77*.

(g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel, paragraph 74*.

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark; *L'Oreal v Bellure NV, paragraph 40*.

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora, paragraph 74 and the court's answer to question 1 in L'Oreal v Bellure*).

48. Earlier in this decision I considered the evidence of use of the earlier mark. Based on that evidence, I find that the mark has a reputation in the UK in respect of what are, broadly, meat and meat products.

49. In my consideration of the same marks under the provisions of section 5(2)(b) of the Act, I found that there is a likelihood of confusion between them where the goods are similar or identical. The level of similarity required for the public to make a link between the marks for the purposes of section 5(3) may be less than the level of similarity required to create a likelihood of confusion. In *Intra-Press SAS v OHIM*, Joined cases C-581/13P & C-582/13P, the CJEU stated (at paragraph 72 of its judgment) that:

“The Court has consistently held that the degree of similarity required under Article 8(1)(b) of Regulation No 40/94, on the one hand, and Article 8(5) of that regulation, on the other, is different. Whereas the implementation of the protection provided for under Article 8(1)(b) of Regulation No 40/94 is conditional upon a finding of a degree of similarity between the marks at issue so that there exists a likelihood of confusion between them on the part of the relevant section of the public, the existence of such a likelihood is not necessary for the protection conferred by Article 8(5) of that regulation. Accordingly, the types of injury referred to in Article 8(5) of Regulation No 40/94 may be the consequence of a lesser degree of similarity between the earlier and the later marks, provided that it is sufficient for the relevant section of the public to make a connection between those marks, that is to say, to establish a link between them (see judgment in *Ferrero v OHIM*, C-552/09P, EU:C:2011:177, paragraph 53 and the case-law cited).”

50. I have found the respective marks to be reasonably similar on both the visual and aural considerations with the conceptual consideration being neutral. The opponent's reputation is in respect of, broadly, meat and meat products whereas the applicant's goods, which I have found to be dissimilar, are *cooked, preserved vegetables, dried or cooked fruit jams, dairy products, eggs, vegetable oil, margarine, roasted and salted cashews, nuts; fried peanuts* (in class 29) and *Instant noodles, rice-based Vietnamese noodles, vermicelli, rice noodle; types of pasta, pasta; sauces derived from plants* (in class 30).

51. Whilst the respective parties' goods are each, in a general sense, foodstuffs, there is a significant distance between them both in terms of the consumers of those goods and the relevant markets. Even allowing for the strength of the reputation of the earlier mark and the similarity between the respective marks, I do not consider the relevant consumer will make a link between them in relation to these goods. In case I am wrong in this and a link is made, I go on to consider the matter further.

52. In *Unite The Union v The Unite Group Plc*, Case BL O/219/13, Ms Anna Carboni as the Appointed Person considered whether a link between an earlier mark with a reputation and a later mark with the mere potential to create a negative association because of the identity of the applicant or the potential quality of its goods/services was sufficient to found an opposition based on detriment to reputation. She said:

“46. Indeed, having reviewed these and other opposition cases, I have not found any in which the identity or activities of the trade mark applicant have been considered in coming to a conclusion on the existence of detriment to repute of an earlier trade mark. I can understand how these matters would form part of the relevant context in an infringement case, but I have difficulty with the notion that it should do so in an opposition. After all, many, if not most, trade mark applications are for trade marks which have not yet been used by the proprietor; some are applied for by a person or entity that intends to license them to a third party rather than use them him/itself; and others are applied for by an entity that has only just come into existence.

47. I do not exclude the possibility that, where an established trading entity applies to register a mark that it has already been using for the goods or services to be covered by the mark, in such a way that the mark and thus the trader have already acquired some associated negative reputation, perhaps for poor quality goods or services, this fact might be taken into account as relevant “context” in assessing the risk of detriment to repute of an earlier trade mark. Another scenario might be if, for example, a trade mark applicant who was a known Fascist had advertised the fact prior to the application that he was launching a new line of Nazi memorabilia under his name: I can see how that might be relevant context on which the opponent could rely if the goods and services covered by the application appeared to match the advertised activities. But I would hesitate to decide an opposition on that basis without having had confirmation from a higher tribunal that it would be correct to take such matters into account.”

53. In *Environmental Manufacturing LLP v OHIM*, Case C-383/12P, the CJEU stated that:

“34. According to the Court’s case-law, proof that the use of the later mark is, or would be, detrimental to the distinctive character of the earlier mark requires evidence of a change in the economic behaviour of the average consumer of the goods or services for which the earlier mark was registered, consequent on the use of the later mark, or a serious likelihood that such a change will occur in the future (*Intel Corporation*, paragraphs 77 and 81, and also paragraph 6 of the operative part of the judgment).

35. Admittedly, paragraph 77 of the *Intel Corporation* judgment, which begins with the words ‘[i]t follows that’, immediately follows the assessment of the weakening of the ability to identify and the dispersion of the identity of the earlier mark; it could thus be considered to be merely an explanation of the previous paragraph. However, the same wording, reproduced in paragraph 81 and in the operative part of that judgment, is autonomous. The fact that it appears in the operative part of the judgment makes its importance clear.

36. The wording of the above case-law is explicit. It follows that, without adducing evidence that that condition is met, the detriment or the risk of detriment to the distinctive character of the earlier mark provided for in Article 8(5) of Regulation No 207/2009 cannot be established.

37. The concept of 'change in the economic behaviour of the average consumer' lays down an objective condition. That change cannot be deduced solely from subjective elements such as consumers' perceptions. The mere fact that consumers note the presence of a new sign similar to an earlier sign is not sufficient of itself to establish the existence of a detriment or a risk of detriment to the distinctive character of the earlier mark within the meaning of Article 8(5) of Regulation No 207/2009, in as much as that similarity does not cause any confusion in their minds.

38 The General Court, at paragraph 53 of the judgment under appeal, dismissed the assessment of the condition laid down by the *Intel Corporation* judgment, and, consequently, erred in law.

39. The General Court found, at paragraph 62 of the judgment under appeal, that 'the fact that competitors use somewhat similar signs for identical or similar goods compromises the immediate connection that the relevant public makes between the signs and the goods at issue, which is likely to undermine the earlier mark's ability to identify the goods for which it is registered as coming from the proprietor of that mark'.

40. However, in its judgment in *Intel Corporation*, the Court clearly indicated that it was necessary to demand a higher standard of proof in order to find detriment or the risk of detriment to the distinctive character of the earlier mark, within the meaning of Article 8(5) of Regulation No 207/2009.

41. Accepting the criterion put forward by the General Court could, in addition, lead to a situation in which economic operators improperly appropriate certain signs, which could damage competition.

42. Admittedly, Regulation No 207/2009 and the Court's case-law do not require evidence to be adduced of actual detriment, but also admit the serious risk of such detriment, allowing the use of logical deductions.

43. None the less, such deductions must not be the result of mere suppositions but, as the General Court itself noted at paragraph 52 of the judgment under appeal, in citing an earlier judgment of the General Court, must be founded on 'an analysis of the probabilities and by taking account of the normal practice in the relevant commercial sector as well as all the other circumstances of the case'."

54. In my view, even if a link were to be made, given the different nature of the goods, I do not consider the applicant will benefit as claimed nor do I consider that the claimed detriment or dilution is made out. In all the circumstances, the objection brought on grounds under section 5(3) fails.

The objection under section 5(4)(a)

55. Taking into account my earlier findings, I do not consider the opponent can be in any stronger position under this ground and I decline to deal with it.

Summary

56. The opposition succeeds on grounds under section 5(2)(b) of the Act only and in respect of *Meat, fish and poultry* only. Subject to any successful appeal against this decision, the application will proceed to registration for all goods with the exception of *Meat, fish and poultry*.

Costs

57. Whilst the opposition has succeeded under section 5(2)(b) in relation to *meat, fish and poultry*, the applicant has had the greater measure of success in these proceedings. That being the case, the applicant is entitled to an award of costs to reflect its success. I make the award on the following basis:

For reviewing the notice of opposition and filing a counterstatement:	£300
Evidence:	£500
Total:	£800

58. I order Vion N.V to pay Cong Ty Co Phan Vifon the sum of £800 as a contribution towards its costs. This sum is to be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 19th day of October 2015

**Ann Corbett
For the Registrar
The Comptroller-General**