

O-261-07

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO 2401029  
BY HEIGHROW LIMITED  
TO REGISTER THE TRADE MARK:**

**FISH KETTLE**

**IN CLASS 43**

**AND**

**THE OPPOSITION THERETO  
UNDER NO 94224  
BY  
KETTLE FOODS, INC**

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### INTRODUCTION

1) On 6 September 2005 Heighrow Limited, which I will refer to as Heighrow, applied to register the trade mark **FISH KETTLE**. The application was published for opposition purposes in the *Trade Marks Journal* on 16 December 2005 with the following specification:

*restaurant, public house, bar, café and hotel services; preparation and serving of food and drink; catering services; snack bars; wine bar services; sandwich bar services, cocktail lounge services; provision of facilities for exhibitions, functions and conferences.*

The above services are in class 43 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

2) On 16 March 2006 Kettle Foods, Inc, which I will refer to as KFI, filed a notice of opposition to the application. KFI is the owner of the trade mark registrations particularised below.

United Kingdom registration no 2373414 of the trade mark **KETTLE FOODS**. The application for registration was made on 21 September 2004 and the registration process was completed on 16 September 2005. The registration is for the following goods and services:

*meat, fish, poultry and game; potato crisps and chips, and snack foods; meat extracts; preserved, dried, fried, baked and cooked fruits and vegetables; jellies, jams, fruit sauces; eggs, milk and milk products; edible oils and fats; crisps and chips; potato crisps and chips containing maize; dips; cheese in the form of dips; olive oil; cooking oils; corn oil; dressings of oil and/or fat; edible oils for glazing foodstuffs; edible oils for use in cooking foodstuffs; edible vegetable oils; maize oil; almonds; chocolate nut butter; desiccated coconut; prepared, cooked, dried and preserved nuts; peanut butter, peanuts; raisins; cashew nuts; edible nuts and products made from edible nuts; mixtures of fruit and dried nuts; canned and dried pulses; nuts with sweet flavourings; nuts with savoury flavourings;*

*coffee, tea, cocoa, sugar, rice, tapioca, sago, artificial coffee; flour and preparations made from cereals, bread, pastry and confectionery, ices; honey, treacle, yeast, baking-powder, salt, mustard; pepper, vinegar, sauces (condiments); spices; ice; popcorn, corn chips and snack-foods; crisp rolls; crispbread; crisps made of cereals; crisps made of potato flour; wholewheat crisps; chocolate chips; dips; sauces; spices; tacos; tortillas; flavourings, other than essential oils; flavourings for snack foods (other than essential oils); flavourings made from vegetables (other than essential oils); savoury food flavourings for food (other than essential oils); chocolate coated nuts; snack bars containing nuts or a mixture of grains, nuts and dried fruit; nuts with sweet flavourings; nuts with savoury flavourings; biscuits and crackers;*

*the bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods in a retail store, supermarket, wholesale outlet or from an Internet web site, specialising in the sale of snack foods and soft drinks; advertising; business management; business administration; advertising and marketing services; promotion services; database management services; business information services provided online from a computer database or the Internet; composing advertisements for use as web pages; market surveys; analysis of advertising response and market research; radio and television advertising; rental of vending machines;*

*providing of food and drink; cafes and cafeteria services; canteen services; catering services; restaurants and self-service restaurant services; snack bars.*

The above goods and services are in classes 29, 30, 35 and 43 respectively of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

United Kingdom registration no 2355003 of the trade mark:

# Kettle

The application for registration was made on 3 February 2004 and the registration process was completed on 19 August 2005. The registration is for the following goods and services:

*meat, fish, poultry and game; potato crisps and chips, and snack foods; meat extracts; preserved, dried, fried, baked and cooked fruits and vegetables; jellies, jams, fruit sauces; eggs, milk and milk products; edible oils and fats; crisps and chips; potato crisps and chips containing maize; dips; cheese in the form of dips; olive oil; cooking oils; corn oil; edible oils for glazing foodstuffs; edible oils for use in cooking foodstuffs; edible vegetable oils; maize oil;*

*coffee, tea, cocoa, sugar, rice, tapioca, sago, artificial coffee; flour and preparations made from cereals, bread, pastry and confectionery, ices; honey, treacle, yeast, baking-*

*powder; salt, mustard; pepper, vinegar, sauces (condiments); spices; ice; popcorn, caramel coated popcorn, caramel coated popcorn with candied nuts, flavoured popcorn, popped popcorn, salt for popcorn, corn chips and snack-foods; crisp rolls; crispbread; crisps made of cereals; crisps made of potato flour; wholewheat crisps; chocolate chips; dips; sauces; spices; tacos; tortillas; flavourings, other than essential oils; flavourings for snack foods (other than essential oils); flavourings made from vegetables (other than essential oils); savory food flavourings for food (other than essential oils); dressings of oil and/or fat;*

*providing of food and drink; cafes and cafeteria services; canteen services; catering services; restaurants and self-service restaurant services; snack bars.*

The above goods and services are in classes 29, 30 and 43 respectively of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

United Kingdom registration no 2334168 of the trade mark **KETTLE**. The application for registration was made on 6 June 2003 and the registration process was completed on 21 May 2004. The registration is for the following services:

*the bringing together, for the benefit of others, of a variety of goods enabling customers to conveniently view and purchase those goods in a retail store specialising in snack foods, supermarkets, wholesale outlets or from an Internet web site specialising in snack foods; advertising; business management; business administration; advertising and marketing services; promotion services; database management services; business information services provided online from a computer database or the Internet; composing advertisements for use as web pages; market surveys; analysis of advertising response and market research; radio and television advertising; rental of vending machines.*

The above services are in class 35 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

Community trade mark registration no 3931953 of the trade mark **KETTLE**. The application for registration was made on 13 July 2004 and the registration process was completed on 16 September 2005. The registration is for the following goods and services:

*meat, fish, poultry and game; potato crisps and chips, and snack foods; meat extracts; preserved, dried, fried, baked and cooked fruits and vegetables; jellies, jams; eggs, milk and milk products; edible oils and fats; crisps and chips; potato crisps and chips containing maize; dips; cheese in the form of dips; olive oil; cooking oils; corn oil; dressings of oil and/or fat; edible oils for glazing foodstuffs; edible oils for use in cooking foodstuffs; edible vegetable oils; maize oil; prepared almonds; chocolate nut butter; desiccated coconut; prepared, cooked, dried and preserved nuts; peanut butter; prepared*

*peanuts; raisins; prepared cashew nuts; edible nuts and products made from edible nuts; mixtures of fruit and dried nuts; canned and dried pulses; nuts with sweet flavourings; nuts with savoury flavourings;*

*coffee, tea, cocoa, sugar, rice, tapioca, sago, artificial coffee; flour and preparations made from cereals, bread, pastry and confectionery, ices; honey, treacle; yeast, baking-powder; salt, mustard; vinegar, sauces (condiments); spices; ice; popcorn, corn chips and snack-foods; crisp rolls; crispbread; crisps made of cereals; crisps made of potato flour; wholewheat crisps; chocolate chips; dips; sauces; spices; tacos; tortillas; flavourings, other than essential oils; flavourings for snack foods (other than essential oils); flavourings made from vegetables (other than essential oils); savory food flavourings for food (other than essential oils); chocolate coated nuts; snack bars containing nuts or a mixture of grains, nuts and dried fruit; biscuits and crackers; fruit sauces;*

*providing of food and drink; cafes and cafeteria services; canteen services; catering services; restaurants and self-service restaurant services; snack bars.*

The above goods and services are in classes 29, 30 and 43 respectively of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

3) KFI claims that the respective trade marks are similar and that the respective goods and services are either identical or similar. Consequently, there is a likelihood of confusion and registration of the trade marks would be contrary to section 5(2)(b) of the Trade Marks Act 1994 (the Act).

4) KFI claims that it has a reputation in respect of all the above trade marks in respect of all of the goods and services that they encompass. KFI claims that use of Heighrow's trade mark in respect of all of the services on the application would take unfair advantage or be detrimental to the distinctive character or reputation of its earlier trade marks. It states that:

“For example, the FISH KETTLE trade mark, which is similar to the earlier trade marks KETTLE and KETTLE FOODS, and is to be registered for goods or services, which are similar to those for which the earlier trade marks are protected, where the use of the later mark FISH KETTLE without due cause, takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the earlier trade mark. For example if a likelihood of confusion arises as a result of the use and of the later mark FISH KETTLE with, or rather, in relation to the provision of food and drink, cafés and cafeteria services, canteen services; catering services; restaurant and self-service restaurant services; snack bars. If there is a likelihood of confusion between the marks, we believe it would be detrimental to the distinctive character or the repute of the earlier trade marks.”

Consequently, registration of the trade mark of Heighrow would be contrary to section 5(3) of the Act.

5) KFI claims that it has used the trade marks **KETTLE** and **KETTLE FOODS** in the United Kingdom since 1988 in connection with the provision of foods, in particular snack foods. Consequently, use of the trade mark of Heighrow is liable to be prevented by the law of passing-off and so registration of the trade mark would be contrary to section 5(4)(a) of the Act.

6) Heighrow filed a counterstatement in which it denies the grounds of opposition.

7) KFI filed evidence in support of its claims.

8) A hearing was held on 5 September 2007. KFI was represented by Ms Jacqueline Reid, of counsel, instructed by Field Fisher Waterhouse. Heighrow was not represented but sent in written submissions.

#### **EVIDENCE OF KFI**

9) This consists of a witness statement by Katherine Atkinson. Ms Atkinson is company secretary and solicitor of Kettle Foods Ltd, which I will refer to as KFL. She states that KFL and KFI are both part of the Lion/Stove group of companies. Ms Atkinson states that KFL is responsible for the group's operations in the United Kingdom and Europe.

10) In the evidence there are many references to chips. These are chips in the American sense, ie they are what are called crisps in the United Kingdom. I will refer to such products as crisps.

11) Ms Atkinson states that KFL conducts all of its business under the trade marks **KETTLE** and **KETTLE FOODS**. However, she also states that goods are also produced under private label for large grocery chains. She states that in early 1988 KFI's products were imported from the USA and sold in the United Kingdom by Whistlestop Foods, on a test marketing basis. Ms Atkinson states that in February 1989 the products were formally launched at the International Food Exhibition, a trade only annual event held in London. She exhibits at KA3 samples of the packaging of new products launched between 1988 and 1991. All of the examples of packaging, bar one, are for varieties of crisps; the one exception is for **KETTLE POPPINS**, this is a popcorn product.

12) Ms Atkinson states that over the years KFL has sold crisps, dips, popcorn and other snack foods; she does not specify what these other snack foods are. She states that KFL has experienced a tremendous growth in terms of sales, employees and ranges of products. Ms Atkinson states that in 1991/1992 there were sales of £3,600,000 and in 2001/2002, £40,200,000.

13) Ms Atkinson states that KFL uses a range of promotional techniques including in-store sampling, exhibiting at shows and public venues, display and point of sale materials, field marketing, trade exhibitions, mailings, sponsorship and co-branding

exercises. She states that by September 2005 KFI had a database of 110,000 consumers. She states that all the consumers on the database have contacted KFL of their own accord and supplied their details. Ms Atkinson states that consumers on the database receive quarterly mailings and various promotional materials. Material exhibited at KA5 shows crisps, tortilla chips and dips; the preponderance of the material relates to various flavours of crisps. The material includes competitions and recipes, and the offer of a serving bowl.

14) Ms Atkinson gives examples of the promotional activity of KFL from January – June 2000. She refers to employing a sales promotion agency, a PR agency, a tie-in with the producers of Nottage Hill wine (a packet of crisps being given away with the bottle), a sponsorship deal with Norwich RFC (Ms Atkinson refers to Norwich City Football Club but the clipping does not relate to the football club) and sponsorship of a running race. KFL's crisps have been given away as prizes in promotional activities. Pictures are exhibited of a caravan which is used to promote KFL's products at various trade exhibitions and on-site promotions. Examples of advertorials are exhibited.

15) KFL runs in-store promotions and also places stands in grocery stores. Ms Atkinson refers to the promotion of new products and seasonal products. Various materials are exhibited at KA14 and KA15, all of which bar one, relate to crisps. The one exception, in KA14, is information about various KFL products which includes details of tortilla chips and popcorn. There is no date on this material but it bears a copyright date of 1999.

16) Ms Atkinson states that in the early 1990s, KFI launched a tortilla chip range, the range was extended substantially in 2001. In January 2000 KFL introduced an organic potato crisp, she states that this range at one time included an organic salsa dip. Ms Atkinson refers to the introduction of low fat, baked snacks under the PEAK trade mark. She states that since 2005 the PEAK brand has not been used on vegetable products (golden parsnip and sweet potato), these products have been sold under the KETTLE vegetables brand. Ms Atkinson refers to the introduction of the Mediterranean range of products in 2002, the exhibits show that this was used in relation to crisps and dips. She goes on to refer to various other promotions of products, for which various materials are exhibited. Ms Atkinson states that KFL has produced recipes for the use of its products. Ms Atkinson states that KFL sells meals to staff in its bistro which was built at its factory in 2003. She states that hot and cold snacks are available to staff for 24 hours a day. She exhibits copies of menus at KA23. The menus bear the trade mark of Eurest, one of the menus also bears the KETTLE FOODS name and logo. A copy of a cutting from the *Daily Sport* of 26 June 2005 is exhibited in KA25. This gives a list of the United Kingdom's most popular snacks:

	Annual Sales
Walkers Crisps	£419.5 m
Pringles	£135.3 m
Hula Hoops	£76.3 m
Doritos	£49.9 m
Quavers	£49.6 m

Wotsits	£43.8 m
Skips	£41.4 m
Walkers French Fries	£28.0 m
Golden Wonder Crisps	£27.0 m
Kettle Crisps	£26.2 m

The above figures give KFI 2.92% share of the market of the top ten brands of what appear to be crisps or goods analogous to crisps.

17) Ms Atkinson states that KFL employs a community manager and that staff are encouraged to take part in its community programme. She states that KFL's factory is located in a disadvantaged area of Norwich and that the community programme focus is mainly on children and the disadvantaged in the immediate area. Ms Atkinson goes on to give details of various projects in the Norwich area with which KFL has been associated.

18) Ms Atkinson gives the following figures for United Kingdom marketing expenditure:

	<b>Expenditure directly relating to building the KETTLE and KETTLE FOOD brand through consumer communication, PR, advertising, product and consumer research</b>	<b>Expenditure with the trade but including KETTLE and KETTLE FOOD branded consumer promotions, trade support, private label support and development</b>	<b>Total Expenditure</b>
1998/99	£546,000	£949,000	£1,495,000
1999/00	£712,214.55	£1,004,442.35	£1,716,656
2000/01	£794,652	£964,426	£1,759,078
2001/02	£1,119,269	£2,208,220	£3,327,489
2002/03	£1,122,059	£2,567,470	£3,689,529
2003/04	£1,646,994	£2,571,264	£4,218,258
2004/05	£1,645,400	£3,505,059	£5,150,459

19) Ms Atkinson states that KFL's products are sold throughout the United Kingdom and Europe. She states that at 23 March 2007 there were approximately 23,736 shops selling KFL's products in the United Kingdom. She exhibits various invoices at KA28; these show products being sold under the Tesco, Waitrose and Sainsbury trade marks as well as KFL's trade marks. Ms Atkinson states that KFL's products are in 64% of grocery stores; this 64% accounts for 90% of value of sales in the grocery sector. She states that



by mid 2002 KFL's range of tortilla chip products had achieved grocery distribution of 12% and by 2005 this had increased to 19%. Ms Atkinson states that KFL's products have been marketed under retailer's premium trade marks. Exhibited at KA29 are graphs showing ex-factory sales of KFL's private label products. In 2002 and 2005 the **retail** sales values were £24.5 million £25.8 million respectively.

20) Ms Atkinson gives the following turn figures for KFL:

1998	£19,986,000
1999	£21,601,000
2000	£26,159,000
2001	£33,339,000
2002	£40,152,000
2003	£39,666,000
2004	£37,289,000
2005	£34,823,000

21) Ms Atkinson states that KFL's products can be found on shelves selling other crisp products, on shelves selling dips or sauces, on shelves selling other snack food products, such as sandwiches, on shelves selling other snack food products, including microwave meals.

22) Ms Atkinson states that KFL's products have received extensive coverage in the media. She exhibits at KA35 a list of publications with readership figures and the dates of publication.

23) Ms Atkinson states that quality is a hallmark of KFL's products. She states that the marketing strategy of KFL has been to designed to indicate the quality of the products used to produce KFL's goods. Exhibited at KA36 are pages from KFL's website, downloaded on 12 August 2005, which show use of the strap line "real ingredients, real taste". Ms Atkinson exhibits at KA37 material showing the relationship of KFL with Garden Organic (previously the HDRA<sup>1</sup>). Ms Atkinson states that KFL place emphasis on obtaining high profile distribution for its products in "opinion forming outlets". She states that these are the gourmet food outlets such as Harvey Nichols' fifth floor and the food halls of Harrods and Selfridges; material relating to this is exhibited at KA38 and KA39. Ms Atkinson states that the higher quality of KFL's products are reflected in the price. The average price per kilogram of crisps and snacks for other companies is £5.94, for KFL it is £9.21.

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<sup>1</sup> Henry Doubleday Research Association

24) Ms Atkinson exhibits at KA40 examples of letters of praise for KFL's products. Exhibited at KA41 is a list of the events at which KFL exhibited in 2002. Ms Atkinson states that KFL has taken great pains to exhibit at high quality shows. She states that the recipes that use KFL's products are intended to emphasise that the products are produced by a chef using natural ingredients rather than being synthesised by a chemist. Ms Atkinson states that KFL has taken great care to provide a high quality service to consumers through an 0800 line and providing reply letters to consumer queries on various matters. Included in KA42 are tables giving the number of consumer enquiries from June 2000 – November 2005 (inclusive).

25) Ms Atkinson states that nowadays brands can be used across a growing number of products. She states that the trend began with the extension of the Mars brand from confectionery into ice cream in the late 1980s. She states that is now common to see brands being used across food products. Ms Atkinson states that the most successful, new, private label ranges of recent years – premium private label brands such as Tesco Finest and Sainsbury Taste the Difference – extend across many food product areas. She states that two of the most successful food ranges are chilled ready meals and hand cooked crisps. Ms Atkinson states that KFL is by far the largest supplier of hand cooked crisps under premium private label brands and has a strong reputation in the understanding and development of premium private label ranges.

26) Ms Atkinson states that it is beneficial for companies whose trade marks “attract a premium quality” to use those trade marks across a range of food products because the goodwill attaching to the trade marks immediately helps to sell the new product. She states that, consequently, the possibility that KFL may sell other food ranges under its trade marks is ever present. She states that KFL has researched and developed products which would extend its trade marks and company offering into, for example, chilled foods and bread-based products. Ms Atkinson states that both of these received a promising response from consumers in research, as did the concept of using KFL's trade marks on such products.

27) Ms Atkinson states that KFL has applied for and registered various domain names that incorporate its trade marks. She gives examples of these. Ms Atkinson states that the number of hits on KFL's website kettlechips.co.uk has increased greatly since 2000. Exhibited at KA43 are tables for hits for the years 2000, 2001 and 2002. In the period December 1999 to December 2000 there were 1370 hits from the United Kingdom, from January 2001 to December 2001 there were 8405 hits from the United Kingdom, from January 2002 to February 2002 there were 1380 hits.

28) Ms Atkinson states that KETTLE trade mark has been used across a broad range of products eg KETTLE tortillas, KETTLE TIAS, KETTLE MEDITERRANEAN, KETTLE BAKED, KETTLE POPPINS, KETTLE Dips, KETTLE ORGANICS, KETTLE Chips, KETTLE VEGETABLES, KETTLE KITCHEN, KETTLE CRISPY BAKES and KETTLE CURLS. She states that these trade marks form a family of trade marks.

29) Ms Atkinson states that KFI is the proprietor of numerous other applications and registrations for its KETTLE trade marks in approximately 70 countries and territories.

30) Ms Atkinson states that KFL has taken action against various undertakings which it considered were infringing its trade marks.

31) Ms Atkinson states that KFL's products are bought and sold in or through all of the services covered by Heighrow's application. She states that it is not uncommon for food manufacturers to provide a selling service. She states that KFL has its own bistro. Haagen Dazs, the ice cream brand, has a range of shops under the same trade mark. Ms Atkinson states that Cadburys has Cadbury Café, she gives the url for this café, which includes cadburyworld in it. Ms Atkinson states that it is common for retail brands to extend their brand as a product brand. She states that a large number of retailers have their own brands; Ms Atkinson gives two urls and one domain name in relation to this.

## **DECISION**

### **Findings arising from the evidence**

32) The evidence in relation to use of the trade marks of KFL in relation to popcorn is very sparse. The only material that has any indication of a date of provenance shows a copyright date of 1999 (see paragraph 15). On the basis of the evidence before me I do not consider that KFL has established a reputation at the date of the application for registration of Heighrow's trade mark (the material date) in relation to use of its trade marks for popcorn, in terms of any of the sections of the Act upon which it relies. The evidence shows clear use on crisps, tortilla chips and dips. KFL's goods have enjoyed large market penetration, being available in a large number of stores throughout the United Kingdom. In my experience crisps and analogous products such as tortilla chips and dips for the use thereof, are sold together in shops. The person seeking such goods will see a variety of brands and become aware of the brand even if they do not purchase it. I consider that taking into account the length of the period of use, the amount of promotion and the market penetration, that in respect of crisps, tortilla chips and dips the trade mark KETTLE (stylised or not) will be known to "a significant part of the public concerned by the products or services covered" and so has reached the threshold for a reputation for the other elements of section 5(3) of the Act to come into play. This level of reputation also means that in respect of section 5(4)(a) KFL has the requisite goodwill for passing-off to be considered and the protection, in respect of these particular goods, under section 5(2)(b) is potentially enhanced. The FOODS element of KETTLE FOODS is so completely non-distinctive for goods that are foods, consequently I consider that this reputation will also apply to this trade mark. Ms Atkinson states that KFL has its own bistro, she exhibits menus in relation to this. One of these menus does have the KETTLE FOODS name and logo. All of the menus bear the trade mark of Eurest. It seems to me that what Ms Atkinson describes as a bistro is a staff canteen for KFL employees that is run by Eurest. I do not consider that this establishes a goodwill in relation to catering or analogous services. Even if it did establish such a goodwill the parameters would be so limited that I cannot see that there would be confusion/deception or damage. No doubt the KFL staff would be able to identify what is their staff canteen and what is not.

33) Ms Reid was strenuous in stressing the nature of the reputation that KFL enjoys for its products. She made the distinction between a reputation that is simply quantitative and one that is also qualitative. Ms Reid described the qualities represented by KFL's trade marks as being "ethical, groundbreaking/innovative, premium quality, natural, hand-cooked products". This seems a reasonable summary of the qualities that KFL wishes to have in relation to its goods. The levels of promotion of the goods are relatively limited, as indicated by the nature of the promotional tools used. The means of mass promotion, such as being advertised by Tesco or Asda, do not directly push the qualities claimed by Ms Reid. The figures that Ms Atkinson gives in relation to promotion seem to cover several areas which it is, in my view, difficult to describe as promotion or which will not directly effect the average consumer. So expenditure in the trade includes such things as private label support and development, which is not going to have an effect upon the average consumer's view of KFL's products. Included in "expenditure directly relating to building the KETTLE and KETTLE FOOD brand" is product and consumer research; it is difficult for me to see how this can reasonably be described as promotional activity. No doubt the image that KFL wishes to portray has been diffused to some of its customers, those for instance who take the time to write to KFL, but it needs to be borne in mind that in terms of market share the number of actual customers is limited, 2.5% of the top ten crisp and analogous product brands in 2000. Ms Atkinson herself does not give any figures relating to market share. Knowledge of a brand and knowledge of the values that the owner is trying to have associated with the brand are not one and the same<sup>ii</sup>. If there is enormous promotion it might be inferred that the image that an owner wants to have projected will have been taken on board by a significant part of the public. In this particular case the quantitative reputation is built more on store presence rather than actual market share. From the evidence before me I cannot gauge at the material date, or even at a later, date whether KFL's trade marks do have a qualitative reputation amongst "a significant part of the public concerned by the products or services covered"<sup>iii</sup>, only that it had a quantitative reputation. There is nothing in the evidence that allows me to look into the minds of a significant part of the public concerned, or is indicative of the state of their minds. I do not consider that those who write to KFI in praise of their products can be considered to be representative of the public at large.

34) Ms Reid argued that, in relation to section 5(4)(a) of the Act, KFL had established that it had a family of trade marks. A family of trade marks exists where a series of trade marks contain a common signature<sup>iv</sup>. Ms Reid referred to pages from exhibit KA5 in relation to this family of trade marks. On page 90 one can see the following the use KETTLE® Chips, KETTLE® Organics, KETTLE® Chips Specials, KETTLE® Mediterranean Chips, KETTLE® Mediterranean Dips, KETTLE® Tortillas. This appears to me to be use of KETTLE with a descriptive term. The very nature of the use, with the ® coming after KETTLE and KETTLE being indicative of this emphasises the nature of the use. I do not consider that this type of use establishes the type of pattern that one expects from a family of trade marks. If it does then effectively the use of a trade mark with any descriptive term gives rise to a family of trade marks. Equally use of a house mark that sub-brands also represent a family of trade marks. In the former case any proprietor who uses the trade mark on more than one product could effectively claim a family of trade marks. I do not consider that use of Buggins nails, Buggins screws,

Buggins nuts adds up to a signature or pattern, it is simply use as one would expect of the trade mark for goods. All that is shown is that the KFL uses its KETTLE trade mark with terms that describe the goods that it is selling, something that is hardly surprising. Ms Atkinson also refers to use of KETTLE TIAS and KETTLE POPPINS, there is no evidence of any use of these signs which would have an impact upon the public. Even if there were it would simply represent use of the house mark with a sub-brand. I do not consider that there is a family of trade marks. If it is considered that such does represent a family of the trade marks, then the extreme reductionism of the concept will mean that it has no effect on the perception of the consumer; which is the key point for a family of trade marks.

35) Ms Reid's commented upon the recipes that KFL have promoted which use their products; a number of the recipes contain fish products. KFL seem to consider that this shows a link between their products and the services of the application. The use of fish in the recipes is also significant to KFL, taking into account the presence of the word fish in Heighrow's trade mark. The chain of logic of the argument seems to run that KFL promotes its products with recipes, recipes that form meals or parts of meals, the services included in the application will supply meals or parts of meals, therefore there is a connection between the crisps or tortilla chips used in the recipes and catering services. On the basis of this premise any provider of a food or ingredient could claim a link to catering services owing to the publication of recipes using its products, so the supplier of flour or vinegar who produces promotional recipes could be seen to link to restaurant services. I consider that the links of the chain are thin and stretched to breaking point.

36) Ms Atkinson states that it is "not uncommon for food manufacturers to provide a selling service". Despite the statement that this is not uncommon Ms Atkinson comes up with three examples. One is KFL's staff canteen, one is a reference to a Cadbury Café, no supporting documentation is supplied in relation to this use but the url suggests that the café is at Cadbury World. The existence of a café at a Cadbury World or any other entertainment establishment is not surprising. The other example is Haagen Dazs, which, she advises, is a brand of ice cream. Ms Atkinson gives a url but supplies no documentation in relation to the nature of the business of Haagen Dazs. It seems to me that Ms Atkinson's claim is fatally flawed by her lack of examples of what she claims. Referring to Cadbury World and KFL's staff canteen smacks of desperation, if this was so common there should be a plenitude of examples which she could document. Ms Atkinson also refers to some retailers having their own branded products, I am not sure how this relates to the relationship between food producers and catering services.

37) I do not feel that the evidence to which I have referred in paragraphs 35 and 36 furthers KFI's case.

### **Likelihood of confusion – section 5(2)(b) of the Act**

38) According to section 5(2)(b) of the Act a trade mark shall not be registered if because:

“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.”

Section 6(1)(a) of the Act defines an earlier trade mark as:

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

The trade marks of KFI are earlier trade marks within the meaning of the Act.

### **Average consumer and nature of purchasing decision**

39) The goods and services of the earlier trade marks and Heighrow’s trade mark are all purchased and used by the public at large. The nature of the goods and services means that they can be of low cost or high cost, could be the result of an impulse buy or a careful purchasing decision. So, for instance, one could be visiting a snack bar at the side of a road or a Michelin starred restaurant; all are covered by the specification. There is no restriction upon the nature of the goods or services and there is, indeed, no way of effectively limiting them by their quality<sup>v</sup>. In these circumstances I have to take into account what may be considered the lowest common denominator in terms of the purchasing decision, which makes the prospect of imperfect recollection having an effect greater.

### **The earlier trade marks**

40) Registration no 3931953 includes class 43 services. It is for the trade mark KETTLE. KFI has a reputation for crisps, tortilla chips and dips, and such a reputation can assist where the goods or services are distant, although similar<sup>vi</sup>, and where the trade mark does not enjoy a great deal of inherent distinctiveness<sup>vii</sup>. Taking into account the distance between the goods for which KFI has a reputation and the services of the application, I consider that KFI’s position will be strongest in relation to the services which are closest to those of the application, despite the absence of reputation in relation to such services. In relation to registration no 2373414 the presence of the word FOODS, owing to its total descriptiveness, will add nothing to the case of KFI; although I note that Ms Reid considered that it would. Consequently, in relation to section 5(2)(b) I will make my determination base on registration no 3931953. If KFI cannot succeed on the basis of this registration I cannot see that it could succeed on the basis of its other registrations.

## Comparison of services

41) The services of the application are:

*restaurant, public house, bar, café and hotel services; preparation and serving of food and drink; catering services; snack bars; wine bar services; sandwich bar services, cocktail lounge services; provision of facilities for exhibitions, functions and conferences.*

The class 43 services of registration no 3931953 are:

*providing of food and drink; cafes and cafeteria services; canteen services; catering services; restaurants and self-service restaurant services; snack bars.*

The highlighted services of the application are encompassed by the services of the earlier registration and so are identical. The remaining services of the application are limited in their scope by the class<sup>viii</sup>. The main services in relation to exhibitions, functions and conferences are not in class 43. Class 43 includes the peripheral services, services such as catering services for exhibitions, functions and conferences. The specification will also include services such as hiring of furniture for exhibitions, however, as the remaining terms include the services of the earlier trade mark the services must be treated as being identical<sup>ix</sup>.

## Comparison of trade marks

42) The trade marks to be compared are:

**Earlier trade mark:**

**KETTLE**

**Heighrow's trade mark:**

**FISH KETTLE**

43) The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details<sup>x</sup>. 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<sup>xi</sup>. Consequently, I must not indulge in an artificial dissection of the trade marks, although I need to take into account any distinctive and dominant components. The average consumer rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he/she has kept in his mind and he/she is deemed to be reasonably well informed and reasonably circumspect and observant<sup>xii</sup>. The assessment of the similarity of the trade marks must be made by reference to the perception of the relevant public<sup>xiii</sup>.

44) I see little point in dissecting the trade marks. They both share the KETTLE element. The distinctive and dominant component part of KFI's trade mark rests in KETTLE as a whole. In its counterstatement Heighrow states that FISH KETTLE hangs together, being a utensil for cooking fish. It claims that KETTLE is not the distinctive and

dominant element of its trade mark. Heighrow states that the word FISH will not be discounted by the public. If the public will recognize the term fish kettle as a cooking utensil the trade mark will hang together and there will be no separate distinctive and dominant element; one does not normally split, for instance, the components of frying pan, jam jar or cake tin. However, fish kettles are not on a par with frying pans, jam jars and cake tins. As far as I am aware they are not cooking utensils that are either commonly owned or commonly used. There is no evidence as to whether the average consumer would be aware of the existence of such a utensil as a fish kettle. It might be suggested that the juxtaposition of fish and kettle, regardless of the state of the knowledge of the public, would give rise to the perception of a utensil that is designed to cook fish. The average consumer is certain to know the nature of a kettle and I do not think that pushing a fish into such a kettle is something that is likely to spring to the mind; so I do not think that the concept is obvious from the words. I also do not consider that the average consumer is going to analyse Heighrow's trade mark and consider it in relation to the phrase a pretty/fine/different kettle of fish and then come to a conclusion as to the meaning of fish kettle. For the conceptual association to have effect the meaning must be clear and grasped immediately<sup>xiv</sup>. In the absence of evidence to show that the average consumer will recognize the term fish kettle, I do not consider that I can find that the meaning is clear and will be recognised immediately. The meaning of fish kettle is the central plank to Heighrow's defence and so it should have set out to establish that the term was known to the average consumer; it is not a matter that can be left to a wild guess by the hearing officer. This is not a matter, in my view, that falls within the parameters of judicial notice. This leaves me to decide what is the dominant and distinctive element of Heighrow's trade mark. In relation to the services of the application FISH<sup>xv</sup> is likely to be seen primarily as an indicator of the type of food that is to be offered. KETTLE has no direct reference to the services, although it of course has an allusion to cooking. I consider that the distinctive and dominant element of Heighrow's trade mark is KETTLE. Ms Reid in her submissions sought assistance from the findings of the European Court of Justice (ECJ) in *Medion AG v Thomson multimedia Sales Germany & Austria GmbH* Case C-120/04<sup>xvi</sup>. The issue that is thrown up by this is as to whether in the trade mark FISH KETTLE the KETTLE element has an independent distinctive rôle. Consequent upon my finding above, it does.

45) The respective trade marks coincide in their distinctive and dominant elements. In relation to these elements there is phonetic, visual and conceptual identity. Consequently, I consider that there is a high degree of similarity between the trade marks (especially taking into account the nature of the services, which could relate to the sale of fish eg could be for a fish restaurant).

## **Conclusion**

46) In considering whether there is a likelihood of confusion various factors have to be taken into account. There is the interdependency principle – a lesser degree of similarity between trade marks may be offset by a greater degree of similarity between services, and vice versa<sup>xvii</sup>. The respective services are identical. In this case there is also a high degree of similarity between the trade marks, making the likelihood of confusion greater.



It is necessary to consider the distinctive character of the earlier trade mark; the more distinctive the earlier trade mark (either by nature or nurture) the greater the likelihood of confusion<sup>xviii</sup>. The distinctive character of a trade mark can be appraised only, first, by reference to the goods or services in respect of which registration is sought and, secondly, by reference to the way it is perceived by the relevant public<sup>xix</sup>. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, it is necessary to make an overall assessment of the greater or lesser capacity of the mark to identify the goods 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<sup>xx</sup>. KETTLE has connotations of the kitchen but is in not descriptive of the class 43 services. I consider that it enjoys a reasonable degree of inherent distinctiveness. (There is no reputation in relation to these services and so KFI cannot look to the effects of reputation.) Considering the average consumer and the nature of the purchasing process I consider that there is a likelihood of confusion. (If Heighrow had established that the average consumer knows that there is such a thing as a fish kettle, then answer could well have been different owing to the conceptual associations.<sup>xxi</sup>)

**47) KFI succeeds in its grounds under section 5(2)(b) of the Act and the application is to be refused in its entirety.**

### **Section 5(3) of the Act**

48) Section 5(3) of the Act reads:

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

Likelihood of confusion is not a requirement in respect of section 5(3) of the Act<sup>xxii</sup>. However as with likelihood of confusion it is necessary to make a global appreciation<sup>xxiii</sup>. In order to succeed under section 5(3) it is necessary to establish that the relevant section of the public would make a link between the earlier trade mark and the later trade mark<sup>xxiv</sup>. It needs to be a link that has an economic effect<sup>xxv</sup>. The damage or advantage must be more than a mere hypothetical possibility<sup>xxvi</sup>.

49) A helpful summary of the factors to be considered was given by the First Board of Appeal in *Mango Sport System SRL Socio Unico Mangone Antonio Vincenzo v Diknah SL* (Case R 308/2003-1) [2005] ETMR 5<sup>xxvii</sup>. KFI has the requisite reputation in relation to crisps, tortilla chips and dips. In the context of section 5(3) these are the only goods of KFI that can be considered. I have decided that the respective trade marks have a good degree of similarity. Snack bars, sandwich bars, bars and the like do sell crisps and tortilla chips, however, there is no evidence of the producers of such products, or dips, branching out into the catering trade or vice versa. The goods and services are food

related but in my view there is an enormous distance between them. A distance that is so great that the average consumer is unlikely to see a link between the goods of KFI and the services of Heighrow. (If KETTLE were an invented word this might have increased the possibility of a link being established as its connotations would be much more likely to link back to the earlier trade mark owner.) In the absence of such a link there can be neither advantage to Heighrow nor detriment to KFI.

**50) The section 5(3) grounds of opposition are dismissed.**

**Passing-off – section 5(4)(a) of the Act**

51) Section 5(4)(a) of the Act states:

“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,<sup>xxviii</sup>”

52) It is necessary to decide what the material date for this case is. All issues must be considered in relation to this date. It is well established that the material date for passing-off is the date of the behaviour complained of<sup>xxix</sup>. Section 5(4)(a) is derived from article 4(4)(b) of First Council Directive 89/104 of December 21, 1998 which states:

“rights to a non-registered trade mark or to another sign used in the course of trade were acquired prior to the date of application for registration of the subsequent trade mark”.

Consequently, the material date cannot be after the date of application. There is no indication of use by Heighrow and so the behaviour complained of is the trade mark application and, consequently, the material date is the date of the application, 6 September 2005.

53) I have decided above that the goodwill in relation to the signs KETTLE and KETTLE foods relates to crisps, tortilla chips and dips. There is a distance between these goods and the services of the application.

54) It can be difficult to establish confusion where there is a distance between the fields of activities<sup>xxx</sup>. Equally there are difficulties in establishing damage when the parties are in different lines of business<sup>xxxi</sup>. KFI (through the business of KFL) has to establish that it is really likely to suffer, substantial damage to the property in its goodwill<sup>xxxii</sup>. Christopher Wadlow in *The Law of Passing-Off* (third edition) at 4-23 puts forward the following proposition:

“Most of the authorities may perhaps be reconciled with the proposition that the risk of damage is sufficiently real if:

1. Confusion between the parties will be widespread and inevitable, even though there may be no immediate reason to believe that actual damage in any particular form will occur, or
2. There will be some confusion of the parties, and the defendant's business poses a special risk to the claimant because of the way it is currently conducted or because of future developments which can actually be expected.

If confusion with the claimant is slight and tangible damage speculative then there is no liability for passing off.”

55) Owing in the distance between the goods in relation to which there is a goodwill and the services of the application I do not consider that there will be confusion or that KFL is really like to suffer damage to the goodwill of its business. **The grounds of opposition under section 5(4)(a) of the Act are dismissed.**

## COSTS

56) KFI has been successful in relation to its objection under section 5(2)(b). It has been unsuccessful in relation to the other two grounds. The evidence that it has filed has had no effect upon the outcome of the case, the section 5(2)(b) case was settled on a mark to mark and services to services analysis. Consequently, I do not consider that KFI should receive a contribution towards the cost of the evidence that it has filed<sup>xxxiii</sup>. Heighrow has asked for any award of costs to take into account extensions of time requests that were filed by KFI in relation to the filing of forms TM53 and TM54. I cannot see that the failure to file form TM54 timeously put Heighrow to any particular cost. In relation to the late filing of the form TM53, Heighrow's trade mark attorneys filed a one page letter, objecting to the granting of an extension of time. Reviewing the file I consider that KFI's lawyers were somewhat remiss in their dealings with this matter. I consider that the amount of costs to be awarded to KFI should be reduced by £25 to take this into account.

57) I award costs on the following basis:

Opposition fee:	£200
Notice of opposition:	£300
Considering the counterstatement:	£200
Preparation for and attendance at hearing:	£750
	-£25
<b>TOTAL</b>	<b>£1425</b>

**58) I order Heighrow Limited to pay Kettle Foods, Inc the sum of £1425. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.**

**Dated this 11th day of September 2007**

**David Landau  
For the Registrar  
the Comptroller-General**

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<sup>i</sup> *General Motors Corporation v Yplon SA* Case C-375/97 [2000] RPC 572.

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<sup>ii</sup> Collins LJ in *A W Gamage, Ld v H E Randall, Ld* [1899] 16 RPC 185 gave a useful caveat in considering the effects of advertising:

“It is no use affirming before us that the Plaintiffs have spent a very large sum of money in advertising. They may have thrown their bread on the waters and it may not have returned to them yet; hereafter possibly it may. Advertising is simply a method by which the Plaintiffs hope that they will succeed in identifying their name with the name of the shoe in such a way that when a person asks for a “Shorland” shoe he expects and intends to get a shoe coming from *Gamages’* shop. That is the purpose of advertising. It is not *ad rem* at all unless it has succeeded in producing that effect.”

<sup>iii</sup> *General Motors Corporation v Yplon SA* Case C-375/97 [2000] RPC 572.

<sup>iv</sup> *Il Ponte Finanziaria SpA* Case C-234/06 P Opinion of AG Sharpston.

<sup>v</sup> See by analogy the comments of Mr Geoffrey Hobbs, QC, sitting as the appointed person, in *Croom’s Trade Mark Application* [2005] RPC 2 re the attempt to distinguish goods by reference to haute couture.

<sup>vi</sup> *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117.

<sup>vii</sup> *Sabel BV v Puma AG* [1998] RPC 199.

<sup>viii</sup> *Altecnic Ltd’s Trade Mark Application* [2002] RPC 34.

<sup>ix</sup> *Gérard Meric v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-133/05. This was also the position of Professor Annand, sitting as the appointed person in *Galileo International Technology LLC v Galileo Brand Architecture Limited* BL 0/269/04.

<sup>x</sup> *Sabel BV v Puma AG* [1998] RPC 199.

<sup>xi</sup> *Sabel BV v Puma AG* [1998] RPC 199.

<sup>xii</sup> *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* [2000] FSR 77.

<sup>xiii</sup> *Succession Picasso v OHIM - DaimlerChrysler (PICARO)* Case T-185/02.

<sup>xiv</sup> *GfK AG v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-135/04.

<sup>xv</sup> *José Alejandro SL v Office for Harmonization in the Internal Market (Trade Marks and Designs), Anheuser-Busch Inc Intervening*(Case T-129/01) [2004] ETMR 15:

“The Court notes that the public will not generally consider a descriptive element forming part of a complex mark as the distinctive and dominant element of the overall impression conveyed by that mark.”

<sup>xvi</sup> “29 In the context of consideration of the likelihood of confusion, assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark. On the contrary, the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components (see *Matratzen Concord*, paragraph 32).

30 However, beyond the usual case where the average consumer perceives a mark as a whole, and notwithstanding that the overall impression may be dominated by one or more components of a composite mark, it is quite possible that in a particular case an earlier mark used by a third party in a composite sign

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including the name of the company of the third party still has an independent distinctive role in the composite sign, without necessarily constituting the dominant element.

31 In such a case the overall impression produced by the composite sign may lead the public to believe that the goods or services at issue derive, at the very least, from companies which are linked economically, in which case the likelihood of confusion must be held to be established.

32 The finding that there is a likelihood of confusion should not be subject to the condition that the overall impression produced by the composite sign be dominated by the part of it which is represented by the earlier mark.

33 If such a condition were imposed, the owner of the earlier mark would be deprived of the exclusive right conferred by Article 5(1) of the directive even where the mark retained an independent distinctive role in the composite sign but that role was not dominant.

34 This would be the case where, for example, the owner of a widely-known mark makes use of a composite sign juxtaposing this mark and an earlier mark which is not itself widely known. It would also be the case if the composite sign was made up of the earlier mark and a widely-known commercial name. In fact, the overall impression would be, most often, dominated by the widely-known mark or commercial name included in the composite sign.

35 Thus, contrary to the intention of the Community legislator expressed in the 10th recital in the preamble to the directive, the guarantee of the earlier mark as an indication of origin would not be assured, even though it still had an independent distinctive role in the composite sign.

36 It must therefore be accepted that, in order to establish the likelihood of confusion, it suffices that, because the earlier mark still has an independent distinctive role, the origin of the goods or services covered by the composite sign is attributed by the public also to the owner of that mark.

37 Accordingly, the reply to the question posed must be that Article 5(1)(b) of the directive is to be interpreted as meaning that where the goods or services are identical there may be a likelihood of confusion on the part of the public where the contested sign is composed by juxtaposing the company name of another party and a registered mark which has normal distinctiveness and which, without alone determining the overall impression conveyed by the composite sign, still has an independent distinctive role therein.”

<sup>xvii</sup> *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117.

<sup>xviii</sup> *Sabel BV v Puma AG*.

<sup>xix</sup> *Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91.

<sup>xx</sup> *Windsurfing Chiemsee v Huber and Attenberger* Joined Cases C-108/97 and C-109/97 [1999] ETMR 585.

<sup>xxi</sup> See *Phillips-Van Heusen Corp v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-292/01 [2004] ETMR 60.

<sup>xxii</sup> *Adidas-Salomon AG and Adidas Benelux BV v Fitnessworld Trading Ltd* Case C-408/01 [2004] ETMR 10.

<sup>xxiii</sup> *Adidas-Salomon AG and Adidas Benelux BV v Fitnessworld Trading Ltd* Case C-408/01 [2004] ETMR 10.

<sup>xxiv</sup> *Adidas-Salomon AG and Adidas Benelux BV v Fitnessworld Trading Ltd* Case C-408/01 [2004] ETMR 10.

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<sup>xxv</sup> *Electrocoin Automatics Limited v Coinworld Limited and others* [2005] ETMR 31.

<sup>xxvi</sup> *Mastercard International v Hitachi Credit (UK) Plc* [2005] ETMR 10, *esure Insurance Limited v Direct Line Insurance plc* [2007] EWHC 1557 (Ch), *Antartica Srl v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-12/04*, *Spa Monopole v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-67/04* and *Intel Corporation Inc v CPM United Kingdom Ltd* [2006] ETMR 90.

<sup>xxvii</sup> “13 The infringements referred to in that article, where they occur, are the consequence of a certain degree of similarity between the mark and the sign, by virtue of which the relevant section of the public makes a connection between the sign and the mark, that is to say, establishes a link between them even though it does not confuse them. The protection conferred thereby is not conditional on a finding of a degree of similarity between the mark with a reputation and the sign such that there exists a likelihood of confusion between them on the part of the relevant section of the public. It is sufficient for the degree of similarity between the mark with a reputation and the sign to have the effect that the relevant section of the public establishes a link between the sign and the mark (see, to that effect, *ADIDAS*, at [29] and [30] and Case C-375/97 *General Motors* [1999] E.C.R. I-5421, at [23]).

14 The existence of such a link must, just like a likelihood of confusion, be appreciated globally, taking into account all factors relevant to the circumstances of the case (see, to that effect, *ADIDAS*, at [30]).

15 The condition of similarity between the mark and the sign, referred to in the above article, requires the existence, in particular, of elements of visual, aural or conceptual similarity (see, to that effect, judgment of the Court of 23 October 2003 *Adidas Salomon AG and Adidas Benelux BV v Fitnessworld Training Ltd* in Case R C-408/01 “*ADIDAS*”, at [28]).

16 A knowledge threshold is implied in the above provision as regards both the public concerned and the territory concerned. The degree of knowledge must be considered when the earlier mark is known by a significant part of the public concerned, either the public at large or a more specialised public depending on the product or service marketed and covered by that mark. Territorially, the knowledge condition is fulfilled where the trade mark has reputation in a substantial part of the territory of the Member State in question (see, to that effect, judgment of the Court of 14 September 1999 in Case C-375/97 *General Motors Corp v Yplon SA (“Chevy”)* [1999] E.C.R. I-5421, at [22] to [28]).

17 If the condition as to the existence of reputation is fulfilled as regards both the public concerned and the territory in question, it must next be examined whether use without due cause of the trade mark applied for would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.

18 The requirements of the latter condition are not cumulative. It is sufficient that the mark applied for would either take unfair advantage of the distinctive character or the repute of the earlier trade mark, or that the mark applied for would be detrimental to the distinctive character or the repute of the earlier trade mark.

19 As to unfair advantage, which is in issue here since that was the condition for the rejection of the mark applied for, that is taken when another undertaking exploits the distinctive character or repute of the earlier mark to the benefit of its own marketing efforts. In that situation that undertaking effectively uses the renowned mark as a vehicle for generating consumer interest in its own products. The advantage for the third party arises in the substantial saving on investment in promotion and publicity for its own goods, since it is able to “free ride” on that already undertaken by the earlier reputed mark. It is unfair since the reward for the costs of promoting, maintaining and enhancing a particular trade mark should belong to the owner of the earlier trade mark in question (see, to that effect, decisions of the First Board of Appeal of 8 February 2002 in Case R 472/2001-1-- *BIBA/BIBA* (fig. MARK), First Board of 20 October 2003 in Case 2003-R 1004/2000-1-- *KINDER CARE* (fig. MARK)/*kinder et al.*, at [26], and of the Fourth Board of Appeal of 26 July 2001 in Case R 552/2000-4 *COSMOPOLITAN COSMETICS/COSMOPOLITAN*).

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20 In that regard, it should be observed that the stronger the earlier mark's distinctive character and reputation the easier it will be to accept that unfair advantage has been taken or detriment has been caused (see, to that effect, judgment of the Court of 14 September 1999 in Case C-375/97 General Motors Corp v Yplon SA ("Chevy")) [1999] E.C.R. I-5421, at [30]).

21 Furthermore, the closer the similarity between the marks the greater is the risk that unfair advantage will be taken. An identity or a very high degree of similarity is a factor of particular importance in establishing if an unfair advantage will be taken (see KINDERCARE (fig. MARK)/kinder et al., and Decision of the Second Board of Appeal of 8 November 2001 in Case R 303/2000-2-- Magefesa (fig. MARK)/ Magefesa (fig. MARK), at [21] and [23]).

22 The greater the proximity between the goods and the circumstances in which they are marketed, the greater the risk that the public in question will make a link between the mark and the sign in question. The existence of the similarity of the goods may be taken into account to the extent that the greater the similarity between the goods in question, the greater the risk that unfair advantage will be taken of the earlier mark (see decision of the Third Board of 25 April 2001 in Case R 283/1999-3 HOLLYWOOD/HOLLYWOOD)."

<sup>xxviii</sup> Mr Geoffrey Hobbs QC, sitting as the appointed person, in the *Wild Child case* [1998] RPC 455 explains the nature of what has to be considered in a passing-off case:

"A helpful summary of the elements of an action for passing off can be found in Halsbury's Laws of England 4th Edition Vol 48 (1995 reissue) at paragraph 165. The guidance given with reference to the speeches in the House of Lords in *Reckitt & Colman Products Ltd v Borden Inc* [1990] RPC 341 and *Erven Warnink BV v J Townend & Sons (Hull) Ltd* [1979] ACT 731 is (with footnotes omitted) as follows:

"The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

- (1) that the plaintiff's goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
- (2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the defendant are goods or services of the plaintiff; and
- (3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant's misrepresentation."

.....Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:

"To establish a likelihood of deception or confusion in an action for passing-off where there has been no direct misrepresentation generally requires the presence of two factual elements:

- (1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and
- (2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether



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deception or confusion is likely is ultimately a single question of fact. In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

- (a) the nature and extent of the reputation relied upon;
- (b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;
- (c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;
- (d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and
- (e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.””

<sup>xxix</sup> *Cadbury Schweppes Pty Ltd v Pub Squash Co Pty Ltd* [1981] RPC 429 and *Inter Lotto (UK) Ltd v Camelot Group PLC* [2004] RPC 8 and 9.

<sup>xxx</sup> Millet LJ in *Harrods v Harrodian School* [1996] RPC 697:

“It is not in my opinion sufficient to demonstrate that there must be a connection of some kind between the defendant and the plaintiff, if it is not a connection which would lead the public to suppose that the plaintiff has made himself responsible for the quality of the defendant’s goods or services”

“The absence of a common field of activity, therefore, is not fatal; but it is not irrelevant either. In deciding whether there is a likelihood of confusion, it is an important and highly relevant consideration.”

<sup>xxxi</sup> *Stringfellow v McCain Foods (GB) Ltd* [1984] RPC 501 Slade LJ:

“even if it considers that there is a limited risk of confusion of this nature, the court should not, in my opinion, readily infer the likelihood of resulting damage to the plaintiffs as against an innocent defendant in a completely different line of business. In such a case the onus falling on plaintiffs to show that damage to their business reputation is in truth likely to ensue and to cause them more than a minimal loss is in my opinion a heavy one.”

<sup>xxxii</sup> *Erven Warnink BV v J Townend & Sons (Hull) Ltd* [1980] RPC 31.

<sup>xxxiii</sup> See *West t/a Eastenders v Fuller Smith Turner PLC* [2004] FSR 32 and *Actavis Limited v Merck & Co Inc* [2007] EWHC 1625 (Pat).