

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. 2112423
BY TESCO STORES LIMITED
TO REGISTER A TRADE MARK IN CLASS 5**

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER NO. 47135 BY H J HEINZ CO LIMITED
AND PLASMON DEITETICI ALIMENTARI SpA**

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**IN THE MATTER OF application no. 2112423
by Tesco Stores Limited
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**IN THE MATTER OF opposition thereto
under no. 47135 by H J Heinz Co Limited
and Plasmon Dietetici Alimentari SpA**

DECISION

On 9 October 1996 Tesco Stores Limited applied to register the mark **TESCO COMPLETE** in Class 5 for a specification of goods which reads "Infants' and invalids' foods; dietetic substances adapted for medical use; vitamins."

The application is numbered 2112423.

On 2 July 1997 H J Heinz Co Limited and Plasmon Dietetici Alimentari SpA, Milan, as joint opponents, filed notice of opposition to this application. The grounds of opposition are in summary:-

1. The application offends against the provisions of Section 3(6) because the application was made in bad faith;
2. The application offends against the provisions of Section 5(2)(b) because the opponents have an earlier trade mark which is registered for the same or similar goods as those covered by the application;
3. The application offends against the provisions of Section 5(3) because use of the mark applied for would take unfair advantage of, and be detrimental to, the distinctive character or the repute of the earlier trade mark belonging to the opponents where the respective goods are not similar;
4. The application offends against the provisions of Section 5(4)(a) because use of the mark in the United Kingdom would be contrary to one or more rules of law (in particular the law of passing-off) protecting an unregistered mark or other sign used in the course of trade.

The opponents further requested that the Registrar refuse application no. 2112423 in the exercise of his discretion. However, under the Trade Marks Act 1994 the Registrar does not have a discretion to refuse an application as he did under the old law. An application can only be refused if it fails to comply with the requirements of the Act and Rules in one or more respects.

The applicants deny these grounds of opposition. Both sides ask for an award of costs.

Both sides filed evidence in these proceedings. Neither side requested a hearing. Acting on behalf of the Registrar and after a careful study of the papers I give this decision.

OPPONENTS' EVIDENCE

The opponents filed a statutory declaration dated 6 March 1998 by Michael Cook who since 1986 has been the Company Secretary of H J Heinz Company Limited, a wholly owned subsidiary of H J Heinz Co of the United States. He says that he is authorised to make his declaration on behalf of his company.

Mr Cook states that the COMPLAN business was acquired by the Heinz Group of companies and since 1994 the COMPLAN trade mark (registration No. 747794 for a specification of "All goods included in Class 5") has been used by his company under licence from Plasmon Deitetici Alimentari SRL which is another wholly owned subsidiary of H J Heinz Co of the United States.

Mr Cook explains that, prior to its acquisition by the H J Heinz Group of companies, the COMPLAN business had been conducted by Farley Health Products Limited. From an examination of the records of Farley Health Products and his own company's records he has established the following:-

- a) the mark COMPLAN was first used in the UK in 1955 by Farley Health Products Limited;
- b) the approximate annual turnover and number of units of the goods sold by Farley Health Products Limited in the UK (and since 1994 by his company) bearing the trade mark COMPLAN from 1992 are as follows:-

Year	Approx. Annual Turnover (£)	Approx. Output
1992	5.6 million	3.2 million
1993	5.3 million	3.8 million
1994	5.0 million	2.5 million
1995	3.9 million	2.3 million
1996	4.2 million	2.3 million
1997	4.1 million	2.1 million

- c) Advertising expenditure in the United Kingdom during the period 1992 to 1997 has been approximately £2.9 million;

d) goods produced by Farley Health Products Limited and, since 1994, his company bearing the COMPLAN trade mark have been marketed and sold in numerous cities and towns throughout the United Kingdom; and

e) the COMPLAN brand has been advertised by Farley Health Products Limited and, more recently, his company in an inexhaustive list of publications. A copy of an advertisement from the People's Friend magazine dated 22 June 1996 for the COMPLAN product is provided at Exhibit 'MC1'.

APPLICANTS' EVIDENCE

The applicants filed a statutory declaration dated 10 September 1998 by Martin J Field who declares that he is Assistant Company Secretary (legal) of Tesco Store Limited, a position he has held since 1989, and is duly authorised to make his declaration on the basis of his own knowledge and his company's records.

Mr Field states that he has read the statutory declaration of Michael Cook dated 6 March and filed on behalf of Heinz Company Limited. He refers to paragraph 3 of Mr Cook's declaration where it is alleged that in 1994 "the COMPLAN business was acquired by the Heinz Group of Companies" and that "the COMPLAN trade mark - registration No. 747794 has been used by my company under licence from Plasmon Dietetici Alimentari SRL". Mr Cook states that he is advised by his trade mark attorney that the records of the UK Trade Marks Registry show Plasmon Dietetici Alimentari SpA - the joint opponents - as the proprietor of registration no. 747794. Consequently, he does not understand the relevance of the reference to a licence from Plasmon Dietetici Alimentari SRL. He goes on to say that in the event that H J Heinz Company Limited - the joint opponents - have been licensed to use the mark COMPLAN, there is no evidence of the licence which he understands must be in writing to be effective. Also, there is no evidence that the joint opponents or any other companies associated with them derived any rights to the mark COMPLAN prior to 1994.

Mr Field states that paragraphs 4(a), (b), (c) and (d) of Michael Cook's statutory declaration sets out various information all relating to use of the mark COMPLAN but no evidence has been adduced to support the claims nor indications given of the actual goods in respect of which use has been made. Also, from the opponents supporting Exhibit MC1 it is not clear who is the proprietor of the product appearing in the advertisement, and there is no evidence that the COMPLAN product would be properly classified in International Class 5, being the class in respect of which the mark COMPLAN the subject of registration No. 747794 has been registered.

Mr Field states that no evidence has been adduced to suggest that the mark COMPLAN is famous nor has evidence been presented to establish that the joint opponents have any reputation, common law rights or copyright in the mark COMPLAN. He goes on to say that TESCO has applied for the trade mark TESCO COMPLETE with the bona fide intention of using the trade mark for the goods applied for. A schedule of UK registered marks owned by Tesco for the word TESCO or marks containing within them the word TESCO is provided at Exhibit MJF1.

Mr Field explains that since its origins back in 1991 Tesco has expanded to the largest food retailer in Great Britain with 586 stores. Tesco now sells branded products as well as own branded products and in Mr Field's view the mark TESCO is now well known. Fact sheets relating to Tesco's business and copies of Tesco's company reports are provided at Exhibit MJF11.

Finally, Mr Field fails to see that there exists any likelihood of confusion on the part of the public, which could include a likelihood of association, between the trade mark TESCO COMPLETE and the mark COMPLAN. In Mr Field's view even if the separate element COMPLETE was compared to COMPLAN there is no likelihood of confusion, particularly as COMPLETE is a recognised English word.

OPPONENTS' EVIDENCE IN REPLY

This consists of a further statutory declaration, dated 10 December 1998, by Mr Michael Cook.

Mr Cook explains that H J Heinz Company Limited and Plasmon Dietetici Alimentari SRL are both wholly owned subsidiaries of Heinz Europe Limited whose ultimate parent is the H J Heinz Company of the United States. He goes on to say that the licence granted by Plasmon Dietetici Alimentari SRL to H J Heinz Company Limited is therefore a licence between two related companies.

Mr Cook states that the goods for which COMPLAN is registered are drinks ideal for, amongst others, convalescents, the elderly, nursing mothers and people on slimming diets - it is a dietetic substance. He therefore believes that the trade mark COMPLAN has been correctly registered under International Class 5. An example of the packaging for COMPLAN is provided at Exhibit MC1.

That completes my review of the evidence.

I will deal firstly with the ground based on Section 5(2)(b). This reads as follows:-

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

- (a)
- (b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

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

The term "earlier trade mark" is itself defined in Section 6 as follows:

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

- (a) a registered trade mark, international trade mark (UK) or community trade mark 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 which has a valid claim to seniority from an earlier registered trade mark or international trade mark (UK), 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 as a well known trade mark."

In considering the issue of confusion I also take account of the guidance given by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* (1997 RPC 199). The relevant sections of the ECJ's decision are set out below:-

"..... it is clear from the tenth recital in the preamble to the Directive that the appreciation of the likelihood of confusion depends on numerous elements and, in particular, on the recognition of the trade mark on the market, of the association which can be made with the used or registered sign, of the degree of similarity between the trade mark and the sign and between the goods or services identified'. The likelihood of confusion must therefore be appreciated globally, taking into account all factors relevant to the circumstances of the case.

That global appreciation of the visual, aural or conceptual similarity of the marks in question, must be based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components. The wording of Article 4(1)(b) of the Directive - 'there exists a likelihood of confusion on the part of the public' shows that the perception of marks in the mind of the average consumer of the type of goods or services in question plays a decisive role in the global appreciation of the likelihood of confusion. The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details.

In that perspective, the more distinctive the earlier mark, the greater will be the likelihood of confusion. It is therefore not impossible that the conceptual similarity resulting from the fact that two marks use images with analogous semantic content may give rise to a likelihood of confusion where the earlier mark has a particularly distinctive character, either per se or because of the reputation it enjoys with the public."

The applicants' mark is proposed to be registered in Class 5 for "Infants' and invalids' foods; dietetic substances adapted for medical use; vitamins". The opponents' mark is registered for "All goods included in Class 5". The likelihood of confusion therefore falls to be determined primarily by reference to the similarity of the marks, taking account of any evidence of reputation of the earlier trade mark and any other relevant factors.

It is clear from the above extract from *Sabel BV v Puma AG* that, in assessing the likelihood of confusion under Section 5(2)(b) of the Act, I should have regard to the recognition of the earlier mark on the market. The opponents claim that the mark COMPLAN has been used in the United Kingdom since 1955 and for the period 1992 to 1997 Farley Heath Products Limited (the previous owners of the mark) and the opponents (since 1994) generated a turnover of approximately £28m, with an advertising expenditure of approximately £2.9m. I think it is clear from the evidence that COMPLAN is a long established trade mark in the United Kingdom and consequently I consider that the opponents have established that the mark has a significant degree of recognition on the UK market.

Taking this into account, I turn to consider whether because of the identity of the goods and the similarity of the marks there exists a likelihood of confusion including the likelihood of association. The opponents' trade mark COMPLAN consists of an invented word. The applicants' mark consists of the word TESCO (their house mark) and the word COMPLETE. In my view there are very significant differences in the appearance of these trade marks. This stems from the degree of invention of the opponents trade mark whilst the applicants' trade mark consists of their house mark and a dictionary word.

In the *BULOVA ACCUTRON* case [1969 RPC 102] it was held that "Bulova Accutron" was too close to "Accurist" for registration (it already having been held that "Accutron" was too close to "Accurist"). The presence of a house mark within the later trade mark is therefore no guarantee that there is no likelihood of confusion. However, as noted above, the opponents' mark COMPLAN is an invented word, whereas COMPLETE is an ordinary dictionary word and a well known word in the English language which I believe will be more readily fixed in the public's recollection. I see little prospect that the word COMPLETE in the applicants' mark will be mistaken for the opponents' mark.

Therefore, on a straightforward comparison of the marks as wholes, taking into account both the degree of recognition of the opponents' mark and the fact that the word COMPLETE has its own well known meaning, I do not find the marks confusable; nor do I think that the public would be in any way confused as to origin if they encountered the respective marks. Consequently, the opponents fail in their opposition under Section 5(2)(b).

Section 5(3) of the Act reads:

"(3) A trade mark which -

(a) is identical with or similar to an earlier trade mark, and

(b) is to be registered for goods or services which are not similar to those for which the earlier trade mark is protected,

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, in the European Community) and the use of the later mark without due cause would take unfair advantage or, or be detrimental to, the distinctive character or the repute of the earlier trade mark."

The provisions of Section 5(3) only come into play when the mark applied for is identical with or similar to an earlier trade mark. In dealing with Section 5(2)(b) I have already found that the marks are not similar such that there exists a likelihood of confusion on the part of the public and I can see no reason to come to a different finding in relation to the marks here.

5 Consequently, the opposition fails under Section 5(3).

I turn next to the objection based in Section 5(4)(a) which reads as follows:-

10 (4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented -

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

15

(b)

20 A summary of the elements of an action for passing off were set out in WILD CHILD trade mark (1998 RPC 455). Briefly, the opponents are required to establish that they have goodwill in an indicium; that there will be an operative misrepresentation and that there will be consequential damage.

25 As discussed above the opponents have made a significant claim to goodwill arising from their trading activities in relation to dietetic substances. However, even assuming that the opponents claim to goodwill is established, they must in my view fail on the second leg of the above test as there can be no misrepresentation in the light of my views on the respective marks. It follows also that there will be no damage arising from the applicants' use of their mark. The opposition therefore fails under Section 5(4)(a).

30 Finally, the opponents plead bad faith under Section 3(6) which reads:

"A trade mark shall not be registered if or to the extent that the application is made in bad faith".

35 However, there is no evidence or basis to support such a claim and therefore I find the opponents unsuccessful in their opposition under this Section.

As the applicants have been successful they are entitled to a contribution towards their costs. I order the opponents to pay the applicants the sum of £435.00.

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Dated this 25 day of May 1999.

45 D C MORGAN
For the Registrar
the Comptroller General