

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. 2106150 BY
LIDL STIFTUNG & CO. KG TO REGISTER A MARK IN CLASS 30**

AND

**IN THE MATTER OF OPPOSITION THERETO UNDER NO. 48682
BY FERRERO S.P.A.**

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BACKGROUND

1. On 26 July 1996, Lidl Stiftung & Co. KG of Neckarsulm, Germany, applied to register the words **CHOCO CIRCUS** as a trade mark for goods in Class 30. Following examination the application was accepted and published for the following specification of goods:

“Flour and preparations made from cereals; bread, pastry and confectionery, ice-cream; honey, treacle; chocolate and chocolate products; but not including biscuits”.

I note that the publication of the application included the following clause:

“By Consent No. 441042 (2381,2385) and 796459 (4298,49)”.

2. On 18 June 1998, Ferrero S.p.A of Cuneo, Italy, filed notice of opposition. Their objections following amendment are as follows:

“1. Ferrero S.p.A is the registered proprietor of trade mark registration No. 1508672 for the trade mark **KINDER CIRCUS**, which is registered in respect of the goods:

“Chocolate eggs with a milky filling contained within a plastic animal-shaped container”.

2. The trade mark is similar to the earlier trade mark No. 1508672 of Ferrero S.p.A. and is to be registered for goods identical with and similar to those for which the earlier trade mark is protected and there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark. Registration of the trade mark is therefore contrary to the provisions of Section 5(2)(b) of the Act”.

3.1 The trade mark is of such a nature as to deceive the public and registration of the trade mark is therefore contrary to the provisions of Section 3(3)(b) of the Act.

3.2 In particular, the trade mark would deceive the public if goods in relation to which it were used did not consist of or contain chocolate, given the prominence of the word **CHOCO** in the trade mark, which would be likely to be seen as a reference to chocolate”.

3. On 24 September 1998, the applicants filed a counterstatement; this was subsequently amended on 25 July 2001. In their amended counterstatement the applicants acknowledge the existence of the opponents' earlier right but deny the grounds on which the opposition is based. In their counterstatement the applicants comment as follows:

“The Registrar’s attention is drawn to a number of registrations in Class 30 containing or consisting solely of the element CIRCUS. For example, CIRCUS (UK registration No. 441042); CIRCUS (UK registration No. 796459) and CANDY CIRCUS (UK registration No. 1411141). The co-existence of these marks in Class 30 suggests that the public are used to distinguishing between marks containing the element CIRCUS. Moreover, the fact that the proprietors of UK registration Nos. 441042 and 796459 gave consent to the applicant’s application and the proprietors of registration No. 796459 gave consent to enable the trade mark relied upon by the opponent in this opposition to obtain registration suggests that the industry does not feel that the marks are likely to lead to confusion on the part of the public”.

In so far as the ground under Section 3(3)(b) of the Act is concerned, the applicants comment:

“.....The alleged association between the words CHOCO and chocolate in the mind of the public is mere supposition. The public would not expect a mark containing the element CHOCO to be used exclusively in relation to goods consisting of or containing chocolate,.....”

4. Both parties filed evidence in these proceedings and both seek an award of costs. The matter came to be heard on 27 March 2002. At the Hearing, the applicants were represented by Mr Nigel Hackney of Mewburn Ellis, Trade Mark Attorneys; the opponents were represented by Mr Martin Krause of Haseltine Lake, Trade Mark Attorneys.

OPPONENTS' EVIDENCE

5. This consists of three statutory declarations. The first dated 29 December 1998 is by Martin Krause. Mr Krause explains that he is a Partner in the firm of Haseltine Lake Trademarks who are the opponents' professional representatives in these proceedings. Exhibit MK1 to Mr Krause's declaration consists of a copy of the registration certificate for registration No. 1508672 for the trade mark KINDER CIRCUS together with a copy of the case details of this registration taken from the Trade Marks Registry's database. I note that the trade mark is registered in plain block capital letters for the goods mentioned above and that the registration dates from 5 August 1992.

6. The second declaration dated 28 May 1999 is by James Setchell. Mr Setchell explains that he is an Affiliate Member of the Institute of Trade Mark Attorneys employed by Haseltine Lake Trademarks. He confirms that he is authorised to make his declaration on the opponents' behalf. Attached to his declaration are two exhibits. The first, JCS1, consists of copies of two letters dated 23 and 26 July 1993 together with copies of reports from King's Investigation Bureau to Mr Setchell's firm regarding a company called Alma Caledonian Limited, who were at one time the registered proprietors of trade mark registration No. 796549 for the trade mark CIRCUS in Class 30. The second exhibit, JCS2, consists of copies

of official forms (TM13, TM11 and TM16) relating to registration Nos. 796459 and 1432186.

7. The final declaration dated 29 September 1999 is by the same Martin Krause mentioned above. In his declaration Mr Krause comments as follows:

“2. There are now produced and shown to me market Exhibit MHK1 copies of the pages from the CTN pull out price guides for June, July and August 1996, being the pages relating to the prices of confectionery and ice-cream.

3. CTN (Confectioner Tobacconist Newsagent) was published by EMAP Business Communications and a comprehensive pull out price guide was enclosed as a supplement with the publication”.

8. The documents attached to this final declaration had, it transpired at the Hearing, been filed in an effort to demonstrate that the word CIRCUS was not commonly used in relation to confectionery products.

APPLICANTS’ EVIDENCE

9. This consists of a statutory declaration dated 22 December 1999 by Nigel Hackney. Mr Hackney explains that he is a Trade Mark Attorney at Mewburn Ellis who are the applicants’ professional representatives in these proceedings. Attached to Mr Hackney’s declaration are four exhibits. These are as follows:

NJH1 - extracts from the Marquesa Trade Mark Search system in relation to trade marks in Classes 29 and 30 which consist of the word CIRCUS either alone or where it appears together with other words and/or devices;

NJH2/NJH3 - copies of letters of Consent obtained by the applicants during the course of the prosecution of the application in suit;

NJH4 - an extract from the trade mark register of the opponents’ KINDER CIRCUS trade mark, from which the applicants note that in order to achieve registration the opponents required the consent of the owners of two earlier registrations namely CIRCUS (No. 796459) and CANDY CIRCUS (No. 1411141).

10. That concludes my review of the evidence filed in so far as I think it necessary.

DECISION

11. At the Hearing, Mr Krause indicated that the main ground in these proceedings is that under Section 5(2)(b). I agree and shall deal with this ground of opposition first. 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 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.”

12. An earlier right is defined in Section 6 of the Act, the relevant part of which states:

“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;”.

13. With a filing date of 5 August 1992, trade mark registration No. 1508672 qualifies as an earlier trade mark under the provisions of Section 6(1)(a) of the Act.

14. In my consideration of a likelihood of confusion, I take into account the guidance provided by the European Court of Justice (ECJ) in **Sabel BV v. Puma AG** [1998] R.P.C. 199, **Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc** [1999] E.T.M.R. 1, **Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V.** [2000] F.S.R. 77 and **Marca Mode CV v. Adidas AG** [2000] E.T.M.R. 723.

It is clear from these cases that:-

- (a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors; *Sabel BV v. Puma AG* page 224;
- (b) the matter must be judged through the eyes of the average consumer of the goods/services in question; *Sabel BV v. Puma AG* page 224, 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; *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V.* page 84, paragraph 27.
- (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details; *Sabel BV v. Puma AG* page 224;
- (d) the visual, aural and conceptual similarities of the marks must therefore be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components; *Sabel BV v. Puma AG* page 224;
- (e) a lesser degree of similarity between the marks may be offset by a greater

degree of similarity between the goods, and vice versa; *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc* page 7, paragraph 17;

- (f) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either per se or because of the use that has been made of it; *Sabel BV v. Puma AG* page 8, paragraph 24;
- (g) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Section 5(2); *Sabel BV v. Puma AG* page 224;
- (h) further, 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; *Marca Mode CV v. Adidas AG* page 732, paragraph 41;
- (i) but if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section; *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc* page 9 paragraph 29.

COMPARISON OF GOODS

15. The opponents' trade mark is registered in respect of a very limited specification of goods in Class 30 namely: "Chocolate eggs with a milky filling contained within a plastic animal-shaped container", whereas the application in suit has been published for a specification of goods reading: "Flour and preparations made from cereals; bread, pastry and confectionery, ice-cream; honey, treacle; chocolate and chocolate products; but not including biscuits". At the Hearing, Mr Krause confirmed that the opposition was directed at the whole of the applicants' specification and Mr Hackney accepted that the opponents' specification falls within the term "chocolate and chocolate products" appearing in the applicants' specification; in so far as these goods are concerned, identical goods are involved. Given its meaning as "sweets and other confections collectively", the same must also be true of the term "confectionery" appearing in the applicants' specification.

16. What then of the remaining goods in the applicants' specification? In order to reach a conclusion on this point, it is I think appropriate to look to the guidance provided by Jacob J in **British Sugar Plc V. James Robertson & Sons Ltd** [1996] R.P.C. 281 (the TREAT case). Whilst I accept that in view of the decision of the European Court of Justice in **Canon v MGM** (3-39/97), the TREAT case may no longer be wholly relied upon, the ECJ said that the factors identified by the United Kingdom Government in its submissions (which are listed in TREAT) are still relevant in respect of a comparison of goods. Jacob J identified the following as relevant factors when assessing similarity:

- a) the respective uses of the respective goods or services;
- b) the respective users of the respective goods or services;

- c) the physical nature of the goods or acts of service;
- d) the respective channels of trade through which the goods or services reach the market;
- e) in the case of self-serve consumer items whether they are, or are likely to be, found on the same or different shelves;
- f) the extent to which the respective goods or services are competitive (and whether in the same or different trade sectors).

17. That being the case, I must now apply factors (a) to (f) listed above to those goods which remain in the applicants' specification. In this respect, the question I need to answer is: are "Chocolate eggs with a milky filling contained within a plastic animal-shaped container" similar to "Flour and preparations made from cereals; bread, pastry, ice-cream; honey and treacle; but not including biscuits"?

18. While one may reasonably argue that the respective users of these goods are the same ie. the public at large and that the respective trade channels through which the respective goods reach the market may also be the same (at perhaps the wholesale and/or retail stages), in so far as the remaining factors are concerned, there is in my view little prospect of conflict under the various headings. While all of the goods at issue are foodstuffs which are, in the main, likely to be purchased by self-selection, they are in my view quite different foodstuffs that would be purchased/consumed for different purposes. The physical nature of the opponent's goods and those itemised above are different, as are the areas in which the respective goods would be found in, for example, a supermarket; in addition the respective goods are not competitive. Having reached this conclusion and in view of the comments of Mr Geoffrey Hobbs QC sitting as the Appointed Person in **Raleigh International** [2001] RPC 202 where he said:

"Similarities between marks cannot eliminate differences between goods or services; and similarities between goods or services cannot eliminate differences between marks. So the purpose of the assessment under section 5(2) must be to determine the net effect of the given similarities and differences"

it will not be necessary for me to consider these goods any further when I turn to compare the respective trade marks.

COMPARISON OF MARKS

Applicants' mark

CHOCO CIRCUS

Opponents' mark

KINDER CIRCUS

19. It is clear from the guidance provided by the ECJ in the decided cases mentioned above, that: the likelihood of confusion must be appreciated globally taking account of all relevant factors; that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by them bearing in mind their distinctive and

dominant components; that the matter should be judged through the eyes of the average consumer of the goods in question who whilst being deemed reasonably well informed and reasonably circumspect and observant rarely has the chance to make direct comparisons between marks and must instead rely on the imperfect picture of them they have kept in their mind; that there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character either per se or because of the use that has been made of it.

20. The goods for which the applicants seek registration are aimed at the “mass market”. Consequently, the average consumer of such goods would be the public at large. The goods at issue are by their very nature inexpensive. While the average consumer is considered to have all the traits indicated above, in such circumstances it is well established that the amount of care with which they will approach such low cost purchases is likely to be somewhat less than higher cost items. With that in mind I turn to consider the marks themselves.

21. No evidence has been provided of either trade mark being used. Consequently I must consider the matter on the basis of fair and notional use of the respective trade marks - as per **REACTOR** [2000] RPC 285 at page 288. Both trade marks consist of two words; in both trade marks the second word is identical ie. the word CIRCUS. In so far as the distinctiveness of this element is concerned, at the Hearing Mr Krause said:

“The issue of the similarity of the trade marks is that both trade marks clearly contain the word CIRCUS as a distinct element within the marks. One of the initial issues then is to what extent is the word CIRCUS distinctive? It is a well known English word which has a widely known meaning. I would submit that it has no clear meaning in relation to the goods. It is nevertheless evocative of fun entertainment and is inherently distinctive”.

22. Mr Hackney did not appear to dissent from this opinion and it accords substantially with my own view of the CIRCUS element appearing in the respective trade marks. At the Hearing, Mr Hackney drew my attention to the fact that there were a number of trade marks on the Register in Classes 29 and 30 which consisted of the word CIRCUS either alone or together with other elements. He also pointed out that both the applicants for registration and the opponents found it necessary to obtain consent from third parties who owned trade marks containing the CIRCUS element. Given that such consent was provided, this led Mr Hackney to conclude that the trade does not believe that the CIRCUS element alone appearing in a trade mark is likely to cause confusion. In response Mr Krause drew my attention to the comments of Jacob J (again from the TREAT case mentioned above) when he said:

“In particular the state of the register does not tell you what is actually happening out in the market and in any event one has no idea what the circumstances were which led the Registrar to put the marks concerned on the Register. It has long been held under the old Act that comparison with other marks on the Register is in principle irrelevant when considering a particular mark tendered for registration, see MADAME TM (1966) RPC 541 and the same must be true of the 1994 Act. I disregard the state of the register evidence”.

and also to the evidence filed by the opponents which suggests that the various CIRCUS trade marks may not actually be in commercial use. Guided by the comments of Jacob J, I place no reliance on the state-of-the-register evidence; similarly I place little weight on the evidence provided by the opponents which suggests that the word CIRCUS is not in common commercial usage, put simply, I just don't know.

23. What then of the prefix elements of the respective trade marks? Mr Krause argued that the word KINDER appearing in the opponents' mark was famous but accepted that no evidence had been filed to support this contention. However at the Hearing Mr Hackney said:

“.....but in this case again I accept what Mr Krause said, KINDER is a fairly well known mark in this country”.

24. It was Mr Krause's view that when a member of the public encountered the opponents' trade mark they are likely to construe it as the CIRCUS brand from the KINDER people, or the CIRCUS product of the KINDER brand. Mr Hackney for his part said:

“Starting with the Section 5 objection, as Mr Krause said, it is self-evident that these days that you must consider each mark as a whole, and the essence of my submission is that the KINDER element is by far the strongest element of the opponents' mark. Not only do you have the standard view that the first element can carry the most weight.....”

25. Mr Hackney was clearly correct in urging me to consider the marks as wholes. His comments to the effect that it is the first element of marks which, by and large, are the most important for the purposes of comparison is well established (see the comments in TRIPCASTROID [1925] RPC 264). What then of the CHOCO element appearing in the applicants' trade mark? At the Hearing Mr Krause drew my attention to the Hearing Officers' comments in Opposition proceedings No. 47133 (BL 0/254/01) which was an opposition by Safeway Stores Plc to an application by Quaker Oats Limited to register the mark CHOCO PUFFS for a range of goods in Class 30. In particular, Mr Krause drew my attention to page 9 of that decision where the Hearing Officer said:

“CHOCO is not as far as I am aware a dictionary abbreviation for chocolate but there is sufficient evidence before me to unhesitatingly conclude that traders use it as a convenient shorthand for chocolate. Its use is widespread and intended to convey the message that the goods in relation to which it is used are chocolate flavoured or chocolate coated. It is no less indicative of chocolate than the misspelling FROOT was of FRUIT LOOPS Trade Mark, 1998 RPC 240”.

26. Of this extract and following a question from me where I said:

“In this case absent this decision there is nothing, is there, other than maybe a few possible references in the document? There is nothing of that sort, from what I can gather, filed in these proceedings?”,

Mr Krause commented:

“No, sir. By referring to this decision I am relying on precedent on a factual statement made by the Hearing Officer in another case which is unqualified, and therefore I would say that there is no reason to believe that his finding on the evidence before him was wrong”.

On this point Mr Hackney very helpfully conceded:

“I am not realistically going to argue that CHOCO is not seen as a reference to chocolate”.

He went on to say:

“.....As the decision states, it is not a dictionary abbreviation for chocolate and, as such, I think you cannot say that it is wholly lacking in distinctiveness. Obviously it does not carry a huge amount of weight, but our mark is still a two-element mark. The CHOCO element is the initial element. It is still going to be seen as part of the mark, even though obviously it alludes to the chocolate nature”.

27. It appears to me that the word CIRCUS appearing in the respective trade marks would be seen by the average member of the public as a distinctive element. It is accepted by the applicants' that the word CHOCO appearing as the first element of their mark is likely to be seen as a reference to chocolate; there is also an acceptance by the applicants that the opponents KINDER trade mark is, in Mr Hackneys's words: “.....a fairly well known mark in this country”, although I place little weight on this concession.. However taking all relevant factors into account, given the inexpensive nature of the goods at issue and the lesser degree of care likely to be taken when purchasing such goods, combined with the fact that the CHOCO element appearing in the applicants' trade mark is likely to be seen by the average consumer of such goods as a reference to chocolate, I have come to the clear conclusion that while an average member of the public is unlikely to directly confuse the respective trade marks, they may well wrongly believe that the respective goods come from the same or economically linked undertakings and as such there is a likelihood of confusion as per the comments in **Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc.**

28. Having reached this conclusion the opposition based on Section 5(2)(b) of the Act is successful in so far as:

“Confectionery, chocolate and chocolate products; but not including biscuits”

are concerned, but has failed in respect of:

“Flour and preparations made from cereals; bread, pastry, ice-cream; honey, treacle”; but not including biscuits”.

29. The remaining objection is based on Section 3(3)(b) of the Act. This reads:

“3 (3) A trade mark shall not be registered if it is-

(b) of such a nature as to deceive the public (for instance as to the nature, quality or

geographical origin of the goods or service)”).

30. In this regard, Mr Krause accepted that the terms “Chocolate and chocolate products; but not including biscuits” did not offend this section as they were in effect self limiting. In so far as the remainder of the applicants’ specification of goods was concerned, he confirmed that in his view it did attract an objection under this heading. He said:

“.....it is quite likely that somebody would expect them to have some chocolate content”.

31. Mr Krause drew my attention to Chapter 6 of the Trade Marks Registry’s Work Manual (August 1998) beginning at page 99 and said:

“Where do you draw the line between what is likely to deceive and what is not? I submit that the issue is whether the trade mark conveys an unambiguous characteristic in the products, and whether that characteristic is one which you would say is desirable or highly desirable in those products”.

32. In Mr Krause’s view an objection under Section 3(3)(b) could be overcome if the applicants added a limitation to their specification and in this regard he suggested: “All containing chocolate or being chocolate flavoured”. In relation to the objection under Section 3(3)(b) of the Act Mr Hackney said:

“Yes, page 99 is what I was going to refer to. If I can paraphrase, essentially the Registry’s practice seems to be try to take a realistic view. The practice accepts that where a mark has a feature like strawberry jam, that is going to be taken as a reference to the product being strawberry jam, but that does not mean that the Registry need to raise a 3(3)(b) objection..”

I asked Mr Hackney the following question:

“You are saying there is no 3(3)(b) to any of these goods at all? I think Mr Krause accepts there is no 3(3)(b) in relation to chocolate and chocolate products, but in relation to the others there is no objection? The Examiner was right?”

To which he responded:

“I agree; yes. The point is made of course that these things really have to be left to the marketplace to a large degree. If a trader was daft enough to use the mark in a deceptive manner it would become vulnerable to cancellation or even worse. But that does not mean that the Registry need raise the objection”.

33. As indicated above the Trade Marks Registry’s practice in relation to Section 3(3)(b) of the Act is provided in Chapter 6 of the Work Manual at pages 99 to 105. I do not propose to summarise the very full guidance provided here but have of course borne it in mind in reaching my decision.

34. From this it is I think clear that the Trade Marks Registry will only take objections to applications at ex-parte examination stage where the trade mark for which registration is sought contains an element or elements which are likely to lead to a clear expectation on the part of the average member of the public which, if not fulfilled, will lead to them being deceived; I see no reason to adopt a different approach in inter-partes proceedings and in this regard, I agree with Mr Hackney's comments above. In so far as goods remain in the specification to which the Section 3(3)(b) objection may apply, it would not in my view be in the applicants' commercial interests to indicate that they contained or were flavoured with chocolate if they did not - if they did, the consequences Mr Hackney identifies may ensue. Though I note that at the Hearing Mr Hackney said:

“For the avoidance of doubt, I think if the section 3(3)(b) objection is maintained the applicant would almost certainly accept a limitation proposed by the Registrar”,

given the Trade Marks Registry's approach to marks of this type, I do not think this is necessary and the opposition based on Section 3(3)(b) of the Act is dismissed.

CONCLUSION

35. The opposition to the applicants' trade mark has been successful in relation to:

“Confectionery, chocolate and chocolate products; but not including biscuits”.

As grounds for refusal exist only in respect of these goods, the application will be allowed to proceed to registration if, within one month of the end of the appeal period for this decision, the applicants file Form TM21 amending their specification of goods to read:

“Flour and preparations made from cereals; bread, pastry, ice-cream; honey, treacle; but not including biscuits”.

If the applicants do not file Form TM21 restricting the specification in the manner indicated above the application will be refused in its entirety.

36. As both parties have achieved a measure of success in these proceedings, I order that they should each bear their own costs.

Dated this Day of 13 May 2002

C J BOWEN
For the Registrar
The Comptroller-General