

TRADE MARKS ACT 1994

IN THE MATTER OF:

OPPOSITION No. 401455

IN THE NAME OF ALDI GmbH & Co KG

TO TRADE MARK APPLICATION No. 3022388

IN THE NAME OF SIG TRADING LTD

DECISION

1. On 17 September 2013 SIG Trading Ltd (**‘the Applicant’**) applied under number 3022388 to register the following sign graphically represented in colour as a trade mark for use in relation to a wide range of goods and services in Classes 6, 19 and 37:



2. The application for registration was opposed by Aldi GmbH & Co. KG (**‘the Opponent’**) under sections 5(2)(b) and 5(3) of the Trade Marks Act 1994 on the basis of the rights to which it was entitled as proprietor of the earlier EU trade

mark **ALDI**, which had been accepted for registration under number 010609287 inter alia in relation to a wide range of goods and services in Classes 6, 19 and 37. The objection under section 5(3) was dropped in May 2014.

3. The Opposition was supported by a witness statement with 7 exhibits provided by the Opponent's Managing Director, Mr. Oliver Pollhammer. His evidence was directed to the Opponent's supermarket business and the reputation it had acquired for its business activities in that connection under the name **ALDI**. The Applicant filed no witness statement evidence in answer. In defence of its application for registration, it relied on the contentions set out in its Counterstatement filed on 20 March 2014 and the Annexes to that Counterstatement. In particular, it contended that:

Visually the Applicant's Mark is so figurative and stylised with the various letters being merged so heavily and seamlessly that it could be interpreted as either AUTI-, AUI-, AUN-, ANL-, AUNI- or ALTI-. Even if, which is not conceded, the Applicant's Mark is interpreted as ALTI- the marks are still visually dissimilar ... the Applicant's Mark is so highly stylised with the letters being merged so heavily that it takes on a character of its own above and beyond the mere letters that comprise it, as these are indecipherable as letters with any degree of certainty.

4. With reference to Annex 1 (a print of a single web page) it was suggested that the Applicant only sells its goods directly to the trade. With reference to Annex 2 (extracts from Oxford Dictionaries, Language matters) it was suggested that when a hyphen is used in today's English language it is always used to link two words together. With reference to Annex 3 (pages from selected online resources) it was

suggested that consistently with its Latin derivation **ALTI-** has a clear and specific meaning as a prefix in many words to indicate height.

5. The Opposition proceeded to a hearing in January 2015 at which the Applicant was represented. The Opponent elected to file written submissions in lieu of attendance at the hearing. The Opposition was rejected for the reasons given by Ms. Al Skilton on behalf of the Registrar of Trade Marks in a written decision issued under reference BL O-084-15 on 20 February 2015. The Hearing Officer directed the Opponent to pay the Applicant £1,300. as a contribution towards its costs of the Registry proceedings.
6. Shortly stated, the question for determination under section 5(2)(b) of the Act was whether there were similarities between the marks in issue and the goods and services in issue which would have combined to give rise to the existence of a likelihood of confusion if the Opponent's mark and the Applicant's mark had at the relevant date (17 September 2013) been used concurrently in the course of trade in the United Kingdom for goods and services of the kind for which they were respectively registered and proposed to be registered.
7. The goods and services in issue are conveniently set out in the following tabulation taken from paragraph [23] of the Hearing Officer's Decision:

Opponent's goods and services

Class 6 - Common metals and their alloys; Metal building materials; Transportable buildings of metal; Materials of metal for railway tracks; Non-electric cables and wires of common metal; Ironmongery, small items of metal hardware; Pipes and tubes of metal; Safes; Goods of common metal not included in other classes; Ores.

Class 19 - Building materials (non-metallic); Non-metallic rigid pipes for building; Asphalt, pitch and bitumen; Non-metallic transportable buildings; Monuments, not of metal.

Applicant's goods and services

Class 6 - Common metals and their alloys; metal building materials; reinforcing bars of metal for use in masonry; reinforcement materials (metal -) for construction; reinforcing materials, of metal, for concrete; metal casting forms for concrete; forms (metallic -) for concrete; concrete (shuttering, of metal for -); metallic shuttering for concrete; beams of common metal for formwork systems; formwork of metal; steel reinforcement for use in the construction of concrete floors; metallic building materials; anchors; steel and steel masonry supports; boards of metal for use in building and construction; metal fixings for use in the building and construction industry; metal reinforcement materials for building; air vents of metal for buildings; metal roof vents; venting ducts of metal; roofing membranes of metal; metal screed supports; metal flooring screeds; wire and wire mesh for reinforcing concrete.

Class 19 - Building materials (non-metallic); construction materials, not of metal; building materials of concrete reinforced with plastics and glass fibres; forms (non-metallic -) for concrete; clay forms for concrete; shuttering, not of metal, for concrete; concrete; reinforced concrete; reinforcement rods, not of metal; structural reinforcement (non-metallic -) for construction purposes; reinforcing materials, not of metal, for building; non-metallic mouldings; non-metallic building materials; structural reinforcement (non-metallic-) for construction purposes; expansion joints of non-metallic materials for use in building; small items of non metallic hardware used in building and construction; industrial concrete for use

in civil engineering works; concrete forms; concrete columns; concrete ground beams; screeds; flooring screeds; screed supports; crack inducers and void formers for use in forming concrete.

Class 37 - Building construction; Repair; Installation services.

Class 37 - Building construction; masonry services; construction of civil engineering structures by forming concrete; ~~erection of non-metallic~~ mouldings; non-formworks, ~~metallic~~ ~~sliding~~ formworks; erection of reinforced concrete structures utilising sliding and climbing formworks; grout reinforcement for bridges, dams, foundations, gas platforms, oil platforms, mines and tunnels; repair of concrete and concrete structures; construction of civil engineering structures by laying, pouring and forming concrete; erection of reinforced concrete structures utilising sliding and climbing formworks, application of screeds.

8. In paragraph [43] of her Decision, the Hearing Officer concluded that the Applicant's goods and services were identical to the Opponent's goods and services in the same classes. That conclusion has not been challenged. She considered the marks in issue to be '*visually similar to a low degree*' (paragraph [56]) and '*aurally highly similar*' where the Applicant's mark is seen as **ALTI** and pronounced so as to rhyme with '**AL-TEA**'. She did not accept that **ALTI-** was a word commonly used either in isolation or to represent a longer word or that it was likely to be perceived by the relevant average consumer as a reference to 'altitude' or as an indication of height (paragraphs [63] and [64]). She considered that there was '*neither conceptual similarity nor dissimilarity*' between the marks in issue.

9. With regard to the distinctive character of the Opponent's earlier mark, she found that it would be '*seen as an invented word by the average consumer*' and that it enjoyed '*a high level of inherent distinctive character*' although '*the evidence filed by the opponent only refers to its reputation with regard to supermarkets and accordingly is not relevant for an assessment of enhanced distinctive character for the goods and services the subject of these proceedings*' (paragraph [66]).
10. The Hearing Officer expressed her overall conclusion in the following terms:

Likelihood of confusion

[67] In assessing the likelihood of confusion, I must adopt the global approach advocated by case law and take into account the fact that marks are rarely recalled perfectly, the consumer relying instead on the imperfect picture of them he has kept in his mind. I must also keep in mind the average consumer for the goods, the nature of the purchasing process and have regard to 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.

[68] I have found the parties' marks to be visually similar to a low degree, aurally similar to a high degree and conceptually neutral. I have found the earlier mark to have a high degree of inherent distinctive character for the opponent's goods and services. I have identified the average consumer, namely a professional or a member of the general public and have concluded that the degree of attention paid is likely to be at least reasonable. I have found the parties' goods and services to be identical.

[69] Taking all of these factors into account, the applicant's mark in its totality is visually striking in a way that is not common to the earlier mark. The differences between the parties' respective marks are such that, even where the goods are identical, demand a reasonable level of attention to be paid and the earlier mark has a high level of inherent distinctive character; the marks in their totality are

sufficiently different that there is no likelihood of direct confusion (where one mark is mistaken for the other) or indirect (where the average consumer believes the respective goods originates from the same or a linked undertaking).

[70] I find this to be the case even where the average consumer sees the applicant's mark as ALTI-. The differences in spelling between ALTI- and ALDI, coupled with the highly stylised nature of the mark applied for means that there is no likelihood of confusion.

11. The Opponent appealed to an Appointed Person under section 76 of the 1994 Act contending for the position stated in paragraph (20) of its Grounds of Appeal:

(20) It is submitted by the Appellant that the Hearing Officer's opposition decision that there is no likelihood of confusion is logically inconsistent with his findings that the Respondent's goods in Classes 06 and 19 and services in Class 37 are identical to the Appellant's goods and services in the same Classes, that the Respondent's Trade Mark **ALTI- (figurative mark)** is visually rather similar (albeit to a low degree) and aurally similar to a high degree to the Appellant's Trade Mark **ALDI (word mark)** and to the inherently high distinctive character of the Appellant's Trade Mark.

The Appellant therefore invites the Appointed Person to allow this appeal and reverse the Hearing Officer's decision and refuse to register the application on the basis of Section 5(2)(b) of the Trade Marks Act. The Appellant also requests the Appointed Person to grant its costs in the Appellant's favour in both the Opposition proceedings and in pursuance of this Appeal.

The Applicant took no steps to file a respondent's notice under rules 71(4) to (6) of the Trade Marks Rules 2008 and thus adopted the position that the Hearing Officer's Decision was correct and should be upheld for the reasons she had given.

12. A hearing was appointed for the purpose of determining the Appeal in accordance with the procedure envisaged by section 76(4) of the 1994 Act and rules 73(1) and (2) of the 2008 Rules. The Opponent elected not to attend. In a letter to the Government Legal Department, its attorneys of record confirmed that:

... our client does not wish to make oral representations and wishes the appeal to be determined on the papers already submitted (and that our client does not intend to make any further written submissions).

The Applicant's attorneys of record also wrote confirming that:

... our client does not wish to make oral representations, but wishes the case to be determined on the basis of the papers submitted. ... We also advise that we do not intend to make further written representations on behalf of the Applicant, as we are content that the representations made in connection with the opposition proceedings are sufficient but for the record request that these again be considered by the Appointed Person.

The hearing which had been appointed was therefore vacated.

13. I pause at this point to emphasise that in keeping with its role as an appellate tribunal, this Tribunal is not entitled to interfere with decisions of the Registrar unless (to put it broadly) they appear to have been deprived of legitimacy by error or irregularity. The Tribunal's remit under the Act and the Rules is to consider whether that is or is not the case having regard to the grounds of appeal and any respondent's notice duly put before it. The request by both sides in the present case for all of their previous written submissions to be taken into account cannot

be allowed to distract attention away from the need for the Opponent to show that the decision under appeal should for good reason be regarded as unmaintainable.

14. In paragraph (15) of its Grounds of Appeal the Opponent accepts *'the Hearing Officer's finding that the Appellant's and Respondent's Trade Marks are (a) visually similar to a low degree (b) aurally similar to a high degree and (c) conceptually neutral'*. In paragraph (17) it goes on to refer to paragraph [50] of the Hearing Officer's Decision, where she had evaluated the visual presentation of the Applicant's mark and stated in the course of doing so: *'In my view, some average consumers will see the word as 'ALTI', the stylisation of which contributes equally in terms of relative weight in the overall impression of the mark'*. Basing itself upon that finding, the Opponent submits that *'the Hearing Officer has not given sufficient weight in his conclusion that since some average consumers would penetrate beyond the stylisation of the Respondent's mark they could easily confuse them, since the Trade Marks share the same first, second and fourth letters ...'*. And in paragraph (18) it makes the point that:

The Hearing Officer has not explained how the stylisation of the Respondent's mark can cancel out or mitigate the effect of a high level of aural similarity and avoid a likelihood of confusion. The Appellant respectfully submits that a likelihood of aural confusion at least still exists despite the stylisation in the Respondent's mark.

15. There are, as it seems to me, three strands to the case for the Opponent on appeal. First, it is contended that concurrent use of the plain words **ALTI** and **ALDI** as trade marks for identical goods and services, in the course of trade in the United

Kingdom, would have been liable at the relevant date to give rise to the existence of a likelihood of confusion of the kind proscribed by section 5(2)(b) of the 1994 Act. I think that contention is plainly correct and I do not for one moment think that the Hearing Officer would suggest otherwise in circumstances where (as she had expressly found in paragraph [66] of her Decision) the Opponent's earlier mark **ALDI** would be seen as an invented word by the average consumer and enjoyed a high level of inherent distinctive character.

16. Second, it is contended that the findings made in paragraph [50] of the Hearing Officer's Decision are not only correct, but supportive of the Opponent's case when considered from the standpoint as to verbal similarity presupposed by her conclusion that the marks in issue are *'aurally similar to a high degree'* (paragraph [68]).
17. In paragraph [50] of her Decision, the Hearing Officer assessed the visual appearance of the Applicant's mark in the following terms:

[50] I accept that there are numerous ways in which the applicant's mark may be interpreted. The joining of the letters in the mark is not negligible and nor is the dash to the right of the mark. Even though the 'A' is clearly visible, the joining of 'L' to 'T' creates a striking shape which is certainly noticeable within the mark as a whole. The gradual blue shading and grey outline is unlikely to be given any trade mark significance, if it is noticed at all. The presentation of the mark results in a degree of effort being required in order to 'decode' it. In my view, some average consumers will see the word as 'ALTI', the stylisation of which contributes equally in terms of relative weight in the overall impression of the mark.

This assessment proceeds upon the premise that the Applicant's mark is (as it is) a stylised word mark. It also proceeds upon the premise that the verbal element of the stylised word mark is (as it is) relevantly recognisable as **ALTI** for the purposes of visual, aural and conceptual comparison with the earlier word mark **ALDI**. And it is because the verbal element of the mark is relevantly recognisable as **ALTI** that the Hearing Officer concluded *'The high point of visual similarity occurs where the applicant's mark is seen as 'ALTI''* (paragraph [53]) with the result that *'Where the applicant's mark is seen as ALTI, it will be pronounced 'AL-TEA', this is aurally highly similar to the opponent's earlier mark 'AL-DEE''* (paragraph [59]).

18. The third contention is that, in the light of her own findings, the Hearing Officer could not properly have concluded as she did in paragraph [70] of her Decision that: *'The differences in spelling between ALTI- and ALDI, coupled with the highly stylised nature of the mark applied for means that there is no likelihood of confusion'*. In short, the complaint is that by the time the Hearing Officer had concluded that the verbal element of the Applicant's stylised word mark was relevantly recognisable as **ALTI**, on the footing that the verbal and non-verbal elements contributed *'equally in terms of relative weight'* to the overall impression of the mark, it was too late to say that the stylisation neutralised the propensity of that relevantly recognisable word to give rise to the existence of a likelihood of confusion.

19. I am thus being asked to say that in the light of her own findings as to verbal similarity the Hearing Officer gave disproportionate weight to the non-verbal differences between the word marks in issue. That leads me to refer to the observations of Lord Neuberger PSC in Re B (a child) (Care Order Proceedings) [2013] UKSC 33 at paragraphs [93], [94].

[93] There is a danger in over-analysis, but I would add this. An appellate judge may conclude that the trial judge's conclusion on proportionality was (i) the only possible view, (ii) a view which she considers was right, (iii) a view on which she has doubts, but on balance considers was right, (iv) a view which she cannot say was right or wrong, (v) a view on which she has doubts, but on balance considers was wrong, (vi) a view which she considers was wrong, or (vii) a view which is unsupportable. The appeal must be dismissed if the appellate judge's view is in category (i) to (iv) and allowed if it is in category (vi) or (vii).

[94] As to category (iv), there will be a number of cases where an appellate court may think that there is no right answer, in the sense that reasonable judges could differ in their conclusions. As with many evaluative assessments, cases raising an issue on proportionality will include those where the answer is in a grey area, as well as those where the answer is in a black or a white area. An appellate court is much less likely to conclude that category (iv) applies in cases where the trial judge's decision was not based on his assessment of the witnesses' reliability or likely future conduct. So far as category (v) is concerned, the appellate judge should think very carefully about the benefit the trial judge had in seeing the witnesses and hearing the evidence, which are factors whose significance depends on the particular case. However, if, after such anxious consideration, an appellate judge adheres to her view that the trial judge's decision was wrong, then I think that she should allow the appeal.

20. These observations formed part of an examination of the principles and parameters of appellate review in civil proceedings in the course of which Lord Neuberger considered the guidance provided by numerous earlier cases, including Bessant v. South Cone Inc (REEF TM) [2002] EWCA Civ 763 and E I Du Pont de Nemours & Co v. ST Dupont (DUPONT TM) [2003] EWCA Civ 1368. The approach to appellate review envisaged by the paragraphs I have quoted appears to me to be of general application. I think it is appropriate to apply it in the context of the present Appeal.
21. I consider that the contention summarised in paragraph [18] above is well-founded and that the appeal based upon it falls within the sixth of the seven categories identified by Lord Neuberger. The approach to assessment which ought to have been applied in relation to the Applicant's stylised word mark in keeping with the case law of the supervising courts in Luxembourg is, in my view, accurately stated (in terms which repeat earlier guidance to the same effect) in paragraph 4.2.3 of Section 2, Chapter 4 of the Opposition Guidelines adopted by the President of the European Union Intellectual Property Office in March 2016:

The question whether the verbal element is indeed 'lost' in the stylisation must be carefully assessed. The consumer intuitively looks for pronounceable elements in figurative signs by which the sign can be referred to. The high stylisation of one or more letters of a word may not prevent the consumer from identifying the verbal element as a whole, particularly, if it suggests a concrete meaning. It should also be emphasised that if the complex stylisation of the verbal element of a sign does not make it totally illegible, but merely lends itself to various interpretations, the comparison must take into account the different realistic interpretations. Thus, it is only in the – rather rare – case

where the legibility of the sign is truly unrealistic, without being assisted by a mark description or the other mark, that the verbal element will be disregarded in the comparison.

22. I am satisfied that on assessing the marks in issue from that perspective and on giving effect when doing so to the Hearing Officer's own findings as to verbal similarity, the Opposition to Application No. 3022388 should have been upheld under section 5(2)(b) of the 1994 Act. I therefore allow the Appeal. The Hearing Officer's Decision and award of costs are set aside and Opposition No. 401455 is remitted to the Registrar for further processing in accordance with the provisions of the 1994 Act and the 2008 Rules as they apply to the refusal of successfully opposed applications for registration. In accordance with the approach to costs awards ordinarily adopted by this Tribunal (see e.g. Future Publishing Ltd v The Edge Interactive Media Inc BL O-295-14 (1 July 2014) at paragraphs [9] to [11]) I direct the Applicant to pay the Opponent £1,750. as a contribution towards its costs of the present proceedings at first instance and on appeal, that sum to be paid by no later than 21 days after the date of this Decision.

Geoffrey Hobbs QC

31 March 2016

The Applicant was represented by Withers & Rogers LLP.

The Opponent was represented by Franks & Co Ltd.

The Registrar took no part in the Appeal.