

O/153/18

TRADE MARKS ACT 1994

REQUEST BY "GRAND CANDY" LLC

TO PROTECT INTERNATIONAL TRADE MARK 1315700 IN CLASS 30

IN THE UK

AND

OPPOSITION No. 408558

BY ORKLA CONFECTIONERY & SNACK FINLAND AB

Background and pleadings

1. This is an opposition by Orkla Confectionery & Snack Finland AB (“the opponent”) to a request by “Grand Candy” LLC (“the holder”) for international trade mark 1315700 (“the IR”) to be protected in the UK. The IR and the accompanying description of it, as it appears in the international register, is shown below.



Mark Description

“The mark consists of vertical transparent packaging; the upper and the bottom sides are fixed by means of hot sealing, forming equal rooftops. Along the middle part of the packaging there is horizontal black ribbon; illusively behind the ribbon the illusory contour of black-and-white panda bear is represented; the panda is performed in such a way, that only some parts of the body are visible and distinctive, namely: black ears, black patches round the white eyes with black pupils, black muzzle, black paws; the front right leg is totally black keeping the bamboo green twig; Panda's two hind paws have

five white "fingers" facing forward and round white circles in the middle of each; the complete appearance of panda's body is gained due to the two white ball candies inside the packaging; the word «PANDA» in Chinese white letters is written on the red vertical stripe to the left from the panda's head.”

2. The holder claims the colours black, white, green and red.

3. The date of designation of the UK is 17th June 2016, but the holder claims priority from an earlier filing of the trade mark in Armenia on 2nd March 2016 (“the relevant date”). The IR was published for opposition purposes on 18th November 2016.


4. The goods covered by the IR are:

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.

5. The opponent opposes the protection of the IR in the UK on the basis of five earlier UK and EU trade marks and two earlier unregistered rights. However, it is only necessary to deal with three of the earlier marks, the other two presenting no stronger or different case.¹ The three most relevant marks are:

Trade mark	Date of registration	Goods relied on
EU 8684961 PANDA	29th April 2010	Non-medicated confectionery, liquorice and chocolate
EU 10398618 	20 th March 2012	As above

¹ These being EU 591271 & EU 8285165

<p>EU 8285942</p> 	<p>8th March 2010</p>	<p>Chocolate confectionery and liquorice confectionery</p>

6. The opponent claims that:

“The earlier mark is the word 'PANDA' [or stylised word or image of a panda] which is distinctive of the goods of the earlier mark. The mark of the application is the image of a panda which means goods with the image will be referred to as "Panda" products. This also means the marks are conceptually identical. The goods "confectionery" in the application are identical to those of the earlier mark. The goods "preparations made from cereals, bread and pastry" and "ices" are all highly similar goods to confectionery. There is a lower level of similarity between the remaining goods. This similarity between the marks together with the identity of the goods will result in a likelihood of confusion.”

7. The opposition is directed at *cocoa, preparations made from cereals, pastry and confectionery, ices*.

8. The opponent also relies on its unregistered rights in the word **PANDA** and the device shown below, which it claims to have used in the UK since 1982 and 1993, respectively, in relation to *Chocolate confectionery and liquorice confectionery*.



9. The opponent claims that it has acquired goodwill in its business of which these marks are distinctive and that use of the IR in the UK would constitute a misrepresentation to the public that the user of the IR is, or is connected to, the opponent. Therefore, use of the IR would be contrary to the law of passing off.

10. As a result of the above, the opponent claims that registration of the mark would be contrary to sections 5(2)(b) and 5(4)(a) of the Trade Marks Act 1994 ("the Act") and should be refused accordingly.

11. The holder filed a counterstatement denying the grounds of opposition and putting the opponent to proof of its claims, including proof of use of the earlier marks. In accordance with s.6A of the Act, the period within which the opponent must show genuine use of its marks in the EU is 19th November 2011 to 18th November 2016 ("the relevant period"). EU trade mark 10398618 was only registered on 20th March 2012. This means that this mark is not subject to proof of use. The opponent can therefore rely on this mark in relation to all the goods for which it is registered, without having to show use of the mark.

Representation

12. The holder is represented by Novagraaf UK. The opponent is represented by Urquhart Dykes & Lord LLP. Neither side requested to be heard but both filed written submissions in lieu of a hearing.

The evidence

The opponent's evidence

13. The opponent's evidence in chief comes from Pasi Flinkman, its Deputy CEO. Mr Flinkman states that the Nordic and Baltic regions and certain countries in Central Europe are the opponent's main markets. The opponent adopted the name PANDA in 1952 and entered the UK market in 1971. In the 1970s the goods sold under the mark consisted mainly of chocolate tablets and bars. The distribution of PANDA liquorice began in 1982. Since that date, the opponent has used PANDA continuously in the UK. The opponent's goods have been stocked in UK supermarkets such as Tesco, Waitrose and Sainsbury's as well as national health food shops such as Holland & Barrett.

14. PANDA products are also sold through major grocery chains in Denmark, Italy, Spain, Sweden and in health food stores in the Netherlands.

15. Mr Flinkman provides examples of catalogues² which he says "*illustrate the PANDA products available over the years in various countries.*" I have been through these but it is difficult to be sure which products they cover. This is because they are mostly written in languages other than English, are mostly undated, and the pictures they show of the products are sometimes too small to clearly identify what they are. It is fairly clear that the PANDA products are liquorice and come in numerous flavours. It is not clear what other goods were sold under the mark, or when.

16. He also provides some examples of the packaging "*of the various product types*" as sold in the UK and across the EU and some point of sale material.³ These appears to show liquorice products. I note that figurative trade mark EU 8285942 appears on the packaging for a number of the products. Three of these examples are self-dated as 2012 and 2013.⁴ These are in Finnish and therefore appear to show some use of the mark in Finland during the relevant period.

² See exhibit PXF2

³ See PXF3

⁴ See pages 26, 32 and 39 of PXF2

17. Mr Flinkman says that the opponent has advertised in a variety of publications in the UK, including the Sunday Mirror, Daily Mirror, Bella and various health publications. However, the Appeared Coverage Report he provides is for 2005 and therefore historical. The more recent examples of advertisements appear to show liquorice products.

18. The opponent also advertises via social media and its website. Exhibit PXF5 consists of 106 pages of marketing material. However, it is poorly explained, difficult to tell where much of the material comes from, or where one document ends and another begins, and much of it is not in English. It is therefore difficult to assess what use of the mark this material shows, or in relation to which goods (or where, or in many cases, when). It is almost as though the person presenting the evidence thought that the large number of pages would compensate for the absence of a proper explanation of what it is and what it is claimed to show. It does not.

19. In 2012 the opponent celebrated 30 years of continuous sales in the UK by creating a mural of Prince William in liquorice (who was 30 at the same time). This received national press coverage.

20. Mr Flinkman states that the opponent also promotes its liquorice and chocolate confectionery products at trade shows in the UK and EU. I note that the trade shows identified in the UK have a particular focus on natural foods, e.g. "The Health Store." I also note that all the pictures provided to support Mr Flinkman's claim show PANDA stands promoting liquorice products.⁵

21. Mr Flinkman also provides a 'brand tracking report' for Finland in May 2013. The survey data on which it is based purports to relate to Panda chocolate and liquorice products, but all the answers in the report appear to relate to liquorice. According to this report, Panda was the best rated brand of liquorice in Finland at the time. I note that in its written submissions in lieu of a hearing the holder submitted that the brand tracking report should be excluded because it is survey evidence and no leave was obtained to file such evidence, as required by Tribunal Practice Notice 2/2012.

⁵ See exhibit PXF6

However, the holder did not object to this evidence at the time it was filed or when filing its evidence in response. It is too late to raise the issue of admissibility now. I will take the holder's criticisms of the survey into account in deciding how much weight to give to it. The methodology used for the survey is not clear. I therefore find it has marginal evidential weight.

22. The sales figures for PANDA products show sales in the EU between 2011 and 2016 of around 3 million units per annum, each unit consisting of 20 saleable products. Comparable sales in the UK amounted to 200k-300k units per annum. Mr Flinkman states that a four pack of Panda Natural Liquorice retails for around £1.35 in the UK. He offers no evidence as to the typical selling price of any other confectionery product.

The holder's evidence

23. The holder's evidence consists of a witness statement by Frances Harding, who is a Chartered Trade Mark Attorney at Novagraaf UK. Ms Frances provides the result of some searches she conducted of the trade mark registers and on the internet. The net result is she found that:

- (i) A figurative mark including a device of a panda and the words 'Hello Panda' is registered in the name of a third party for biscuits;
- (i) A figurative mark consisting of a device of a panda and the word 'Panda' is registered in the name of another third party for peanut butter;
- (ii) Goods bearing these marks were on sale in the UK in 2017;
- (iii) A third party product bearing the name 'Panda' and a device of a panda was on sale on a UK website in 2017 (I note that the goods appear to be sweets, but the packaging has Chinese or Japanese characters as well as words in German, i.e. no English);
- (iv) A dark chocolate bar with packaging bearing devices of pandas was on sale in the UK in 2017 under a third party word mark.

The opponent's evidence in reply

24. The opponent's evidence in reply consists of a witness statement by Irene Hallikainen, who is the opponent's European Trade Mark Attorney. Ms Hallikainen points out that neither of the registered marks shown in the applicant's evidence are registered for chocolate or liquorice confectionery and that the opponent has a co-existence agreement with one of the parties concerned. The opponent has not consented to the other uses of pandas identified in the holder's evidence.

Proof of use of earlier marks EU 8684961 & EU 8285942

25. The relevant provision is shown below:

"Raising of relative grounds in opposition proceedings in case of non-use

6A. - (1) This section applies where -

(a) an application for registration of a trade mark has been published,

(b) there is an earlier trade mark of a kind falling within section 6(1)(a),
(b) or (ba) in relation to which the conditions set out in section 5(1), (2)
or (3) obtain, and

(c) the registration procedure for the earlier trade mark was completed
before the start of the period of five years ending with the date of
publication.

(2) In opposition proceedings, the registrar shall not refuse to register the
trade mark by reason of the earlier trade mark unless the use conditions are
met.

(3) The use conditions are met if -

(a) within the period of five years ending with the date of publication of the application the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

(b) the earlier trade mark has not been so used, but there are proper reasons for non- use.

(4) For these purposes -

(a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(5) In relation to a European Union trade mark or international trade mark (EC), any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Union.

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.”

26. Section 100 of the Act is also relevant. It states that:

“100. If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

27. In *The London Taxi Corporation Limited v Frazer-Nash Research Limited & Ecotive Limited*, [2016] EWHC 52, Arnold J. summarised the case law on genuine use of trade marks. He said:

“217. *The law with respect to genuine use* . In *Stichting BDO v BDO Unibank Inc* [2013] EWHC 418 (Ch), [2013] FSR 35 I set out at [51] a helpful summary by Anna Carboni sitting as the Appointed Person in *SANT AMBROEUS Trade Mark* [2010] RPC 28 at [42] of the jurisprudence of the CJEU in Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439 , Case C-259/02 *La Mer Technology Inc v Laboratories Goemar SA* [2004] ECR I-1159 and Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759 (to which I added references to Case C-416/04 *P Sunrider Corp v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [2006] ECR I-4237). I also referred at [52] to the judgment of the CJEU in Case C-149/11 *Leno Merken BV v Hagelkruis Beheer BV* [EU:C:2012:816], [2013] ETMR 16 on the question of the territorial extent of the use. Since then the CJEU has issued a reasoned Order in Case C-141/13 *P Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [EU:C:2014:2089] and that Order has been persuasively analysed by Professor Ruth Annand sitting as the Appointed Person in *SdS InvestCorp AG v Memory Opticians Ltd* (O/528/15).

218. An important preliminary point to which Prof Annand draws attention in her decision is that, whereas the English versions of Articles 10(1) and 12(1) of the Directive and Articles 15(1) and 51(1)(a) of the Regulation use the word “genuine”, other language versions use words which convey a somewhat different connotation: for example, “ernsthaft” (German), “efectivo” (Spanish), “sérieux” (French), “effettivo” (Italian), “normaal” (Dutch) and “sério/séria” (Portuguese). As the Court of Justice noted in *Ansul* at [35], there is a similar difference in language in what is now recital (9) of the Directive.

219. I would now summarise the principles for the assessment of whether there has been genuine use of a trade mark established by the case law of the Court of Justice, which also includes Case C-442/07 *Verein Radetsky-*

Order v Bunderversammlung Kameradschaft 'Feldmarschall Radetsky' [2008] ECR I-9223 and Case C-609/11 *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR 7, as follows:

(1) Genuine use means actual use of the trade mark by the proprietor or by a third party with authority to use the mark: *Ansul* at [35] and [37].

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Centrotherm* at [71]; *Leno* at [29].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Centrotherm* at [71]; *Leno* at [29].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34]; *Leno* at [29]-[30], [56].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32].”

28. In *Awareness Limited v Plymouth City Council*,⁶ Mr Daniel Alexander Q.C. as the Appointed Person stated that:

“22. The burden lies on the registered proprietor to prove use..... However, it is not strictly necessary to exhibit any particular kind of documentation, but if it is likely that such material would exist and little or none is provided, a tribunal will be justified in rejecting the evidence as insufficiently solid. That is all the more so since the nature and extent of use is likely to be particularly

⁶ Case BL O/236/13

well known to the proprietor itself. A tribunal is entitled to be sceptical of a case of use if, notwithstanding the ease with which it could have been convincingly demonstrated, the material actually provided is inconclusive. By the time the tribunal (which in many cases will be the Hearing Officer in the first instance) comes to take its final decision, the evidence must be sufficiently solid and specific to enable the evaluation of the scope of protection to which the proprietor is legitimately entitled to be properly and fairly undertaken, having regard to the interests of the proprietor, the opponent and, it should be said, the public.”

and further at paragraph 28:

“28. I can understand the rationale for the evidence being as it was but suggest that, for the future, if a broad class, such as “tuition services”, is sought to be defended on the basis of narrow use within the category (such as for classes of a particular kind) the evidence should not state that the mark has been used in relation to “tuition services” even by compendious reference to the trade mark specification. The evidence should make it clear, with precision, what specific use there has been and explain why, if the use has only been narrow, why a broader category is nonetheless appropriate for the specification. Broad statements purporting to verify use over a wide range by reference to the wording of a trade mark specification when supportable only in respect of a much narrower range should be critically considered in any draft evidence proposed to be submitted.”

29. In *Leno Merken BV v Hagelkruis Beheer BV*,⁷ the CJEU held that:

“Article 15(1) of Regulation No 207/2009 of 26 February 2009 on the Community trade mark must be interpreted as meaning that the territorial borders of the Member States should be disregarded in the assessment of whether a trade mark has been put to ‘genuine use in the Community’ within the meaning of that provision.

⁷ Case C-149/11

A Community trade mark is put to 'genuine use' within the meaning of Article 15(1) of Regulation No 207/2009 when it is used in accordance with its essential function and for the purpose of maintaining or creating market share within the European Community for the goods or services covered by it. It is for the referring court to assess whether the conditions are met in the main proceedings, taking account of all the relevant facts and circumstances, including the characteristics of the market concerned, the nature of the goods or services protected by the trade mark and the territorial extent and the scale of the use as well as its frequency and regularity."

30. The opponent's evidence of use of trade mark EU 8285942 is deficient in that:

- (i) Mr Flinkman's statement does not identify the commencement of use of this trade mark;
- (ii) Although there are some examples of use of the mark in the exhibits to Mr Flinkman's statement, only a few of them can be dated within the relevant period and these appear to show use in Finland in relation to liquorice confectionery;
- (iii) The frequency and regularity of the use, or the amount spent promoting the mark, cannot be ascertained from the evidence.

31. Although use of an EU trade mark in an area corresponding to a single Member State may constitute genuine use of the mark in the EU, the opponent's evidence is so lacking in specificity as to make it impossible to make an appropriate assessment as to whether EU 8285942 was put to genuine use in the EU during the relevant period. Consequently, I find that the opponent has not established that it was. It follows that the opponent cannot rely on this mark for the purposes of these proceedings.

32. The holder accepts that the opponent has shown genuine use of the trade mark EU 8684961 (PANDA, word), but only in relation to liquorice confectionery. Mr Flinkman clearly states that the mark was used in relation to chocolate tablets and bars in the 1970s, but the position after that is not clearly explained. It is true that Mr Flinkman states that liquorice and chocolate confectionery have been exhibited at

trade shows. The only such shows he provides dates for are in the UK. These all appear to be trade shows the marketing of natural products. And the pictures of the exhibition stands provided by Mr Flinkman show only PANDA liquorice products. In my view, the opponent has not shown genuine use of EU 8684961 in relation to anything other than “liquorice confectionery”. The protection to which that mark is entitled must be limited accordingly.

Section 5(2)(b)

33. Section 5(2)(b) of the Act is as follows:

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

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

Comparison of goods and services

34. The respective goods are shown below.

Opposed goods	Goods for the earlier marks are entitled to protection
<i>Cocoa, preparations made from cereals, pastry and confectionery, ices.</i>	Trade Mark EU 10398618 <i>Non-medicated confectionery, liquorice and chocolate</i> Trade Mark EU 8684961 <i>Liquorice confectionery</i>

35. It is self-evident that *confectionery* is identical to *non-medicated confectionery*. Similarly, *liquorice confectionery* is identical to *confectionery* because the latter includes the former.

36. The opponent submits that the remaining opposed goods are similar to *non-medicated confectionery, liquorice and chocolate* because “they are bought by the same customers for consumption, are available through the trade channels, are in competition, but can also be complementary.”

37. I accept the first point, but all this means is that they are products consumed by members of the general public. There is no evidence going to trade channels. I doubt that *cocoa or pastry or ices* would be found on the same shelves as *confectionery*. However, as *preparations made from cereals* covers cereal bars, these might be sold alongside confectionery items. *Ices* could include frozen versions of confectionery products. Therefore, these goods and *preparations made from cereals* (cereal bars) could compete to a certain degree with *non-medicated confectionery*. I do not understand how *cocoa or pastry* could compete with *non-medicated confectionery, liquorice and chocolate*. Nor do I understand the submission that the respective goods could be complementary (the opponent has not explained how).

38. I therefore accept that there is a medium degree of similarity between, on the one hand, *preparations made from cereals* and *ices* and, on the other hand, *non-medicated confectionery, liquorice and chocolate*. I see no obvious similarity between the latter goods and *pastry*. I recognise that chocolate is made from cocoa, but absent other similarities (beyond who eats them) that does not make those goods similar to more than a low degree.

Global assessment

39. The following principles are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

The principles

(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 or 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;

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;

(f) however, it is also 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 of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;

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

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

(j) 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;

(k) if the association between the marks creates a risk that the public might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

Average consumer and the selection process

40. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer*.

41. In this case the average consumer is a member of the general public who is not likely to pay a very high degree of attention when selecting the goods at issue. In my view, the average consumer is likely to pay a below average degree of attention.

42. The goods are likely to be selected visually from shelves, point of sale displays or from published advertisements. Therefore the way that the marks look matters more than the way they sound.

Distinctive character of the earlier marks

43. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services 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 (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

44. The holder points out that there are other PANDA marks on the market for similar goods, but the evidence of this is thin. However, I take judicial notice of the fact that names and pictures of animals are, in general, popular with children and therefore apt for use in the promotion of confectionery.⁸ I therefore find that the word PANDA has, at most, an average degree of inherent distinctive character in relation to the goods at issue. The opponent submits that the mark has acquired an enhanced degree of distinctiveness through use. Given the longstanding nature of the use of

⁸ See *Chorkee Ltd v Cherokee Inc.*, Case BL O/048/08. See also *esure Insurance Ltd v Direct Line Insurance Plc*, [2008] EWCA Civ 842 at paragraph 56 of the judgment

PANDA in relation to liquorice confectionery, I accept that the mark has acquired an enhanced level of distinctiveness to UK consumers of liquorice confectionery (who are all that count for the purposes of assessing the likelihood of confusion in the UK). I do not accept that the mark has an enhanced level of distinctiveness in the UK in relation to any other confectionery goods. And given the relatively modest level of sales in the UK, I do not accept that PANDA had more than an “above average” degree of distinctiveness at the relevant date, even in relation to liquorice confectionery.

45. This finding also applies to trade mark EU 10398618, the dominant and distinctive element of which is plainly the word PANDA.

Comparison of marks


46. The CJEU stated at paragraph 34 of its judgment in *Bimbo SA v OHIM*,⁹ that:

“.....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

It would be wrong, therefore, to artificially dissect the trade marks, although, it is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.

⁹ Case C-591/12P

47. The respective trade marks are shown below:

<p style="text-align: center;">PANDA</p> 	
Earlier trade marks	Contested IR

48. There is no visual similarity between the earlier marks and the contested IR. Although it is obviously a representation of a panda, the three-dimensional representation of the animal incorporated into the packaging of the holder's goods makes a strikingly different visual impression compared to either of the earlier marks.

49. The holder accepts that there is some conceptual similarity. The opponent submits that the marks are conceptually identical, i.e. the concept of a panda bear. I accept the opponent's submission on this point.

50. Neither side contends that the Chinese characters, which are barely visible in the IR, constitute a verbal element of it. The opponent submits that the marks are aurally identical because, like the earlier marks, the contested mark will be described as a 'panda' mark. The holder submits that in the case of a figurative mark the description of the mark is more relevant to the issue of conceptual similarity than aural similarity

(or equivalence). In this connection, the holder draws my attention to the decision of Mr Geoffrey Hobbs QC as the Appointed Person in *Chemise Lacoste*¹⁰ in which Mr Hobbs held that there was no likelihood of confusion between the device of the Lacoste crocodile and the word ALLIGATOR.

51. I accept the holder's submission on this point. As the General Court held in *Dosenbach-Ochsner Schuhe und Sport v OHIM*:¹¹

“45. contrary to what the applicant submits, a phonetic comparison is not relevant in the examination of the similarity of a figurative mark without word elements with another mark (see, to that effect, Joined Cases T-5/08 to T-7/08 *Nestlé v OHMI — Master Beverage Industries (Golden Eagle and Golden Eagle Deluxe)* [2010] ECR II-1177, paragraph 67).

46. A figurative mark without word elements cannot, by definition, be pronounced. At the very most, its visual or conceptual content can be described orally. Such a description, however, necessarily coincides with either the visual perception or the conceptual perception of the mark in question. Consequently, it is not necessary to examine separately the phonetic perception of a figurative mark lacking word elements and to compare it with the phonetic perception of other marks.”

Likelihood of confusion

52. The opponent relies on what it considers to be the close similarity of the marks and the identity of some of the goods.

53. The holder submits that the marks are similar only at a conceptual level and that this is not sufficient to create a likelihood of confusion where the earlier marks do not have a particularly distinctive character. In this respect the holder relies on the judgment of the CJEU in *Sabel v Puma* where the court held that:

¹⁰ BL O/333/10

¹¹ Case T-424/10

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

25. However, in circumstances such as those in point in the main proceedings, where the earlier mark is not especially well known to the public and consists of an image with little imaginative content, the mere fact that the two marks are conceptually similar is not sufficient to give rise to a likelihood of confusion.”

54. The marks at issue in that case were figurative marks consisting of the silhouette of a sable and of a puma. In my view, similar considerations apply where the conceptual identity between the marks arises because they describe and depict, respectively, a well-known animal. This is particularly the case when considering animals popular with children, such as pandas, in relation to confectionery. This is because when considered in this context, the use of the word PANDA, or a representation of a panda *per se*, has little imaginative content.

55. I acknowledge that the marks in this case are conceptually identical rather than just similar. Further, although the General Court stated in its judgment in *Dosenbach-Ochsner Schuhe und Sport v OHIM* that it is not necessary to conduct a separate phonetic analysis of the similarity between a purely figurative mark and another mark, neither this judgment nor the decision of Mr Hobbs QC in *Chemise Lacoste* mean that aural confusion cannot arise as a result of the conceptual similarity between such marks. However, as Mr Hobbs pointed out, the risk of confusion is only likely where the conceptual identity in question is very specific, such as EIFFEL TOWER or MONA LISA. In my view, representations depicting those examples would create such a specific mental image in the consumer’s mind that they would be more likely to find verbal expression than the contested IR. Additionally, as I have already pointed out, the opposed goods in this case are likely to be primarily selected visually from shelves, point of sale displays or from published

advertisements. This further reduces the impact of the conceptual equivalence of the marks on the likelihood of aural confusion.

56. On the other hand, I have found that the earlier marks have an above average degree of (acquired) distinctive character in the UK in relation to liquorice confectionery. Taken together with the identity between these goods and *confectionery* covered by the IR, and the below average degree of attention paid when relevant average consumers select such products, is this enough to create a likelihood of confusion? In my view, it is not. Even in this scenario, the visual difference between the marks is too great for the conceptual identity to result in a likelihood of direct [visual or] aural confusion.

57. I turn next to the question of indirect confusion. In *L.A. Sugar Limited v By Back Beat Inc*,¹² Mr Iain Purvis Q.C., as the Appointed Person, explained that:

“16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: “The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.

58. In *Duebros Limited v Heirler Cenovis GmbH*,¹³ Mr James Mellor Q.C., as the Appointed Person, stressed that a finding of indirect confusion should not be made merely because the two marks share a common element. In this connection, he pointed out that it is not sufficient that a mark merely calls to mind another mark. This

¹² Case BL O/375/10

¹³ BL O/547/17

is mere association, not association in the sense of indirect confusion covered by s.5(2) of the Act.

59. Taking all relevant factors into account, I find that, with one exception, the level of distinctiveness of the word PANDA in the earlier marks is insufficiently high to result in average consumers doing more than merely associating the marks, i.e. recognising that they both relate to pandas, but putting this down to mere coincidence rather than a common trade source. The exception is use of the IR in relation to *liquorice confectionery* where the earlier PANDA marks have acquired an above average degree of distinctiveness through longstanding use in the UK (and elsewhere). In these circumstances, I find that use of the IR in relation to *liquorice confectionery* would cause a *significant proportion* of average consumers to believe that the IR was a new mark of the opponent.¹⁴ This constitutes a likelihood of indirect confusion. Consequently, I find that the opposition under s.5(2)(b) fails, except in relation to *liquorice confectionery*.

60. Given the relatively low degree of visual similarity between the contested mark and earlier figurative mark EU 8285942, and the (at most) average degree of distinctiveness of a representation of a panda *per se* for confectionery, I should add that I would have reached the same conclusion even if I had found that the opponent had shown genuine use of that mark in the relevant period.

The passing-off right ground

61. Section 5(4)(a) states:

“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

¹⁴ See *Comic Enterprises Ltd v Twentieth Century Fox Film Corporation* [2016] EWCA Civ 41 at paragraph 34(v) of the judgment

(b) [.....]

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.”

62. In *Discount Outlet v Feel Good UK*,¹⁵ Her Honour Judge Melissa Clarke, sitting as a Deputy Judge of the High Court stated that:

“55. The elements necessary to reach a finding of passing off are the ‘classical trinity’ of that tort as described by Lord Oliver in the *Jif Lemon* case (*Reckitt & Colman Product v Borden* [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

56. In relation to deception, the court must assess whether “*a substantial number*” of the Claimants’ customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21).”

63. The opponent claims to have used the word PANDA and the device shown in paragraph 8 above in the UK since at least as early as 1982 and 1993, respectively, in relation to *chocolate confectionery and liquorice confectionery*.

64. It follows from my earlier findings that I accept that the opponent has used the word PANDA in relation to liquorice confectionery and acquired a corresponding goodwill and reputation in the UK. I see no clear evidence that the opponent has used the mark in the UK in relation to chocolate confectionery since the 1980s (if at all). I therefore reject the opponent’s claim to have a goodwill in the UK in relation to a business trading in chocolate confectionery.

¹⁵ [2017] EWHC 1400 IPEC

65. I also reject the claim that the panda device shown in paragraph 8 above was distinctive of the opponent's business at the relevant date. Mr Flinkman provides no information about the length or extent of the use of this mark. It is not my role to comb through the (poorly indexed and often unexplained and unidentified) exhibits to his statement to see if it is possible to piece together a picture of use of the mark in the UK sufficient to support the opponent's pleaded case that the mark is distinctive of its business here. It follows that the case based on the use of this panda device mark is rejected.

66. In my judgment, the opponent's case under s.5(4)(a) based on the word PANDA takes the opposition no further than the case under s.5(2)(b). This is because, aside from the use of the IR in relation to liquorice confectionery, the use of that mark in relation to the other opposed goods would not be likely to deceive a substantial number of the opponent's customers or potential customers. At the very most, it might cause a few such consumers to wonder whether there is a connection between the users of the marks, but this is not sufficient for the use of the mark to constitute a misrepresentation to the public.¹⁶ The s.5(4)(a) ground of opposition is therefore also rejected.

Overall outcome

67. The opposition is rejected, except in relation to *liquorice confectionery*. This means that the IR will be protected in the UK in relation to:

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; but not including liquorice confectionery.

¹⁶ See *Phones 4U Ltd v Phone 4U.co.uk Internet Ltd* [2007] RPC 5 at 16–17

Costs

68. Both parties have achieved a measure of success. However, the holder has been more successful than the opponent and should therefore receive 50% of the usual contribution towards its costs. I calculate these as follows:

£200 for considering the notice of opposition and filing a counterstatement;
£400 for considering the opponent's evidence and filing evidence in response;
£100 for filing written submissions.

69. I therefore order Orkla Confectionery & Snack Finland AB to pay "Grand Candy" LLC the sum of £800. This sum to be paid within 14 days of the end of the period allowed for appeal or, if there is an appeal, within 14 days of the conclusion of the appeal proceedings (subject to any order of the appellants tribunal).

Dated this 09th day of March 2018

Allan James
For the Registrar