

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 2485913
IN THE NAME OF APPETITE RETAIL LIMITED**

**AND IN THE MATTER OF OPPOSITION No. 98357 THERETO
BY APETITO AG**

**AND IN THE MATTER OF AN APPEAL TO THE APPOINTED PERSON
BY THE OPPONENT
AGAINST THE DECISION OF MRS. A. CORBETT
DATED 23 JUNE 2010**

DECISION

Introduction

1. On 24 April 2008, Appetite Retail Limited applied to register the designation represented below for use as trade mark in the United Kingdom:



2. Registration was requested in respect of the following goods and services:

Class 29

Meat, fish, poultry and game; meat extracts; preserved, dried and cooked fruits and vegetables; jellies, jams, fruit sauces; eggs, milk and milk products; edible oils and fats; prepared meals, desserts and snacks comprising the aforesaid goods; beverage ingredients, flavourings, food supplements and additives in this class; syrups

Class 30

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; prepared meals and snacks comprising the aforesaid goods; beverage ingredients, flavourings,

food supplements and additives in this class; gravy; thickening agents for cooking food; frozen food products in this class

Class 43

Services for providing food and drink; temporary accommodation; catering services; restaurant, café and bar services

3. The Application was published in the Trade Marks Journal on 5 September 2008. On 2 December 2008, apetito AG opposed the Application under section 5(2)(b) and 5(3) of the Trade Marks Act 1994.
4. Apetito AG relied on its earlier Community trade mark Registration number 000385237 for the word apetito in respect of:

Class 5

Dietetic foodstuffs adapted for medical use

Class 11

Cooking, refrigerating, freezing and defrosting apparatus

Class 21

Deep-freezing containers and heat-insulated containers

Class 29

Prepared meals, mainly of meat, sausage, fish, game, poultry, prepared fruit and vegetables, potatoes, mashed potatoes, potato dumplings, prepared pulses, mushrooms, meat salads, fish salads, fruit salads, vegetable salads, soups, meat jellies, fish jellies, fruit jellies, vegetable jellies, eggs, cheese, quark, milk, butter, cream, yoghurt and ingredients for the aforesaid meals in prepared form

Class 30

Prepared meals, mainly of pearl barley, semolina, groats, oat flakes, cereal preparations (except foodstuffs for animals), rice, pasta, bread, pastries, confectionery, blancmanges, chocolate, ices, honey and/or jam (including honey and/or jam being desserts), and ingredients for the aforesaid meals in prepared form, sauces, including salad dressings, snacks with a potato and cereal product base; non-alcoholic coffee, tea, cocoa and chocolate drinks

Class 37

Cleaning of kitchen equipment and delivery vehicles

Class 39

Providing of food and drink to the public and mobile food delivery services, namely the delivery of meals, route planning for mobile food delivery services

Class 41

Conducting of seminars for the management and employees of services providing food and drink to the public; conducting seminars on nutrition for athletes

Class 42

Providing of food and drink to the public and mobile food delivery services, namely serving meals, providing of food and drink, cooking or heating meals; technical and organisational planning of kitchen equipment for providing food and drink to the public; computer programming for customer and consumer files, order list accounts; nutrition consultancy for individuals and groups, planning of menus; nutrition consultancy for management and employees of services providing food and drink to the public

5. The earlier CTM was registered on 24 September 2004 and was therefore not subject to the proof of use provisions.
6. Appetite Retail Limited took issue with the grounds of opposition in a Notice of defence and counterstatement dated 11 February 2009. Both sides filed evidence and written arguments but since neither party requested an oral hearing the Hearing Officer decided the case on the basis of the papers before her.
7. In a written decision issued on 23 June 2010 under reference number BL O/203/10, the Hearing Officer rejected the opposition under section 5(2)(b) and 5(3) and awarded costs in the sum of £1100 to Appetite Retail Limited.
8. The Hearing Officer referred to the Applicant, Appetite Retail Limited, as “ARL” and the Opponent, apetito AG, as “AAG”. I shall do the same.

The appeal and standard of review

9. On 21 July 2010, AAG filed Notice of appeal to the Appointed Person under section 76 of the Act. At the appeal hearing before me, Mr. Thomas St. Quintin of Counsel appeared on behalf of AAG. Ms. Isabel Jamal of Counsel appeared on behalf of ARL.
10. There was little between the parties as to the standard of review of the Hearing Officer’s decision I should adopt on this appeal. Mr. St. Quintin took me to the statement by Pumfrey J. at first instance in *REEF Trade Mark* [2002] RPC 387 at 393:

“Findings of primary fact will not be disturbed unless the hearing officer made an error of principle or was plainly wrong on the evidence”

which was amplified by Robert Walker L.J. in the Court of Appeal [2003] RPC 101 at 109:

“In this case the hearing officer had to make what he himself referred to as a multi-factorial comparison, evaluating similarity of marks, similarity of goods and other factors in order to reach conclusions about likelihood of confusion and the outcome of a notional passing-off claim. It is not suggested that he was not experienced in this field, and there is nothing in the Civil Procedure Rules to diminish the degree of respect which has traditionally been shown to a hearing officer’s specialised experience. (It is interesting to compare the observations made by Lord Radcliffe in *Edwards v. Bairstow* [1956] AC 14 at pp. 38-39, about the general commissioners, a tribunal with a specialised

function but often little specialised training.). On the other hand the hearing officer did not hear any oral evidence. *In such circumstances an appellate court should in my view show a real reluctance, but not the very highest degree of reluctance, to interfere in the absence of a distinct and material error of principle*” [Mr. St. Quintin’s emphasis].

11. In brief, Mr. St. Quintin argued that the Hearing Officer had made errors both of law and fact in her assessment of section 5(2)(b) and, as a consequence of her findings in relation to that ground, in not considering the opposition under section 5(3). Ms. Jamal emphasised that the Hearing Officer must have been plainly wrong on the evidence. The fact that the evidence might have been subject to a different interpretation by another Hearing Officer was not enough. Furthermore, the real reluctance to interfere on my part operated in her favour.
12. Ms. Jamal made the forensic point that the section 5(3) ground was not mentioned in the Statement of grounds of appeal. Whilst that is true, the Hearing Officer’s dismissal of the opposition under section 5(3) depended on her previous finding of lack of reputation in the earlier trade mark for the purposes of section 5(2)(b). If it transpired that, after hearing the parties, I overturned the Hearing Officer’s decision under section 5(2)(b) and it proved necessary to decide the case under section 5(3), then in any event the proper course of action would be for me to refer the case back to the Registrar for him to decide the section 5(3) ground at first instance (*Giorgio Armani SpA v. Sunrich Clothing Limited* [2010] EWHC 2929 (Ch), para. 59).

Grounds of appeal

13. AAG’s primary argument was that the Hearing Officer wrongly assessed AAG’s claim to acquired distinctiveness in its earlier APETITO trade mark both legally and on the evidence. That was pivotal to the Hearing Officer’s finding of no likelihood of confusion because she said (at para. 64):

“Likelihood of confusion

64. I need to consider both direct and indirect confusion. In relation to direct confusion, where the average consumer, who rarely has the chance to make direct comparisons between marks but must instead rely upon the imperfect picture of them he has kept in mind, mistakes one mark for the other, the clear visual and aural differences between the marks mitigates strongly against any such likelihood of confusion *given the relatively low distinctive character of the earlier mark*. This is the case even taking into account that identical goods and services are involved. I find there is no likelihood of direct confusion” [emphasis added].

14. Although not specifically highlighted by Mr. St. Quintin, paragraph 65 continues:

“65. As I indicated above, it is possible that some people, on seeing the earlier mark may bring the word appetite to mind. But I do not consider the reverse to be true – the average consumer on seeing the mark applied for would not bring to mind the word apetito. Even if they did, mere association is not enough and *the position is not altered by the use made of the earlier mark*. I

do not consider that the consumer would go on to be confused about the economic origin of the goods and services. Taking all relevant factors into account, I find the respective marks are not likely to be indirectly confused” [emphasis added]

15. The disputed passages in the Hearing Officer’s decision were as follows (paras. 60 – 63):

“Distinctiveness of earlier mark

60. I also have to take into account the distinctive character of the earlier trade mark having regard to its inherent characteristics and the reputation it enjoys with the public and the goods and services on which it has been used. As set out in paragraph 9 above, although turnover figures of upwards of £20m annually have been provided, there is no explanation of how much of this relates to the sale of goods as opposed to services nor indeed is there any breakdown of figures from which I can apportion turnover between even the goods classes given the breadth of the registration extends to a range of very different goods. Marketing spend is said to have increased year on year from a low of £313,114 in 2003 to a high of £453,148 in 2007 (the last complete year before the relevant date in these proceedings) but is similarly unexplained.

61. As at the date the evidence was prepared (June 2008) some 300 vans and 30 commercial vehicles are said to have featured the trade mark. Exhibits RPR4 (undated but referring elsewhere to a 1998 award ceremony) refers to the company having a new livery for its fleet of 28 vehicles and pictures one of those vehicles. I note that the livery prominently features the name Waldens. The evidence of the awards made which appear at RPR 9 also refer to its having being awarded for Waldens’ products. Whilst it is not disputed that the company has a 60% share of the meal on wheels market within the UK, it is not clear that this relates to trade conducted under the mark relied on (the exhibits at RPR 3 which shows a van bearing only “Wiltshire Farm Foods” suggests not) nor, given that the company’s trade extends further than the meals on wheels market, how much of the company’s turnover this 60% share represents.

62. As far [as] I am able to see from all the exhibited material, there is little which shows the earlier mark as registered. Instead what is shown is a composite mark presented in red and green and includes a heart-shaped device element. That is not the mark relied on in these proceedings. In any event, as explained above, much of the material places significant emphasis on Waldens and other marks.

63. As I indicated above, the word *apetito* has no meaning in English but is likely to be recognised as having a meaning and may bring the word *appetite* to mind. The word *appetite* is, and as ARL submit, inherently weak for the goods and services concerned. In my view the word *apetito* being a non-English word, has an increased degree of inherent distinctiveness though that distinctiveness is not raised to any significant degree. Whilst it is clear that

the earlier mark has been used, given my comments regarding the deficiencies in the evidence, I am not provided with sufficient information on which to base an assessment of the extent of any reputation AAG has acquired. Likewise, it is not possible to say to what extent the distinctive character of the earlier mark might have been enhanced as a result of its use. The earlier mark has a relatively low distinctive character.”

16. AAG submitted that the Hearing Officer made two errors of law when assessing whether the earlier trade mark had acquired distinctive character and was therefore entitled to an enhanced penumbra of protection under section 5(2)(b). First, she did not take into account the decision of the Court of Justice of the European Union in Case C-353/03, *Société des produits Nestlé SA v. Mars UK Ltd* [2005] ECR I-6135 at paragraphs 26 – 30:

“26. In regard to acquisition of distinctive character through use, the identification, by the relevant class of persons, of the product or service as originating from a given undertaking must be as a result of the use of the mark as a trade mark (judgment in *Philips*, paragraph 64).

27. In order for the latter condition, which is at issue in the dispute in the main proceedings, to be satisfied, the mark in respect of which registration is sought need not necessarily have been used independently.

28. In fact Article 3(3) of the directive contains no restriction in that regard, referring solely to the ‘use which has been made’ of the mark.

29. The expression ‘use of the mark as a trade mark’ must therefore be understood as referring solely to use of the mark for the purposes of the identification, by the relevant class of persons, of the product or service as originating from a given undertaking.

30. Yet, such identification, and thus acquisition of distinctive character, may be as a result both of the use, as part of a registered trade mark, of a component thereof and of the use of a separate mark in conjunction with a registered trade mark. In both cases it is sufficient that, in consequence of such use, the relevant class of persons actually perceive the product or service, designated exclusively by the mark applied for, as originating from a given undertaking.”

17. That error of law covered both use of the earlier trade mark with other trade marks and - assuming the “composite mark” referred to by the Hearing Officer (at para. 62) was in fact a different mark (which was not accepted) - use of that “composite mark”. As regards the latter, Mr. St. Quintin submitted that the principle stated at paragraph 30 of the *Nestlé* judgment applied where a mark was used in a way that might slightly differ provided a component was the same as the mark as registered.
18. Second, AAG contended that the Hearing Officer ignored the rule stated by the supervising courts in Luxembourg in a number of cases starting with Case T-346/04, *Sadas SA v. OHIM* [2005] ECR II-4891 at paragraph 47 that a word mark can be used

in any script. In other words, use of the “composite mark” was use of the earlier mark and not a different trade mark.

19. As regards errors of fact, AAG argued first, that the Hearing Officer wrongly concluded that the evidence did not explain how much of the turnover related to goods and how much to services. The evidence clearly stated that the figures were not total turnover but were wholesale figures relating to the sale of goods (witness statement of Richard Peter Ring, dated 24 June 2008). That statement indicated that the provision of services (in relation to which AAG has 60% of the meals on wheels market) was excluded from those figures.
20. Second, the Hearing Officer wrongly concluded that there was significant emphasis on “Waldens” and other marks. There was no support for that finding in the evidence.
21. Third, AAG complained that in the Hearing Officer’s assessment of the evidence, she also drew conclusions that were unsupported by the evidence, as follows:
 - “(a) She concludes at paragraph 61, from a picture of a van bearing only the name “Wiltshire Farm Foods” in RP3, that none of AAG’s meals-on-wheels vans bear the earlier mark. This finding ignores the other evidence that establishes, on the contrary, that all of AAG’s meals-on-wheels vehicles carry the earlier mark:
 - (i) That is Mr. Ring’s unchallenged evidence at para. 12 of his 1st Witness Statement: he refers to “a fleet of around 300 specialist vans containing ovens to distribute their goods all of which feature the trade mark” [Emphasis added].
 - (ii) That is shown in all the literature relating to AAG’s specialist vans containing ovens (See e.g. Exhibit RPR8).
 - (iii) Mr. Ring notes that the literature at RPR8 all comes from 1999. It is therefore apparent that AAG’s earlier mark has been used on its fleet of specialist vans for many years prior to the filing of the application for the opposed mark in April 2008.
 - (b) She concludes at paragraph 61, in relation to AAG’s distribution vehicle livery shown in RPR4, that there is no relevant use of the earlier mark because those distribution vehicles “prominently feature the name Waldens”. There are no pictures of any vehicle in RPR4 that feature that name at all. There is a picture of a distribution vehicle in RPR9 under the text to which the Hearing Officer refers but that also does not appear to bear the name “Waldens” at all. What that picture does show is prominent branding with AAG’s earlier mark. Even if ‘Waldens’ does appear somewhere as a subsidiary mark, the Hearing Officer was wrong to ignore the primary branding of this vehicle with the word “apetito”.”

22. AAG lastly argued that by reason of the above errors, the Hearing Officer: (a) applied the wrong test for assessing likelihood of confusion under section 5(2)(b); and (b) erred in finding that the earlier trade mark lacked a reputation for the purposes of section 5(3).
23. ARL submitted that these were matters of interpretation of the evidence for the Hearing Officer although Ms. Jamal did concede at the hearing mistakes concerning the turnover figures for goods and Exhibit RPR4 (as to which see below). Ms. Jamal's bottom line was that even if the evidence did show use of the earlier trade mark it failed to demonstrate that the relevant public perceived goods or services bearing that mark as originating from AAG.

Discussion, law

24. The Hearing Officer discounted much of the evidence put forward by AAG as relating to use of a different mark (para. 62). That which she termed a "composite mark" was in fact the word *apetito* written in lower case in a fairly standard font and coloured red with a small green heart above the letter "i" instead of the usual dot.
25. The Hearing Officer did not, as in my judgment she should have done, ask herself whether such use was in a form differing in elements which did not alter the distinctive character of the mark in the form in which it was registered, the principles of which were set out by Mr. Richard Arnold QC sitting as the Appointed Person in *NIRVANA Trade Mark*, BL O/262/06 at paragraphs 9 – 21 and 34¹.
26. AAG's earlier Community registration was for the word *apetito* in black and white. That meant that colouring was optional, hence inessential and therefore incapable of affecting the distinctive character of the mark in the form in which it was registered (*Mary Quant Cosmetics Japan Ltd v. Able C&C Co Ltd*, BL O/246/08, Mr. Geoffrey Hobbs sitting as the Appointed Person at para. 8 and the cases referred to therein).
27. The fact that the mark appeared in red and green was therefore irrelevant as was the particular font chosen (*Sadas*, para. 47; see also Case T-106/09, *adp Gauselman GmbH v. OHIM*, 9 September 2010, para. 32, Case T-130/09, *Eliza Corporation v. OHIM*, 24 March 2010, para. 29 and Case T-386/07, *Peek & Cloppenburg v. OHIM* [2009] ECR II-0206, para. 27).
28. That leaves the small heart above the letter "i" replacing the dot in *apetito*. Applying the *NIRVANA* test, I believe it unlikely that the relevant public would regard this as anything more than a flourish. They would still perceive the distinctive character of the mark as residing in the verbal element *apetito*. The present situation is well within the tolerance of a General Court authority cited by Mr. Arnold in *NIRVANA*, Case T-147/03, *Devinlec Développement innovation Leclerc SA v. OHIM* [2006] ECR II-0011.
29. Accordingly, in my judgment, the Hearing Officer made an error of law in excluding use of *apetito* in this manner from her assessment of acquired distinctive character.

¹ In the context of an application for a declaration of revocation for non-use under section 46(1).

30. I have not considered whether the principles in *Nestlé* would extend in the manner advocated for by Mr. St. Quintin (see para. 17 above). In Case C-488/06 P, *L & D SA v. OHIM* [2008] I-5725, however, the Court of Justice confirmed that *Nestlé* was of general application and applied to determine the particularly distinctive character of an earlier Community trade mark – a figurative representation of a fir tree – under Article 8(1)(b) of Regulation (EC) 40/94 (Regulation (EC) 207/2009) (para. 50). In that case, particularly distinctive character was found to be attributable through use in Italy of the fir tree with the words ARBRE MAGIQUE written across it (paras. 48 – 55). It seems to me that, if necessary, that would have covered the present situation.
31. In any event, AAG’s evidence contained plenty of material showing use of *apetito* in lower case, black and white and ordinary script, which seems not to have figured with the Hearing Officer.
32. The Hearing Officer remarked that the material placed significant emphasis on Waldens and other marks, which was disputed by Mr. St. Quintin and to which I return below. Suffice it to say here, that use of an earlier mark with other marks does not preclude a finding of particularly distinctive character in the earlier mark in law (*Nestlé*, paras. 26 – 30).

Discussion, facts

33. The Hearing Officer misinterpreted the evidence at RPR4. The van pictured in that Exhibit bore the *apetito* brand² and not the Waldens name as suggested by the Hearing Officer. Her misconception led her to doubt Mr. Ring’s statement³ that AAG vans had since 1999 been decked out in the *apetito* livery, when that statement was corroborated not only by RPR4 but also RPR7 and RPR8. This was plainly a material error of fact.
34. Mr. St. Quintin made the additional complaint that the Hearing Officer excluded RPR5 because it referred to a catering award sponsored by *apetito* in 2009, which was after the application date (24 April 2008) (para. 12). He made two points: (a) the tribunal was permitted to take into account evidence subsequent to the relevant date which shined light back on the situation as it was at that date (see *inter alia* *L & D SA*, paras. 70 – 71); and (b) in any event, the Hearing Officer seemingly failed to recognise the evidence that *apetito* had sponsored earlier public sector catering awards exhibited to Mr. Ring’s second witness statement, dated 7 January 2010, at RPR11. There is justification in Mr. St. Quintin’s additional complaint.
35. Mr. Ring explained in his first witness statement that AAG took over Waldens Wiltshire Foods Limited in 1996⁴. Some of the marketing material submitted by AAG refers to the *apetito* and Waldens/Wiltshire Foods brands side by side. For example, the 2001 *apetito* Christmas Catalogue lists *apetito* individual meals/desserts down one side, Waldens individual meals/desserts down the middle and *apetito* multi/twin portions down the other side (RPR7). I have already observed that use of a mark together with other signs does not prevent the mark acquiring particularly

² In the style already discussed.

³ Witness statement, dated 24 June 2008 of Richard Peter Ring, Financial Director of *apetito* UK Holdings Ltd a wholly-owned subsidiary of AAG.

⁴ RPR2 is a picture recording this event.

distinctive character (*Nestlé*, paras. 26 – 30). Moreover, having gone through the evidence carefully I consider that it would be hard to justify the Hearing Officer's finding that much of the material placed significant emphasis on Waldens and other marks to the detriment of the *apetito* brand.

36. The Hearing Officer concluded (para. 60) that no breakdown of the turnover figures between goods and services had been provided, or between the goods Classes bearing in mind that the earlier registration extended to a range of different goods.
37. However, as Mr. St. Quintin identified and Ms. Jamal conceded, it was clear from Mr. Ring's first witness statement that the turnover figures of upwards £20m since 1997 (expressed to be wholesale)⁵ given were in respect of *goods* sold by reference to the *apetito* trade mark (para. 6). Moreover, Mr. Ring identified those goods as those listed in RPR1 namely:

Dietetic food for children and the sick (Class 5)

Cooked meals, including frozen or quick-frozen products, for feeding large groups of people in canteens, hospitals, kindergartens, youth centers, nursing homes, retirement homes and other establishments, chiefly consisting of meat, sausages, fish, vegetables, potatoes, mashed potatoes, potato dumplings, prepared dry legumes, mushrooms, fruit, soups, meat jellies, fish jellies, fruit jellies, vegetable jellies, eggs, milk jellies, with the addition of meat salad, sausage salad, fish salad and potato salad, prepared fruit, milk, cheese, fromage blanc (Class 29)

Cooked meals, including frozen or quick-frozen products, for feeding large groups of people in canteens, hospitals, kindergartens, youth centers, nursing homes, retirement homes and other establishments, chiefly consisting of flour, husked barley, semolina, groat, oatmeal, oat flakes, rice, sago, tapioca, pasta, also with the addition of meat salad, sausage salad, fish salad and potato salad, puddings, pastries, confectionery, ices, coffee, honey, sauces, cocoa, chocolate, confectionery (Class 30)

Fruit drinks (Class 32)

and this closely coincided with the material exhibited to his witness statements.

38. Separately Mr. Ring stated in his first witness statement that AAG was the strongest and largest entity on the UK meals-on-wheels market with 60% of the market share.
39. The Hearing Officer recorded the above in her summary of the evidence (paras. 8 – 10) which was at odds with her subsequent conclusions.
40. The Hearing Officer also commented that no explanation had been given for the marketing spend and, or the mark to which it related. Mr. Ring stated in his first witness statement that the marketing spend related to the *apetito* trade mark (para. 5). I should add that in the respects mentioned, Mr. Ring's evidence was unchallenged.

⁵ Rising to around £50m per annum from 2004 – 2008.

41. The Hearing Officer further queried whether the 60% market share (which she acknowledged was undisputed) related to the *apetito* trade mark. A lone picture of a Wiltshire Foods van at RPR3 suggested to her that it was not. Having myself conducted a detailed review, it seems to me that this constituted a further example of the Hearing Officer taking points against the evidence, which were unjustified when the evidence was viewed contextually and overall.

Conclusions on the merits of the appeal

42. For the above reasons, in my judgment, the Hearing Officer made a number of errors of principle and fact which collectively justify my interference with her decision under the *REEF* approach. I therefore turn to consider the opposition under section 5(2)(b) afresh.

Section 5(2)(b)

43. Section 5(2)(b) of the Act precludes the registration of a trade mark where because it is similar to an earlier trade mark and is to be registered for goods or services identical 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 mark.
44. A number of aspects of the Hearing Officer's decision under section 5(2)(b) were undisputed:
- (i) The Hearing Officer correctly instructed herself by reference to the Registrar's usual list of guiding principles extracted from the case law of the Court of Justice of the European Union (see *Och-Ziff Management Europe Ltd v. OCH Capital LLP* [2010] EWHC 2599 (Ch), Arnold J., at paras. 72 – 74).
 - (ii) The relevant purchasers ranged from individual members of the public to businesses and care providers and the levels of attention paid to the purchase act would be similarly wide ranging depending on the particular situation.
 - (iii) The respective goods in Classes 29 and 30 were identical.
 - (iv) The respective services were highly similar if not identical. "Temporary accommodation" in the application was highly similar to "providing of food and drink to the public" in the earlier mark.
 - (v) The word "appetite" was the dominant element of the trade mark applied for. Since the earlier mark comprised the single word *apetito* in lower case there was no dominant element as such.
 - (vi) Visually there was a degree of similarity between the marks although Ms. Jamal stressed the figurative elements of ARL's mark (the bite out of the letter "a", stem and leaf device and stylised font). She accepted that the words underneath - "freshly prepared every day" – were descriptive in relation to the subject goods and services but also said that they would not be ignored.

- (vii) There was also a degree of similarity between the marks orally. Here Mr. St. Quintin sought to persuade me that his client's mark might be pronounced with a long instead of a short "i" in "-tito". Like the Hearing Officer I think that unlikely.
- (viii) Conceptually, although the word *apetito* had no meaning in English, it was likely to bring to mind "appetite" when used in relation to the goods and services in question. Therefore there was some conceptual similarity in the marks.
45. The real differences between the parties were over the distinctiveness of the earlier trade mark. Mr. St. Quintin did not seek to challenge the Hearing Officer's finding that in so far as the earlier mark brought to mind the word "appetite" it was inherently weak for the goods and services concerned and that even though *apetito* was a non-English word (which increased its inherent distinctiveness to a degree) the earlier mark was possessed of relatively low inherent distinctive character.
46. Instead, Mr. St. Quintin relied upon longstanding and substantial use of the mark by AAG for the goods and services in question as resulting in acquired distinctiveness and entitlement to an enhanced scope of protection for the *apetito* brand. Ms. Jamal, on the other hand (whilst not, as I understood it, in the end disputing the extent of use) argued that the quality of the use evidenced was not such as to indicate that the public understood the mark *apetito* as signifying goods and services of AAG as opposed to those of any other undertaking within the meaning of *Nestlé*.
47. I have in front of me the same evidence as was before the Hearing Officer. Bearing in mind my earlier finding regarding use of the "composite mark", in my judgment the evidence sufficed overall to establish that *apetito* enjoyed significant recognition on the market place at the date of the application in relation to prepared food (including dietetic food) and drink and the large scale provision of such goods through meals-on-wheels services. AAG's unchallenged turnover in such goods (which rose steadily from £20m to £50m p.a. from 1997 - 2008) was sustained and substantial as was AAG's undisputed entitlement to a 60% share of the meals-on-wheels market. Further, I am satisfied on the evidence that, following the takeover, Waldens Wiltshire Foods products/services were offered and supplied under the umbrella of the *apetito* brand. Lastly I reject the contention that such use was not as a trade mark. I find that the evidence was consistent to the contrary.
48. It is well established that the factors in the global appreciation of likelihood of confusion are interdependent (Case C-39/97, *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc.* [1998] ECR I-5507, paras. 17 – 19, Case C-234/06 P, *Il Ponte Finanziaria v. OHIM* [2007] ECR I-7333, para. 48). I must also bear in mind that average consumers rarely have the chance to make a direct comparison between the marks but must place their trust in the imperfect picture of them that they have kept in mind (Case C-342/97, *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel BV*, para. 26).
49. Ms. Jamal urged me to take into account that ARL had been using its mark since July 2007 and there had been no reported incidences of actual confusion. However, ARL had been using its mark in relation to sandwich shops in London whereas AAG's use

of the earlier mark was on the meals-on-wheels market. The absence of actual confusion was therefore explicable by the fact that the parties were operating in different fields. Since the enquiry for section 5(2)(b) focuses on prospective uses of the respective marks in question, the lack of actual confusion is rarely determinative (see, *inter alia*, *Compass Publishing BV v. Compass Logistics Ltd* [2004] RPC 41 at 809, Case T-414/05, *NHL Enterprises BV v. OHIM* [2009] ECR II-0056, para. 71).

50. I have not found this case easy to determine but bearing in mind the near identity of goods and services and the earlier trade mark's entitlement to a broader scope of protection, I find the opposition under section 5(2)(b) to be made out.

Conclusion

51. In the event the appeal was successful under section 5(2)(b) and it was unnecessary for me to decide whether to refer back to the Registry the opposition under section 5(3).
52. AAG is entitled to an award of costs in its favour in respect of the opposition and the appeal. I will order that ARL pay AAG the sum of £1,300 towards AAG's costs of the opposition and the further sum of £600 as a contribution towards AAG's costs of this appeal to be paid within 14 days of being notified of this decision.

Professor Ruth Annand, 30 July 2011

Mr. Thomas St. Quintin of Counsel instructed by Graham Watt & Co LLP appeared on behalf of the Opponent/Appellant

Ms. Isabel Jamal of Counsel instructed by Forrester Ketley & Co appeared on behalf of the Applicant/Respondent