

O-270-16

**TRADE MARKS ACT 1994
IN THE MATTER OF REGISTRATION 3012409
FOR THE TRADE MARK:**



**STANDING IN THE NAME OF
TIEN LEI TRADING LTD AND YONGSONG ZHAO
AND
APPLICATION 500912
BY YOUYOU FOOD CO. LTD
FOR A DECLARATION THAT THE TRADE MARK IS INVALID**

THE BACKGROUND AND THE PLEADINGS

1) UK trade mark registration 3012409 for the trade mark shown below stands registered in the names of Tien Lei Trading Ltd and Yongsong Zhao (“the Proprietors”):



The application for registration was filed on 19 July 2013 and completed its registration procedure on 11 October 2013. It is registered for the following goods:

Class 29: *Meat, preserved.*

2) On 1 July 2015 YouYou Food Co., Ltd (“the Applicant”) filed application no. 500912 for a declaration of invalidity under Section 47(2) of the Trade Marks Act 1994 (“the Act”) in respect of the above registration, on grounds under section 5(2)(b) of the Act.

3) For the purposes of its claim the Applicant relies on the following earlier marks and the following goods of their respective specifications:

International Registration (EU) No 1175122, which was registered with designation of the EU on 18 April 2013 and granted protection in the EU on 29 July 2014 for the mark and goods shown below:



Class 29: *Meat; foods prepared from fish; meat, tinned; poultry, not live; fruit pulp; vegetables, preserved; pickles; eggs; milk products; tofu products; nuts prepared; dried edible mushrooms; vegetables, tinned; potato flakes; fermented bean curd; vegetable salads; fruit jellies; processed beans; peanuts, processed; edible oils; preparations for making soup; preserved plums; deep fried beans flavored with spices; snacks based on fruits and vegetables.*

International Registration (EU) No 1174865 was registered with designation of the EU on 18 April 2013 and granted protection in the EU on 22 July 2014 for the mark and goods shown below:

YUYU

Class 29: *Potato flakes; fermented bean curd; vegetable salads; fruit jellies; peanuts, processed; vegetables, tinned [canned (Am.)]; edible oils; nuts, prepared; preserved plums; preparations for making soup; meat; poultry, not live; meat, preserved; foods prepared from fish; meat, tinned [canned (Am.)]; fruit pulp; soup; vegetables, preserved; pickles; vegetables pickled in soy sauce; milk products; nuts, prepared; processed beans; processed agarics; dried edible mushrooms; tofu products; snacks based on fruits and vegetables.*

4) The significance of the respective dates on which the EU was designated for the earlier marks and on which protection was granted for them in the EU is that (1) they both constitute “earlier marks” for the purposes of section 5(2)(b) of the Act, and (2) neither are subject to proof of use, having, in accordance with section 47(2A)(a) of the Act, having completed their registration procedure within the period of five years ending with the date of the application for the declaration of invalidity.

5) The Proprietors filed a notice of defence and counterstatement, admitting that the goods of the contested registration are identical to those of the earlier marks, but pleading the following defence: insofar as the application is based on International Registration (EU) No 1174865, the marks are dissimilar, or at least the level of similarity is so low as to rule out a likelihood of confusion; insofar as the application is based on International Registration (EU) No 1175122, the marks are visually dissimilar, have no phonetic or conceptual similarity for the relevant public, and that even if there is some similarity, it is not sufficient to lead to a likelihood of confusion. The Applicant filed evidence and also written submissions in lieu of attendance at a hearing. The Proprietors filed neither evidence nor submissions. I therefore give this decision after a careful review of all the papers before me.

The evidence

6) The Applicant’s evidence consists of a witness statement of 2 December 2015 by Mr/Ms Cun Hao Lin, who states that s/he resides in the UK, is a native of Heilongjiang Province of China and is fluent in Mandarin. S/he states as follows:

- The Chinese characters depicted in the Proprietors’ mark transliterate to “YOUYOU”.
- The red, white and grey flag design has no bearing on the transliteration of the Chinese characters, and overall the sign still transliterates to “YOUYOU”
- The general meaning of the two Chinese characters in the Proprietors’ mark respectively is “HAVE” and “FRIEND”
- The general meaning of the two Chinese characters in International Registration (EU) No. 1175122 is also respectively “HAVE” and “FRIEND”.

Sections 47(2), 47 (2A) and 5(2)(b)

7) Section 47 (2)(a) and (2A) of the Act reads as follows:

“(2) The registration of a trade mark may be declared invalid on the ground –

(a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain [...]

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

(2A) But the registration of a trade mark may not be declared invalid on the ground that there is an earlier trade mark unless –

(a) the registration procedure for the earlier trade mark was completed within the period of five years ending with the date of the application for the declaration,

(b) the registration procedure for the earlier trade mark was not completed before that date, or

(c) the use conditions are met.”

8) Section 5(2)(b) of the Act 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”.

9) I have taken into account the guidance provided by the Court of Justice of the European Union (“CJEU”) in a number of judgments. The following principles are gleaned from the decisions 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:

(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 will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

Comparison of goods

10) Although the Applicant relies on all the goods of its respective specifications in Class 29, the significant point is that the Class 29 specifications of both earlier marks include *meat*. In the light of the guidance in *Gérard Meric v Office for Harmonisation in the Internal Market*, T- 133/05, the Proprietors' admission that their goods are identical with those of both earlier marks is a sensible one. The goods are identical.

The average consumer and the purchasing process

11) 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 or services in question: *Lloyd Schuhfabrik Meyer, Case C-342/97*. 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.”

12) The Applicant submits that “*the average consumer would be of Chinese descent, Chinese speaking or a member of the general public that shops in oriental stores*”. In making my assessment, however, it is the inherent nature of the goods of the specification which I have to consider. Neither meat at large nor preserved meat are specialist products, and their distribution need not be confined, for example, to specialist, oriental stores. As designated in the competing specifications, the goods are not such as would tend to be purchased only by a particular cultural or ethnic group. The average consumer I need to consider will therefore be a member of the general public at large in the UK, and I shall make my findings on that basis. It is true that there may nevertheless be a likelihood of confusion if a significant proportion of the relevant public is confused¹. In the light of the modern demographic make-up of the UK it may be that persons able to understand the Chinese characters in the competing marks do constitute a significant proportion of the relevant public; but I do not consider this to be a fact too notorious to be the subject of serious dispute, and there is no evidence on this.

13) The purchases in question are not highly considered, but routine, everyday ones. A reasonable degree of attention, neither higher nor lower than the norm, will be deployed by the average consumer when selecting the goods. Foodstuffs of this kind will commonly be selected from the shelf in shops and supermarkets, so visual aspects will be important.

The opponent’s best case

14) Having found that the average consumer of the goods in issue will consist of the general public at large in the UK, I consider that the Applicant’s best case lies in its International Registration (EU) No 1175122, since its potential to be perceived as similar to the contested mark is not limited to those able to transliterate Chinese characters.

¹ See the comments of Floyd LJ in *JW Spear & Sons Ltd & Others v Zynga Inc* [2015] EWCA Civ 290 at paragraph 37 and of Kitchen LJ in *Comic Enterprises Ltd v Twentieth Century Fox Film Corporation* [2016] EWCA Civ 41, where he considered the judgment of the Court of Appeal in *Interflora Inc v Marks and Spencer plc* [2015] EWCA Civ 1403, [2014] FSR 10.

The distinctiveness of the earlier mark

15) 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).”



16) The average UK consumer will recognise the earlier mark as consisting of what appear to be Chinese or Japanese characters but, being unfamiliar with the meaning of such characters, will regard them in effect as a device. The mark has a normal degree of distinctiveness.

Comparison of the marks

17) It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The Court of Justice of the European Union stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

“.....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

It would be wrong, therefore, to dissect the trade marks artificially, although, it is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks. The marks to be compared are shown below.

The Proprietors' mark	The earlier mark International Registration (EU) No 1175122
	

18) The earlier mark consists of two Chinese characters, the topmost horizontal strokes of which overlap. These are the sole elements of the mark.

19) The Proprietors' mark contains the same two Chinese characters, overlapping in the same way, and producing an identical visual impression of the characters as such. In the Proprietors' mark the characters are shown in white against a red flag motif, which itself is outlined in white against a grey background. As the earlier mark is not limited to colours, however, it is deemed registered in all colours, and the colours of the contested mark become irrelevant. For the purposes of comparison of the respective marks, therefore, the opposed mark will be drained of colour, in accordance with the observations of Mann J in *Specsavers International Healthcare Limited & Others v Asda Stores Limited* [2010] EWHC 2035 (Ch).

20) The additional graphic elements in the Proprietors' mark – the outlined flag motif and simple tonal contrasts – are quite simple, and their contribution to the overall impression of the mark is in my view a relatively minor one. The distinctive weight of the Proprietors' mark lies heavily on its clearly dominant Chinese characters. Viewing the mark as a whole, there is a high degree of visual similarity with the earlier mark.

21) Although the average consumer in the UK will recognise the characters in the competing marks as characters of a foreign script, s/he will not be able to pronounce them and will view them, in effect, simply as device marks. It is not normal for figurative elements of a mark to be expressed orally, and this includes the flag motif of the Proprietor's mark. Conceptually, although the actual meaning of the characters in the marks will be unknown to him or her, the average consumer will recognise that they represent an oriental – probably Chinese or Japanese – script. Taking into account the comparatively minor element of conceptual difference represented by the flag motif in the Proprietors' mark, this still gives rise to some degree of conceptual similarity overall between the competing marks.

Likelihood of confusion

22) The factors assessed so far have a degree of interdependency (*Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*, paragraph 17), a global assessment of them must be made when determining whether there exists a likelihood of confusion (*Sabel BV v. Puma AG*, paragraph 22). However, there is no scientific formula to apply. It is a matter of considering the relevant factors from the viewpoint of the average consumer and determining whether the marks are likely to be confused.

23) I have found the earlier mark to have a normal degree of distinctiveness, and the goods of the Proprietors' mark to be identical with those of the earlier mark. I have found a high degree of visual similarity and some degree of conceptual similarity between the competing marks, and that the figurative elements of the marks will not be expressed orally. I have found that the additional graphic elements in the Proprietors' mark – the outlined flag motif and simple tonal contrasts – are simple, their contribution to the overall impression of the mark being relatively minor. Bearing in mind my findings on the average consumer and the purchasing process, allowing for imperfect recollection, and having regard to the interdependency principle, I think it likely that the differences in the competing marks will go unnoticed by a significant portion of the relevant public, who will confuse the marks. Even if the differences are registered, however, they will not in any case be perceived as indicating a different trade origin from that of the earlier mark; rather, in the light of the dominant and distinctive characters at the heart of the contested mark, the contested mark will be seen simply as a variant of the earlier mark, identifying goods that come from the same, or an economically linked undertaking.

24) Whilst I have found the average consumer for the goods in the competing specifications consists of the general public at large in the UK, if I had found the average consumer to consist of those who understand the meaning of the relevant Chinese characters (which, as they are explained in the Applicant's evidence, are not descriptive, and are therefore distinctive in relation to the goods), it would not have affected the outcome. In fact, for such consumers, both conceptual and aural similarity would be increased and, when factored into the global assessment, would have led to an even greater likelihood of confusion.

25) Accordingly, the Applicant's request for a declaration of invalidity on the basis of section 5(2)(b) of the Act succeeds.

Outcome

26) For the reasons given above, in accordance with section 47(2) of the Act registration no. 3012409 is declared invalid, and under the provisions of section 47(6) of the Act is deemed never to have been made.

Costs

27) The Applicant has been successful and is entitled to a contribution towards its costs. I hereby order Tien Lei Trading Ltd and Yongsong Zhao (jointly) to pay YOUYOU FOOD CO., LTD the sum of £1,300. This sum is calculated as follows:

<i>Application fee</i>	£200
<i>Preparing a statement and considering the other side's statement</i>	£300
<i>Preparing evidence</i>	£500
<i>Preparing written submissions</i>	£300

The above sum should 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 26th day of May 2016

Martin Boyle
For the Registrar,
The Comptroller-General