

O-261-14

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION No. 2646820  
BY TRIANO BRANDS LIMITED  
TO REGISTER THE SERIES OF TWO TRADE MARKS  
CHEDDY BEAR / CHEDDY BEARS  
IN CLASS 29  
AND**

**IN THE MATTER OF OPPOSITION  
THERE TO UNDER No. 400050 BY  
DAIRY CREST LIMITED**




## BACKGROUND






1) On 4 January 2013 Triano Brands Ltd (hereinafter the applicant) applied to register the series of two trade marks CHEDDY BEAR / CHEDDY BEARS in respect of the following goods in Class 29: Cheese, cheese products, cheddar cheese, cheese spreads.

2) The application was examined and accepted, and subsequently published for opposition purposes on 1 February 2013 in Trade Marks Journal No. 6977.

3) On 28 March 2013 Dairy Crest Ltd (hereinafter the opponent) filed a notice of opposition. The grounds of the opposition are in summary:

a) The opponent is the proprietor of the following trade marks:

Mark	Number	Date of application / registration	Class	Specification relied upon
CHEDS CHED'S CHEDDS CHEDD'S  A series of four	2505099	18.12.08 17.04.09	29	Dairy products; milk and milk products; butter, margarine; spreads; cheese; food products consisting of or including cheese as the predominant ingredient; prepared meals including cheese as the predominant ingredient; potato chips; edible oils and edible fats; eggs.
  A series of two	2570339	27.01.11 22.04.11	29	Dairy products; milk and milk products; milk predominating beverages; yoghurts; cream; spreads; butter; margarine; cheese; processed cheese; food products consisting of or including cheese as the predominant element; prepared meals; potato chips; edible oils and edible fats; eggs.
	2570341	27.01.11 22.04.11	29	Dairy products; milk and milk products; milk predominating beverages; yoghurts; cream; spreads; butter; margarine; cheese; processed cheese; food products consisting of or including cheese as the predominant element; prepared meals; potato chips; edible oils and edible fats; eggs.
	2570324	27.01.11 22.04.11	29	Dairy products; milk and milk products; milk predominating beverages; yoghurts; cream; spreads; butter; margarine; cheese; processed cheese; food products consisting of or including cheese as the predominant element; prepared meals; potato chips; edible oils and edible fats; eggs.

 <p>A series of two</p>				
	2570328	27.01.11 22.04.11	29	Dairy products; milk and milk products; milk predominating beverages; yoghurts; cream; spreads; butter; margarine; cheese; processed cheese; food products consisting of or including cheese as the predominant element; prepared meals; potato chips; edible oils and edible fats; eggs.
  <p>A series of two</p>	2570330	27.01.11 22.04.11	29	Dairy products; milk and milk products; milk predominating beverages; yoghurts; cream; spreads; butter; margarine; cheese; processed cheese; food products consisting of or including cheese as the predominant element; prepared meals; potato chips; edible oils and edible fats; eggs. <b>ess details</b>
	2570332	27.01.11 22.04.11	29	Dairy products; milk and milk products; milk predominating beverages; yoghurts; cream; spreads; butter; margarine; cheese; processed cheese; food products consisting of or including cheese as the predominant element; prepared meals; potato chips; edible oils and edible fats; eggs.

b) The opponent contends that the mark in suit contains as a separate and distinctive part the word CHEDDY which it claims is similar to its mark CHEDDS, as they differ only in the last letter. The additional word in the mark in suit, BEAR, is a clear reference to “teddy bear” a well known children’s toy. Where the opponent’s marks include a device of a mouse, this merely adds to the likelihood of confusion as the mouse is in a cartoon style intended to appeal to children. Further, the goods are identical. The mark therefore offends against Section 5(2)(b) of the Act.

c) The opponent also relies upon all of the above marks in its section 5(3) ground of opposition. The opponent states that it is the largest producer of chilled dairy foods in the UK. One of its products, sold under the marks above, is a cheese snack product intended for the children's market. The product was introduced in 2011 and supported by a £3 million advertising campaign. It is the fourth largest brand in the kids' cheese market with an approximate 5% market share and a retail value of £8.4 million. The opponent states that it uses its CHEDDS mark in combination with a cartoon mouse which is clearly designed to appeal to children. The mark in suit reproduces the mark almost in its entirety, differing only in the last letter, where the letter "y" replaces the letter "s". The mark in suit also includes the word "bear" which is a clear reference to "teddy bear" a well-known children's toy. This adds to the similarity as the opponent's earlier rights include a pictorial representation of another animal, a mouse, in a cartoon style which is clearly intended to appeal to children. Given their similarities some members of the public may regard the mark in suit to be connected to the opponent in some way when it is not. Further, because of the opponent's reputation the applicant will obtain an unfair commercial advantage by being incorrectly associated with the opponent and will be able to ride upon the coat tails of the opponent's reputation which it has built up over the years, and the applicant's sales may be inflated as a result of the fact that certain members of the public may purchase the applicant's products in the mistaken belief that they are somehow connected to the opponent. In addition, the opponent has no way of controlling the quality of the products sold under the mark in suit and this could result in its reputation being tarnished if the applicant sold goods of inferior quality and members of the public believed that the applicant was linked to the opponent it may not purchase the opponent's goods in future. Lastly, use of the mark in suit could result in dilution of the opponent's reputation as due to the similarity of the marks, the opponent's brand loses its distinctiveness and members of the public may unwittingly transfer their purchases to the applicant.

d) The opponent also claims to have a reputation in the word "CHEDDS" and also in a form of packaging (see below). It repeats many of the statements regarding market share and turnover. The opponent states that the marks have been used since January 2011 throughout the UK in relation to cheese and snack foods containing cheese aimed at children. The image referred to is as follows:



4) On 30 April 2013 the applicant filed a counterstatement denying all the grounds. They put the opponent to proof of reputation / goodwill in respect of its claims under Section 5(3) and 5(4) to have used the various marks claimed on both cheese (class 29) and snacks (class 30).

5) Only the opponent filed evidence. Both parties seek an award of costs in their favour. The matter came to be heard on 22 May 2014 when the opponent was represented by Ms Hobbs of Messrs Cleveland; the applicant was not represented but did provide written submissions.

## **APPLICANT'S EVIDENCE**

6) The applicant filed two witness statements. The first, dated 12 September 2013, is by Jo Huergo the Senior Brands Manager for CHEDDS at the opponent company, a position she has held since March 2012. She states that the opponent sells a range of dairy products under a variety of different trade marks. When they decided to enter into the children's cheese snacking market they were aware that many consumers had negative perceptions of children's cheese products, believing it to be processed and unreal. They therefore decided to offer an unprocessed, natural and nutritious product which was fun and would appeal to children. In August 2011 the CHEDDS range was launched as a range of three real cheddar cheese snacks. These were CHEDDS NIBBLES, CHEDDS BRICKS and CHEDDS CHEESE AND TOASTIES and were aimed at the 6-10 year old age range. In March 2013 these were joined by two new variations CHEDDS SHAPES and CHEDDS TOWERS. At exhibit JH5 (see annex A) she provides examples of packaging of each of the different products. These include aspects of the branding used for the opponent's best selling cheese, Cathedral City, which accounts for 10% of all cheese sold in the UK.

7) Ms Huergo states that the CHEDDS products are sold throughout the UK in retail outlets such as Tesco, Asda, CO-OP, Morrisons Sainsbury and on-line via e.g. Ocado. She states: "The product currently enjoys a 4.3% share of the entire children's cheese snack market in the UK". She provides the following turnover and advertising figures for CHEDDS in the UK:

Year	Gross Turnover	Advertising expenditure
04/11 - 03/12	£5.4 million	£1.43 million
04/12 - 03/13	£7.8 million	£2.6 million

8) She states that the opponent has also used the packaging on its highly successful CATHEDRAL CITY cheese to promote CHEDDS. The advertising budget has been spent on posters and billboards and TV advertising. In addition they have collaborated with the Cartoon Network website and created a CHEDDS section on this website. This featured an actor in a mouse suit and the character was called Monty the Mouseketeer. Exhibit JH15 features an image of this character, however, to my mind this is not use of the mark in suit, or any of the images used on the packaging. In addition they have had campaigns on two other websites, Binweevils.com and Miniclip.com. She also relies

upon the link with CATHEDRAL CITY to bolster the reputation of the CHEDDS marks. She also states:

“9.2 The application to register the mark CHEDDY BEAR /CHEDDY BEARS in relation to cheese and cheese products is of concern to me because I believe that a cheese product branded CHEDDY BEAR/BEARS would be linked to our CHEDDS products. Although I accept that both our brands CHEDDS and CHEDDY derive from “cheddar”, none of our main competitors in the children’s cheese snacking market (DAIRYLEA, CHEESE STRINGS, BABY BEL) use the word CHEDDAR in their branding. Although I understand that the application sought to be registered consists of two words, our CHEDDS products always include a “sub brand”, for example TOWERS or SHAPES. I also understand that CHEDDY BEARS is a play on “teddy bears”, but do not think this removes it from our CHEDDS products with a cartoon style mouse, featuring large ears and shown in a sandy /beige colour.”

9) The second witness statement, dated 7 October 2013, is by Lorna Hobbs the opponent’s Trade Mark Attorney. She states that she carried out research on the internet and found that teddy bears tend to be depicted in a sandy brown colour which she states is similar to the colour of the mouse character in the opponent’s marks. Further, teddy bears tend to have big ears as does the mouse character. She contends that the mouse character could easily be mistaken for a teddy bear. She also had a member of her staff produce a mock up of CHEDDY BEARS packaging where the CHEDDS SHAPES packaging shown in Annex A was used but the words CHEDDS SHAPES have been replaced by the words CHEDDY BEARS but the mouse character has been retained. Ms Hobbs contends that the mouse could be mistaken for a teddy bear and she states it also shows how the words are so similar that it could be mistaken for just another in the CHEDDS range of products.

10) That concludes my summary of the evidence filed, insofar as I consider it necessary.

## **DECISION**

11) I shall first consider the ground of opposition based on section 5(2)(b) of the Act which reads:

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

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

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

12) An “earlier trade mark” is defined in section 6, the relevant part of which states:

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

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

13) The opponent is relying upon its trade marks listed in paragraph 3 above which are clearly earlier trade marks. Given the interplay between the date that the opponent’s marks were registered and the date that the applicant’s mark was published, The Trade Marks (Proof of Use, etc) Regulations 2004 do not come into play.

14) When considering the issues under Section 5(2) and the likelihood of confusion, I take into account the guidance from the settled case law provided by the CJEU in *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v Adidas AG & Adidas Benelux BV* [2000] E.T.M.R. 723, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH* C-120/04 and *Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* C-334/05 P (LIMONCELLO). In *La Chemise Lacoste SA v Baker Street Clothing Ltd* [ALLIGATOR O/333/10] Mr Hobbs QC acting as the Appointed Person set out the test shown below which was endorsed by Arnold J. in *Och-Ziff Management Europe Ltd and Oz Management Lp v Och Capital LLP; Union Investment Management Ltd & Ochocki*, [2010] EWCH 2599 (Ch).

(a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors;

(b) the matter must be judged through the eyes of the average consumer of the goods/ services in question; who is deemed to be reasonably well informed and reasonably circumspect and observant - but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in

mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements; nevertheless, the overall impression conveyed to the public by a composite trade mark may, in certain circumstances, be dominated by one or more of its components;

(e) and beyond the usual case, where the overall impression created by a mark depends heavily on the dominant features of the mark, it is quite possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element in that mark;

(f) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa;

(g) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either *per se* or because of the use that has been made of it;

(h) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient;

(i) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

(j) if the association between the marks causes the public to wrongly believe that the respective goods or services come from the same or economically linked undertakings, there is a likelihood of confusion.

### **The average consumer and the nature of the purchasing process**

15) I must now determine the average consumer for the goods of the parties. To my mind the goods of both parties would be aimed at the general public. There are many types of cheese on offer and they vary enormously in taste and cost. The average consumer will be keen to buy the type of cheese that they like and also to avoid those they dislike. They will take a degree of care in selection. Cheese is usually displayed in two ways, pre-packed and on refrigerated shelves where the consumer will self select or as part of a delicatessen display where the cheese will be identified by a label and one has to ask the assistant for the cheese one wishes to purchase and they will cut, weigh and package it. In either event the initial selection will be made by eye although it is certainly possible that the goods will be discussed with the sales person. To my mind, whilst aural considerations must not be overlooked, word of mouth recommendations etc, it is the visual aspect of the competing trade marks that will dominate the selection process.




## Comparison of goods

16) The application is in respect of “Cheese, cheese products, cheddar cheese, cheese spreads” in Class 29. Each of the opponent’s marks has within its specification the term “Cheese”. Clearly this term encompasses the whole of the applicant’s specification and therefore they must be regarded as being identical (*Gérard Meric v OHIM*, T-133/05), or at least highly similar.

## Comparison of trade marks

17) The opponent states that its marks fall into two camps, those which consist solely of the word CHEDDS and those which have the device element. At the hearing Ms Hobbs stated that within each group no mark provided a stronger case than another as the stylisation of the words is not that significant. I agree with her views and shall consider only two of the opponent’s marks in the comparison, one from each group. The trade marks to be compared are as follows:

Applicant’s mark	Opponent’s marks
CHEDDY BEAR CHEDDY BEARS	CHEDS CHED'S CHEDDS CHEDD'S
	

18) It is well established that the average consumer is considered to be reasonably well informed, circumspect and observant but perceives trade marks as wholes and does not pause to analyse their various details. In addition, he rarely has the chance to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them he has kept in his mind. In reaching a conclusion on similarity, I must identify what I consider to be the distinctive and dominant elements of the respective trade marks and, with that conclusion in mind, I must go on and compare the respective trade marks from the visual, aural and conceptual perspectives.

## Distinctiveness of earlier marks and dominant components of both parties marks

19) I take into account the comments in *Zero Industry Srl v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-400/06* where the GC said:

“71 In addition, the weak distinctive character of an element of a compound mark does not necessarily imply that that element cannot constitute a dominant element

since – because, in particular, of its position in the sign or its size – it may make an impression on consumers and be remembered by them (judgment of 16 May 2007 in Case T-491/04 *Merant v OHIM – Focus Magazine Verlag (FOCUS)*, not published in the ECR, paragraph 49). It should be added that, as regards the earlier marks, in so far as they comprise a single verbal element, the argument that that word has become common is not relevant for the purposes of the comparison of the signs at issue (see, to that effect, *Limoncello della Costiera Amalfitana shaker*, cited in paragraph 44 above, paragraph 37).

74 Third, as regards the applicant's claim that the earlier marks have weak distinctive character, it should be held that accepting that the earlier mark has a weak distinctive character does not prevent the finding in the present case that there is a likelihood of confusion. Although the distinctive character of the earlier mark must be taken into account when assessing the likelihood of confusion (see, by analogy, *Canon*, cited in paragraph 32 above, paragraph 24), it is only one factor among others involved in that assessment. Thus, even in a case involving an earlier mark of weak distinctive character, there may be a likelihood of confusion on account, in particular, of a similarity between the signs and between the goods or services covered (see judgment of 12 November 2008 in Case T-210/05 *Nalocebar v OHIM – Limiñana y Botella (Limoncello di Capri)*, not published in the ECR, paragraph 51 and the case-law cited).

75 In addition, granting excessive importance to the fact that the earlier mark has only a weak distinctive character would have the effect that the factor of the similarity of the marks would be disregarded in favour of the factor based on the distinctive character of the earlier mark, which would then be given undue importance. The result would be that where the earlier mark is only of weak distinctive character a likelihood of confusion would exist only where there was a complete reproduction of that mark by the mark applied for, whatever the degree of similarity between the signs at issue. Such a result would not, however, be consistent with the very nature of the global assessment which the competent authorities are required to undertake by virtue of Article 8(1)(b) of Regulation No 40/94 (see *Limoncello di Capri*, cited in paragraph 74 above, paragraph 52 and the case-law cited)."

20) Both parties have contended that the words CHEDD /CHEDDS in the opponent's marks and the word CHEDDY in the mark in suit would be seen by the average consumer as alluding to CHEDDAR cheese. In the case of the opponent's device mark I believe that the connection with Cheddar is slightly more tenuous and that the majority of consumers will view it as simply the name of the mouse character without realising the allusion. Whichever, I believe that the opponent's marks have a high degree of inherent distinctiveness. The mark in suit clearly alludes to a teddy bear, albeit that the cheese sold under the mark could be shaped to look like a bear. It would still be distinctive as bears are not known to be great consumers of cheese, unlike mice, and have no connection in the average consumers mind. I do not accept that contention that the initial part of the mark in suit is the distinctive element, even if used on bear shaped cheese, as the two words hang together to form a single image. Nor do I accept that the

initial word should be ignored and only the second part of the mark in suit compared to the opponent's mark. None of these positions alter in respect of the plural form of the mark in suit or indeed whichever version of the opponent's mark is considered. The opponent has shown that it has a significant market share in children's cheese products and has provided examples of the packaging used. All of the packaging has the device element upon it as well as other matter such as the words "Cathedral Cheddar". Although the packaging clearly has the word CHEDDS upon it (see Annex A) to my mind the fact that it is used with the device element means that it will be viewed as the name of the mouse character depicted. The opponent is entitled to benefit from enhanced distinctiveness through use in respect of its device mark.

### **Visual / Aural and Conceptual similarity**

21) I shall first compare the mark in suit to the word only mark of the opponent. The mark consists of a series of four which vary only slightly. The mark is spelt with, and without, an apostrophe, and with one letter "D" and also two "D"s. The opponent contends that the mark shares the first five letters (in the case of CHEDDS) with the mark in suit. I accept that there is a low degree of visual and aural similarity between both parties' marks. I also note that the mark in suit ends in the letter "Y" as opposed to a letter "S" in the opponent's mark and the mark in suit also has a second word "BEAR/S". Conceptually these marks differ significantly. It is common ground that the word CHEEDS and CHEDDY both allude to cheddar cheese which is the good under consideration. However, the mark in suit also has the word BEAR which immediately would bring to mind a Teddy bear to the average consumer, something the opponent seems to accept in its evidence at paragraph 8 above. Conceptually the marks are therefore highly different. To my mind the differences visually, aurally and conceptually far outweigh the low degree of visual and aural similarity.

22) I now turn to consider the opponent's device mark. Clearly, many of the same comments apply as those set out above. Visually there is more of a difference as the opponent's mark has the image of a mouse head. Aurally, the same conclusion applies. Conceptually the difference is more marked as, in my opinion, a number of consumers may consider the word CHEDDS as the name of the mouse character. Even those who do not view it in this way would consider the mark to be different to the mark in suit as that would be seen as a reference to a teddy bear and therefore completely different. The opponent contended that the mark in suit would be seen as referring to a child's toy whereas its mouse character would be seen as appealing to children and could be confused as a bear as it is beige in colour and has big ears similar to a teddy bear. I do not accept these contentions. To my mind the minor visual and aural similarities are far outweighed by the differences visually, aurally and conceptually.

### **Likelihood of confusion**

23) I must now take all the above into account and consider the matter globally taking into account the interdependency principle- a lesser degree of similarity between trade marks may be offset by a greater degree of similarity between goods and vice versa.

24) I will first compare the word only mark of the opponent to the mark in suit. The opponent's mark has a high degree of inherent distinctiveness, as well as benefitting from enhanced distinctiveness through use. The goods are clearly identical, but the marks have a low level of similarity, outweighed by the differences. The average consumer would easily distinguish between the two, and even allowing for the concept of imperfect recollection there is no likelihood of consumers being confused into believing that the goods provided by the applicant are those of the opponent or provided by some undertaking linked to them. **The opposition under Section 5(2)(b) fails.**

25) I next consider the opponent's device mark to the mark in suit. The opponent's mark has a high degree of inherent distinctiveness, as well as benefitting from enhanced distinctiveness through use. The goods are clearly identical, but the marks have a low level of similarity, outweighed by the differences. The average consumer would easily distinguish between the two, and even allowing for the concept of imperfect recollection there is no likelihood of consumers being confused into believing that the goods provided by the applicant are those of the opponent or provided by some undertaking linked to them. **The opposition under Section 5(2)(b) fails.**

26) I now turn to consider the ground of opposition under Section 5(3) which reads:

“5-(3) A trade mark which –

(a) 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 3 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.

27) The scope of the Section has been considered in a number of cases notably *General Motors Corp v Yplon SA (Chevy)* [1999] ETMR 122 and [2000] RPC 572, *Premier Brands UK Limited v Typhoon Europe Limited (Typhoon)* [2000] RPC 767, *Daimler Chrysler v Alavi (Merc)* [2001] RPC 42, C.A. *Sheimer (M) Sdn Bhd's TM Application (Visa)* [2000] RPC 484 *Valucci Designs Ltd v IPC Magazines (Loaded)* O/455/00, *Mastercard International Inc and Hitachi Credit (UK) Plc* [2004] EWHC 1623 (Ch) and *Electrocoin Automatics Limited and Coinworld Limited and others* [2005] FSR 7. Guidance in relation to reputation under Section 5(3) has been set out in *General Motors Corporation v Yplon SA* in paragraphs 23 to 27. Paragraphs 26 & 27 indicate the standard that must be reached:-

“26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.

27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.”

28) The onus is upon the opponent to prove that its earlier trade marks enjoy a reputation and it needs to furnish the evidence to support this claim. To my mind the opponent has provided the evidence that its device mark does enjoy such a reputation and so it clears the first hurdle. The word mark also passes this barrier due to its use on the packaging.

29) The opponent contends that its marks are unique and there is no evidence to the contrary. The opponent states that use of the mark in suit would take unfair advantage of the reputation built by the opponent and would also be detrimental to the distinctive character of its marks. In *Inlima S.L's* application [2000] RPC 61 Mr Simon Thorley QC, sitting as the Appointed Person, said:

“The word ‘similar’ is a relative term. One has to ask the question ‘similar for what purpose’. The question of similarity accordingly can only be answered within the context of a particular set of facts, once one has identified both the facts and the purpose for which similarity is required. In the case of section 5(3), the purpose of requiring similarity is so that the possibility of detriment or unfair advantage might arise. In any particular case, a conclusion as to whether it does arise must depend not only upon the degree of similarity but on all the other factors of the case, not least, the extent of the reputation. I therefore conclude that the same global appreciation as is required for confusion under section 5(2) is likewise to be applied to the changed circumstances of section 5(3).”

30) This matter was also considered by Mr Daniel Alexander sitting as the Appointed Person in B/L O/307/10 where he stated:

“37. The Decision in this case was handed down on 18th May 2009. On 18th June 2009, the ECJ handed down judgment in *L'Oréal v. Bellure*, Case C-487/07 in which it gave guidance on the proper approach to interpretation of Article 5(2) of the First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1), (the “Trade Marks Directive”).

38. The ECJ said the following as regards Article 5(2) of the Trade Marks Directive and the requirement to show detriment or unfair advantage.”

"40. As regards detriment to the repute of the mark, also referred to as 'tarnishment' or 'degradation', such detriment is caused when the goods or services for which the identical or similar sign is used by the third party may be perceived by the public in such a way that the trade mark's power of attraction is reduced. The likelihood of such detriment may arise in particular from the fact that

the goods or services offered by the third party possess a characteristic or a quality which is liable to have a negative impact on the image of the mark.

41 As regards the concept of 'taking unfair advantage of the distinctive character or the repute of the trade mark', also referred to as 'parasitism' or 'free-riding', that concept relates not to the detriment caused to the mark but to the advantage taken by the third party as a result of the use of the identical or similar sign. It covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coattails of the mark with a reputation.

42 Just one of those three types of injury suffices for Article 5(2) of Directive 89/104 to apply (see, to that effect, Intel Corporation, paragraph 28).

43 It follows that an advantage taken by a third party of the distinctive character or the repute of the mark may be unfair, even if the use of the identical or similar sign is not detrimental either to the distinctive character or to the repute of the mark or, more generally, to its proprietor.

44 In order to determine whether the use of a sign takes unfair advantage of the distinctive character or the repute of the mark, it is necessary to undertake a global assessment, taking into account all factors relevant to the circumstances of the case, which include the strength of the mark's reputation and the degree of distinctive character of the mark, the degree of similarity between the marks at issue and the nature and degree of proximity of the goods or services concerned. As regards the strength of the reputation and the degree of distinctive character of the mark, the Court has already held that, the stronger that mark's distinctive character and reputation are, the easier it will be to accept that detriment has been caused to it. It is also clear from the case-law that, the more immediately and strongly the mark is brought to mind by the sign, the greater the likelihood that the current or future use of the sign is taking, or will take, unfair advantage of the distinctive character or the repute of the mark or is, or will be, detrimental to them (see, to that effect, Intel Corporation, paragraphs 67 to 69).

45 In addition, it must be stated that any such global assessment may also take into account, where necessary, the fact that there is a likelihood of dilution or tarnishment of the mark.

46 In the present case, it is a matter of agreement that Malaika and Starion use packaging and bottles similar to the marks with a reputation registered by L'Oréal and Others in order to market perfumes which constitute 'downmarket' imitations of the luxury fragrances for which those marks are registered and used.

47 In that regard, the referring court has held that there is a link between certain packaging used by Malaika and Starion, on the one hand, and certain marks relating to packaging and bottles belonging to L'Oréal and Others, on the other. In

addition, it is apparent from the order for reference that that link confers a commercial advantage on the defendants in the main proceedings. It is also apparent from the order for reference that the similarity between those marks and the products marketed by Malaika and Starion was created intentionally in order to create an association in the mind of the public between fine fragrances and their imitations, with the aim of facilitating the marketing of those imitations.

48 In the general assessment which the referring court will have to undertake in order to determine whether, in those circumstances, it can be held that unfair advantage is being taken of the distinctive character or the repute of the mark, that court will, in particular, have to take account of the fact that the use of packaging and bottles similar to those of the fragrances that are being imitated is intended to take advantage, for promotional purposes, of the distinctive character and the repute of the marks under which those fragrances are marketed.

49 In that regard, where a third party attempts, through the use of a sign similar to a mark with a reputation, to ride on the coat-tails of that mark in order to benefit from its power of attraction, its reputation and its prestige, and to exploit, without paying any financial compensation and without being required to make efforts of his own in that regard, the marketing effort expended by the proprietor of that mark in order to create and maintain the image of that mark, the advantage resulting from such use must be considered to be an advantage that has been unfairly taken of the distinctive character or the repute of that mark.

50 In the light of the above, the answer to the fifth question is that Article 5(2) of Directive 89/104 must be interpreted as meaning that the taking of unfair advantage of the distinctive character or the repute of a mark, within the meaning of that provision, does not require that there be a likelihood of confusion or a likelihood of detriment to the distinctive character or the repute of the mark or, more generally, to its proprietor. The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an advantage taken unfairly by that third party of the distinctive character or the repute of the mark where that party seeks by that use to ride on the coat-tails of the mark with a reputation in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image."

31) It is accepted in the instant case that the goods of the two parties are identical. I also found that the opponent's marks are inherently very distinctive and have an enhanced reputation for children's cheese products. I also found that, whilst the mark in suit conjures up an image of a teddy bear and thus may be appealing to children; that both marks allude to cheddar cheese and that the mark in suit could be used upon cheese in the shape of bears, the differences between the marks is such that the link that is required will not be created. **The opposition under Section 5(3) therefore fails.**

32) I now turn to consider the ground of opposition under Section 5(4)(a) which reads:

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

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

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an “earlier right” in relation to the trade mark.”

33) In deciding whether the marks in question offend against this section, I intend to adopt the guidance given by the Appointed Person, Mr Geoffrey Hobbs QC, in the *WILD CHILD* case [1998] RPC 455. In that decision Mr Hobbs stated that:

“The question raised by the grounds of opposition is whether normal and fair use of the designation WILD CHILD for the purposes of distinguishing the goods of interest to the applicant from those of other undertakings (see section 1(1) of the Act) was liable to be prevented at the date of the application for registration (see Article 4(4)(b) of the Directive and section 40 of the Act) by enforcement of rights which the opponent could then have asserted against the applicant in accordance with the law of passing off.

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] R.P.C. 341 and *Erven Warnink BV v. J. Townend & Sons (Hull) Ltd* [1979] AC 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 the 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.

34) First I must determine the date at which the opponent’s claim is to be assessed; this is known as the material date. In this regard, I note the judgment of the General Court



(GC) in Last Minute Network Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Joined Cases T-114/07 and T-115/07. In that judgment the GC said:

“50 First, there was goodwill or reputation attached to the services offered by LMN in the mind of the relevant public by association with their get-up. In an action for passing off, that reputation must be established at the date on which the defendant began to offer his goods or services (Cadbury Schweppes v Pub Squash (1981) R.P.C. 429).

51 However, according to Article 8(4) of Regulation No 40/94 the relevant date is not that date, but the date on which the application for a Community trade mark was filed, since it requires that an applicant seeking a declaration of invalidity has acquired rights over its non registered national mark before the date of filing, in this case 11 March 2000.”

35) The filing date of the application is, therefore, the material date. However, if the applicant has used its trade mark prior to this then this use must also be taken into account. It could, for example, establish that the applicant is the senior user, or that there had been common law acquiescence, or that the status quo should not be disturbed; any of which could mean that the applicant’s use would not be liable to be prevented by the law of passing-off – the comments in Croom’s Trade Mark Application [2005] RPC 2 and Daimlerchrysler AG v Javid Alavi (T/A Merc) [2001] RPC 42 refer.

36) There is no evidence of use of the applicant’s mark; I shall therefore regard the relevant date as 4 January 2013. The opponent states that it began selling its children’s cheese products in August 2011. Examples of the packaging used on its products are shown at annex A. The packaging differs from the marks registered in that the mouse has a full body and is seen carrying lumps of cheese in differing shapes dependent upon the version of the opponent’s product is in the bag, i.e. bricks, shapes, toasties etc. The packaging has the “Cathedral City” mark upon it, which the opponent contends acts as a guarantee of quality as the Cathedral City brand enjoys considerable reputation in the cheese market and also prays in aid the goodwill under this sign. I accept that the opponent has goodwill in respect of children’s cheese products at the relevant date, and so overcomes the first obstacle.

37) Earlier in this decision I found that use of the marks in suit, actual or on a fair and notional basis would not result in confusion with the opponent’s mark. Accordingly, it seems to me that the necessary misrepresentation required by the tort of passing off will not occur. The opponent contended that its packaging shows use of a second word under CHEDDS which describes the product such as “bricks” in the same way that the mark in suit, if used on bear shaped pieces of cheese. The opponent contends that the average consumer would then be deceived into believing that the applicant’s product was yet another version of its line of shaped cheese as the only difference would be the last of six letters CHEDDY v CHEDDS. They further contend that the applicant’s mark would bring to mind the image of a teddy bear which would appeal to children and that a teddy bear is usually beige/light brown, has big ears and is an animal much like its

cartoon mouse which is an animal, being and has big ears. To my mind, the full body image of a mouse makes any connection with the mark in suit even less likely as the mouse, despite the opponent's contentions, is far removed from a teddy bear image which the opponent states the average consumer will take from the applicant's mark. The mark in suit does not have the "family" resemblance which would deceive the average consumer into believing that the opponent has launched a bear shaped range of cheese products. The opposition under Section 5(4)(a) of the Act therefore fails.

## **COSTS**

38) As the applicant has been successful it is entitled to a contribution towards its costs.

Preparing a statement and considering the other side's statement	£200
Considering the evidence of the other side	£100
Preparing written submissions	£200
<b>TOTAL</b>	<b>£500</b>

39) I order Dairy Crest Ltd to pay Triano Brands Ltd the sum of £500. This sum 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 June 2014**

**George W Salthouse  
For the Registrar,  
the Comptroller-General**

ANNEX A





