

O-465-18

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO. 3231970  
BY WELL FOOD & BEVERAGE COMPANY LIMITED  
TO REGISTER THE FOLLOWING TRADE MARK**



**IN CLASS 30**

**AND**

**IN THE MATTER OF OPPOSITION THERETO UNDER NO. 410097  
BY FOSTERS BAKERY (STAINCROSS) LIMITED**

## BACKGROUND

1. On 18 May 2017 Well Food & Beverage Company Limited (“the applicant”) applied to register the trade mark shown on the cover page of this decision in respect of the following goods:

**Class 30:** *Coffee, tea, cocoa and artificial coffee; rice; tapioca and sago; flour and preparations made from cereals; biscuits, bread, pastry and confectionery; edible ices; sugar, honey, treacle; yeast, baking-powder; salt; mustard; vinegar, sauces (condiments); spices; ice.*

2. The application was accepted and published for opposition purposes on 28 July 2017.

3. On 24 August 2017, Fosters Bakery (Staincross) Limited (“the opponent”) filed a notice of opposition against the application. The opposition is based upon Sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”). Under the first two grounds, the opponent relies upon the UK trade mark registration 2228568 for the mark WELLFOODS, which was filed on 7 April 2000 and registered on 22 September 2000 in respect of the following goods:

**Class 30:** *Bakery products; flour; farinaceous products, gluten free bakery products, bread, pastry*

4. Given its date of filing, the above mark qualifies as an earlier mark in accordance with Section 6 of the Act. The opponent states, in its notice of opposition, that it has used its trade mark in relation to all of the goods relied upon. This statement is made because the earlier mark is subject to the proof of use provisions contained in Section 6A of the Act.

5. The opponent claims that its mark is similar to the applicant’s mark and that it covers identical/similar goods to the goods of the application. It contends that the dominant and distinctive element of the applied for mark is “Well Food” and that the words “Made

Fresh Everyday” and the device are wholly descriptive and non-distinctive, respectively. For these reasons, it considers that the application should be refused under Section 5(2)(b).


6. Under Section 5(3), the opponent claims that its mark has a reputation for all of the goods for which it is registered. It contends that use of the applied for mark would take unfair advantage of the opponent’s “significant reputation built up on years of expenditure on marketing, advertising, product development and reliability of supply to customers”. This claim is predicated on the basis that the relevant public will assume that the competing marks are used by the same undertaking or that there is an economic connection between them. Furthermore, the opponent claims that the earlier mark has a strong reputation for gluten-free bakery products and that use of the applied for mark on food containing gluten could lead customers with gluten allergies to mistakenly buying the applicant’s goods in the belief that they are the opponent’s gluten free products. According to the opponent, this might pose a health hazard for people with gluten allergies and might seriously damage the opponent’s reputation in its WELLFOODS mark.

7. Under Section 5(4)(a) the opponent relies on the use, throughout the UK, of the sign WELLFOODS since 2002 in relation to “*bakery products, gluten-free flour, bread loaves, bread rolls, chocolate muffins, sliced bread loaves, gluten-free rolls, burger buns, pizza bases*”. Under this ground, the opponent contends that it has a goodwill associated with the sign relied upon and that the use of the applicant’s mark would constitute a misrepresentation which would cause damage to the said goodwill.

8. The opponent further states:

Wellfoods Limited was incorporated in 1999 and has been trading continuously under the name of **WELLFOODS** since 1999. By assignment dated August 03, 2017, the mark UK00002228568 was assigned together with goodwill to Fosters Bakery (Staincross) Limited. Wellfoods Limited still trades under and provides bakery goods under the marks **WELLFOODS** and **Wellfoods**.

The mark **WELLFOODS** is currently in use in the United Kingdom, and has been used continuously in the United Kingdom for the five-year period immediately preceding the date of this statement.

The mark  and / or **Wellfoods** is currently in use in the United Kingdom, and has been used continuously in the United Kingdom for the five-year period immediately preceding the date of this statement.

The current proprietor Fosters Bakery (Staincross) Limited manufactured products under the above specification of goods which were sold by Wellfoods Limited continuously and uninterruptedly in the five-year period immediately preceding the filing date of this opposition up until August 03 2017 at which date Wellfoods Limited continued to sell bakery goods branded **WELLFOODS** with the consent of Fosters Bakery (Staincross) Limited.

Quantities of bakery products bearing the mark **WELLFOODS** sold by the opponent and the opponent's predecessor in the period 2012-2017 are shown in appendix a herein.

9. The above statements amount to an attempt to introduce evidence within the statement of grounds. I shall return to this point later.

10. The applicant filed a defence and counterstatement, denying all the grounds of opposition and putting the opponent to proof of use for all the goods relied upon. It stated:

The Opponent mentions at paragraph 21 of their Notice of Opposition that Wellfoods Limited was incorporated in 1999 and has been trading under the name since. They further claim that there was an assignment dated 3 August 2017, and therefore the Opponent is the current proprietor of the Opponent's Mark. We neither accept nor deny these claims. We request evidence showing the chain of title, to show that the Opponent is actually entitled to bring the Opposition, and has been transferred any rights from Wellfoods Limited.

11. Only the opponent filed evidence. Neither party requested a hearing and neither filed written submissions in lieu of attendance. The opponent has been represented throughout by Franks & Co Limited and the applicant by Taylor Wessing LLP.

12. This decision is taken following a careful reading of all of the papers.

## EVIDENCE

13. The opponent's evidence consists of the witness statement of Dr John Foster with three appendices.

14. Dr Foster's statement contains only three brief paragraphs. He states that he is the Director of Wellfoods Limited, the opponent's predecessor in title (see below); this is incorrectly referred to as "the opponent" (paragraph 1). He also states that the documents exhibited at appendices 1 and 3 are from the records of Wellfoods Limited (paragraph 2) and that the information in appendix 2 is from the website of Wellfoods Limited (paragraph 3).

15. Appendix 1 is a table headed "Quantity sales of products sold by the opponent under the mark WELLFOODS 2012-2017". It reports the annual sales per product as well as the total sales (per each calendar year). It looks like this:

	C	D	E	F	G	H	I	J	K	L	M	N	O
		2012		2013		2014		2015		2016		2017 (part year)	
1	Item Description	Quantity		Quantity		Quantity		Quantity		Quantity		Quantity	
2	Gluten Free Flour W/Foods	2014		1857		1816		1643		1456		508	
3	Wellfoods Gluten Free Loaf 600g	10246		11360		13864		14501		11177		3076	
4	Wellfoods Gluten Free Rolls x4	1443		4095		11744		16775		22762		10004	
5	Wellfoods Gluten Free Choc Muffin	104		0		0		0		0		0	
6	Gluten Free Loaf W/Foods	3699		3920		3452		2985		2265		674	
7	Gluten Free Loaf Sliced W/Foods	5515		6193		6127		6084		5102		1693	
8	Gluten Free Rolls W/Foods	7680		7596		6855		5815		4694		1263	
9	Gluten Free Burger Buns W/Foods	3036		3137		3245		3470		2521		722	
10	Gluten Free Pizza Base W/Foods	4318		4597		4650		5224		4774		1223	
11		38257		42675		51853		56477		54751		19165	
12													
..													

16. On a rough calculation from 2012 to 2017 the following quantities of goods were sold: 9,294 items of gluten free flour; 64,244 items of gluten free loaf 600g; 66,823 items of gluten free rolls x4; 104 items of gluten free choc muffins; 17,095 items of gluten free loaf; 30,846 items of gluten free loaf sliced; 33,903 items of gluten free rolls; 16,233 items of gluten free burger buns and 24,786 items of gluten free pizza base. Adding up the sales per product together, a total of (in round figures) 260,000 products (of which 230,000 are essentially gluten free bread products) were sold in the period 2012 to 2017.

17. Appendix 2 is a print out from wellfoods.co.uk; it features the text “Wellfoods is the registered trade mark of Foster Bakery (Staincross) Limited” underneath which the name and address of WELLFOODS LIMITED appears. The print is not of good quality but it is possible to discern the words WELLFOODS on a bag of flour. However, the copy is dated 24 August 2017, which is outside the relevant period, i.e. 29 July 2012 to 28 July 2017.

18. Appendix 3 consists of six samples of invoices. They are all from Wellfoods Limited. The recipients have addresses in Salisbury, Fleet, London (x2), Gloucester and Glasgow, although the names have been redacted. All of the invoices are for goods identified as Wellfoods Gluten Free Loaf and Wellfoods Gluten Free Rolls. The invoices are dated April to May 2017. The sums involved are £28, £42, £228, £21.70, £16 and £41.80, totalling £377.50.

## **The Assignment**

19. A copy of the assignment at issue dated 3 August 2017 transferring the earlier mark from Wellfoods Limited to the opponent was filed with the evidence. It states:

“[...] The Assignor is the registered proprietor in the UK of the trade marks registered or applied to be registered under number UK00002228568 (WELLFOODS, word mark)

The Assignor has agreed to assign the trade marks to the Assignee for the consideration hereinafter mentioned

[...] the Assignor hereby assigns unto the Assignee the full right to and title in the trade marks together with the goodwill attached to and/or symbolised by the trade marks but without the whole of the goodwill of the business concerned in the goods and services for which the trade marks are registered.”

20. The application to record the assignment was accepted and the register was amended on 30 August 2017. It shows that a change of ownership took effect from 3 August 2017. The mark is recorded as having been transferred from the previous registered proprietor, Wellfoods Limited, to the current registered proprietor, the opponent.

21. Since the earlier mark was assigned on 3 August 2017, it was in the ownership of the opponent at the time it filed the notice of opposition, i.e. 24 August 2017. Consequently, the opponent was plainly entitled to rely on the earlier mark when it launched the opposition under Sections 5(2)(b).

22. In relation to the Section 5(4)(a) objection, the assignment of the goodwill is discussed later in this decision.

23. In relation to the claim under Section 5(3), I do not consider that in relation to reputation, which is an issue of public knowledge or recognition of a trade mark, the issue of assignment of goodwill has any bearing upon the matters before me.

### **Proof of use**

24. The relevant statutory provisions are as follows:

“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.”

25. Section 100 of the Act 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.”

26. 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 Bunderversvereinigung Kamaradschaft '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].”

27. According to section 6A(3)(a) of the Act, the relevant period in which genuine use must be established is the five-year period ending on the date of publication of the applied for mark. Consequently, the relevant period is 29 July 2012 to 28 July 2017.

28. Before assessing the opponent's evidence of use, I remind myself of the comments of Mr Daniel Alexander, Q.C., sitting as the Appointed Person, in *Awareness Limited v Plymouth City Council*, Case BL O/236/13, where he 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 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 *Dosenbach-Ochsner Ag Schuhe Und Sport v Continental Shelf 128 Ltd*, Case BL O/404/13, Mr Geoffrey Hobbs Q.C. as the Appointed Person stated that:

“21. The assessment of a witness statement for probative value necessarily focuses upon its sufficiency for the purpose of satisfying the decision taker with regard to whatever it is that falls to be determined, on the balance of probabilities, in the particular context of the case at hand. As Mann J. observed in *Matsushita Electric Industrial Co. v. Comptroller- General of Patents* [2008] EWHC 2071 (Pat); [2008] R.P.C. 35:

[24] As I have said, the act of being satisfied is a matter of judgment. Forming a judgment requires the weighing of evidence and other factors. The evidence required in any particular case where satisfaction is required depends on the nature of the inquiry and the nature and purpose of the decision which is to be made. For example, where a tribunal has to be satisfied as to the age of a person, it may sometimes be sufficient for that person to assert in a form or otherwise what his or her age is, or what their date of birth is; in others, more formal proof in the form of, for example, a birth certificate will be required. It all depends who is asking the question, why they are asking the question, and what is going to be done with the answer when it is given. There can be no universal rule as to what level of evidence has to be provided in order to satisfy a decision-making body about that of which that body has to be satisfied.

22. When it comes to proof of use for the purpose of determining the extent (if any) to which the protection conferred by registration of a trade mark can legitimately be maintained, the decision taker must form a view as to what the evidence does and just as importantly what it does not ‘show’ (per Section 100

of the Act) with regard to the actuality of use in relation to goods or services covered by the registration. The evidence in question can properly be assessed for sufficiency (or the lack of it) by reference to the specificity (or lack of it) with which it addresses the actuality of use.”

30. It is clear from the case law above that the onus is on the opponent to show that it has used its trade mark in the relevant period for the goods that it is registered.

31. Although the opponent is Fosters Bakery (Staincross) Limited, not Wellfoods Limited, the latter is the opponent’s predecessor in title and was the owner of the earlier mark during the relevant period, i.e. 29 July 2012 to 28 July 2017. I therefore see no reason Dr Foster’s evidence should not be admissible insofar as it relates to use of the earlier mark during the relevant period.

32. The only comments submitted by the applicant in respect to the evidence filed are as follows:

“Having reviewed the limited number of sales and invoices provided, this is not sufficient evidence to show use for all the goods claimed, i.e. “bakery products; flour; farinaceous products, gluten free bakery products, bread, pastry”. We do not believe that the opponent’s mark has been in continuous use in the UK for the relevant period.”

33. There are indeed some deficiencies in the opponent’s evidence, for example, there is no indication of turnover or marketing expenditures. However, I must look at all the documentary evidence exhibited and, in doing so, I must not simply consider each item of evidence individually, but step back and consider the evidence as a whole to see what it establishes.

34. The evidence includes a table indicating the quantities of goods sold under the earlier mark in the period 2012-2017. Although Dr Foster did not say to whom the goods were sold, the samples of invoices exhibited at Appendix 3, which are within the relevant period, show that the goods were actually sold to customers in the UK. Further, since the earlier mark is a UK mark, it is a reasonably safe assumption that

the goods were sold in the UK. Although there is no indication of the turnover generated by the sales, Dr Foster's evidence was not challenged by the applicant. His evidence, though modest, does show that trade under WELLFOODS has been continuous from 2012 to 2017.

35. Taking into account the value of the sales with respect to the number of units sold, which are mostly gluten free bread loaves and gluten free bread rolls, and the fact that all of the invoices produced in evidence relate to gluten free bread loaves and gluten free bread rolls, my conclusion is that although the evidence submitted by the opponent is not particularly exhaustive, it is sufficient to show genuine use of the earlier trade mark in respect of *gluten free bread loaves* and *gluten free bread rolls* during the relevant period.

### **Section 5(2)(b)**

36. Section 5(2)(b) of the Act reads:

“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.”

37. 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:

- (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 greater 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.

### **Comparison of goods**

38. In comparing the respective specifications, all the relevant factors should be taken into account. In the judgment of the Court of Justice of the European Union (“CJEU”) in *Canon*, Case C-39/97, the Court stated at paragraph 23:

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary”.

39. The relevant factors identified by Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, for assessing similarity were:

- (a) The respective uses of the respective goods or services;
- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or acts of service;
- (d) The respective trade channels through which the goods or services reach the market;

(e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be, found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;

(f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

40. In *YouView TV Ltd v Total Ltd*, [2012] EWHC 3158 (Ch), Floyd J. (as he then was) stated that:

"... Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the observations of the CJEU in Case C-307/10 *The Chartered Institute of Patent Attorneys (Trademarks) (IP TRANSLATOR)* [2012] ETMR 42 at [47]-[49]. Nevertheless the principle should not be taken too far. Treat was decided the way it was because the ordinary and natural, or core, meaning of 'dessert sauce' did not include jam, or because the ordinary and natural description of jam was not 'a dessert sauce'. Each involved a straining of the relevant language, which is incorrect. Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question."

41. In *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another*, [2000] F.S.R. 267 (HC), Neuberger J. (as he then was) stated that:

"I should add that I see no reason to give the word "cosmetics" and "toilet preparations"... anything other than their natural meaning, subject, of course, to the normal and necessary principle that the words must be construed by reference to their context."

42. In *Avnet Incorporated v Isoact Limited*, [1998] F.S.R. 16, Jacob J. (as he then was) stated that:

“In my view, specifications for services should be scrutinised carefully and they should not be given a wide construction covering a vast range of activities. They should be confined to the substance, as it were, the core of the possible meanings attributable to the rather general phrase.”

43. In *Kurt Hesse v OHIM*, Case C-50/15 P, the CJEU stated that complementarity is an autonomous criteria capable of being the sole basis for the existence of similarity between goods. In *Boston Scientific Ltd v OHIM*, Case T-325/06, the General Court (GC) stated that “complementary” means:

“...there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking”.

44. In *Sanco SA v OHIM*, Case T-249/11, the GC indicated that goods and services may be regarded as ‘complementary’ and therefore similar to a degree in circumstances where the nature and purpose of the respective goods and services are very different, i.e. *chicken* against *transport services for chickens*. The purpose of examining whether there is a complementary relationship between goods/services is to assess whether the relevant public are liable to believe that responsibility for the goods/services lies with the same undertaking or with economically connected undertakings. As Mr Daniel Alexander Q.C. noted as the Appointed Person in *Sandra Amelia Mary Elliot v LRC Holdings Limited* BL-0-255-13:

“It may well be the case that wine glasses are almost always used with wine – and are, on any normal view, complementary in that sense - but it does not follow that wine and glassware are similar goods for trade mark purposes.”

45. Whilst on the other hand:

“.....it is neither necessary nor sufficient for a finding of similarity that the goods in question must be used together or that they are sold together.

46. In *Les Éditions Albert René v OHIM*, Case T-336/03, the GC stated:

“61... The mere fact that a particular good is used as a part, element or component of another does not suffice in itself to show that the finished goods containing those components are similar since, in particular, their nature, intended purpose and the customers for those goods may be completely different.”

47. The parties' goods are as follows:

<b>Applicant's goods</b>	<b>Opponent's goods (following proof of use)</b>
<p><b>Class 30:</b> <i>Coffee, tea, cocoa and artificial coffee; rice; tapioca and sago; flour and preparations made from cereals; biscuits, bread, pastry and confectionery; edible ices; sugar, honey, treacle; yeast, baking-powder; salt; mustard; vinegar, sauces (condiments); spices; ice.</i></p>	<p><b>Class 30:</b> <i>Gluten free bread loaves; gluten free bread rolls.</i></p>

48. The opponent claims that the respective goods are identical or similar because “both sets of goods are foods” and the applicant’s goods “are of a nature that they would be sold in the same outlets such as small shops, petrol stations, supermarkets as the [opponent’s] goods”. I disagree. The fact that all of the competing goods belong to the food industry sector and are sold through the same retail outlets, e.g. supermarkets, to the public at large is not enough to automatically establish a similarity between them. It is apparent from the case-law in *Canon* that for goods to be similar there must be some similarity of users, uses, nature, purpose, method of use and trade channels and/or some level of competition or complementary.

49. For the sake of simplicity, I shall refer to the opponent's *gluten free bread loaves* alone when carrying the comparison since extending my considerations to *gluten free bread rolls* would not materially improve the opponent's position.

### Bread

50. The contested *bread* encompasses the opponent's *gluten free bread loaves*. On the principle outlined in *Meric*, these goods must be considered identical. Although the specification includes goods which are not identical, i.e. bread loaves containing gluten, the goods would still be highly similar.

### Preparations made from cereals

51. *Preparations made from cereals* include, as a broad category, *bread loaves* made from wheat flour (which is a type of cereal). There is no information (and it is not within my knowledge) as to whether the opponent's *gluten free bread loaves* are made from cereals; if that was the case then the goods would be identical (on the *Meric* principle). However, even if *preparations made of cereals*, as a term encompassing bread loaves containing wheat (and therefore gluten) and *gluten free bread loaves* are not necessarily identical, they still share the same users, uses, nature, purpose and method of use and are still similar to a high degree. Accordingly, I find that these goods are highly similar.

### Coffee, tea, cocoa and artificial coffee

52. The contested *coffee, tea, cocoa and artificial coffee* are goods used to make beverages. They do not show any similarity in terms of their uses, nature, purpose, or method of use with the opponent's *gluten free bread loaves*, which are a very common food within everyone's understanding. They share the same channels of trade as *gluten free bread loaves* insofar as they may all be purchased from the same supermarkets, but within those channels of trade they are not to be found on the same shelves. The goods are neither in competition (as they cannot be regarded as interchangeable) nor complementary, in the sense that one is "indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking" and the public does not expect such goods to originate from the same companies. These goods are not similar.

Edible ices; sugar, honey, treacle

53. The contested *edible ices; sugar, honey, treacle* are sweet ingredients used for culinary purposes. The respective goods belong to different categories of foodstuff and usually do not originate from the same undertakings. Again, the goods differ in uses, natures, purposes and methods of use from the opponent's *gluten free bread loaves* and although they may all be purchased from the same supermarkets, they are not to be found on the same shelves. The goods are neither in competition, nor complementary. These goods are not similar.

Salt; mustard; vinegar, sauces (condiments); spices

54. The same applies to the contested *salt; mustard; vinegar, sauces (condiments); spices*. These are all food condiments which show no similarity with the opponent's *gluten free bread loaves* under any of the relevant criteria. These goods are not similar.

Ice

55. The contested *ice* is to be understood as frozen water and is most likely to be sold in the form of ice cubes. Considered in that context, the use, nature, intended purpose and method of use of *ice* as a product differs from the opponent's *gluten free bread loaves* and it cannot, on any reasonable view, be considered similar to such goods. These goods are not similar.

Rice

56. The contested *rice* consists of plant seeds which are cooked and eaten as food. The goods have different uses, nature, purpose and method of use from the opponent's *gluten free bread loaves* and although they may all be purchased from the same supermarkets, they are not to be found on the same shelves. The goods are not in competition with each other nor is there any complementarity in play. These goods are not similar.

### Yeast

57. The contested *yeast* is an important component of bread, including the opponent's *gluten free bread loaves*. In those circumstances, the comments in *Les Éditions Albert René* are relevant. *Yeast* is complementary to the opponent's goods in the sense of being indispensable. There is a certain degree of competition between the goods: the choice is whether to buy ready-made *gluten free bread loaves* or to buy *yeast* and other ingredients to make one's own, either in an oven or a bread machine. However, the nature of the goods is different, i.e. raw or semi-finished products versus finished products, as it is their purpose and method of use. Notwithstanding the comments in *Les Éditions Albert René*, I considered that overall, these goods are similar to a low degree.

### Flour

58. The same applies to the contested *flour*, which is not limited in any way and must include gluten free flour used in the production of the opponent's goods. The specification also includes flour which could happen to contain gluten. However, there is no evidence as to whether, for example, it is common for supermarkets to have a designated gluten free section which contains only gluten free products (so that consumers would find gluten free flour and gluten free bread on the same shelves), or whether gluten free products are stocked in regular sections of supermarkets (so that consumers would find gluten free flour near to conventional flour). Likewise, there is no evidence that companies who make gluten free flour do not normally produce flour containing gluten (or vice versa); from my experience, it is not unusual to find manufacturers of flour to produce gluten free alternatives. In such circumstances, it seems to me that although the competitive relationship between flour containing gluten and *gluten free bread loaves* is less pronounced, this does not necessarily lead to the conclusion that there is no complementarity between them. Consequently, I do not find it appropriate to distinguish between flour and gluten free flour and I find that flour is similar to a low degree to the opponent's goods.

### Baking-powder

59. *Baking powder* is an ingredient used in cake making which helps cakes to rise. There is no evidence or submission from the opponent that *baking powder* is used as an ingredient in the production of *gluten free bread loaves* or that manufacturers of *gluten free bread loaves* also sell *baking powder*; consequently, there is no complementarity in play. Here, the goods are two steps removed from the opponent *gluten free bread loaves* and I find that overall, there is no similarity.

### Tapioca

60. The term tapioca would cover *tapioca flour* as confirmed by the TM Class database operated by the EUIPO and adopted by the UKIPO for classification purposes. That being the case, I extend to *tapioca* the same finding I have reached in relation to *flour*. These goods are similar to a low degree.

### Sago

61. The definition<sup>1</sup> of sago is:

“Edible starch which is obtained from a palm and is a staple food in parts of the tropics. The pith inside the trunk is scraped out, washed, and dried to produce a flour or processed to produce the granular sago used in the West”

62. There is no evidence that sago flour is a common product in the UK and the dictionary definition clearly suggests that sago is used in western countries in a granular form. I find that the goods have different uses, nature, purpose and method of use from the opponent’s *gluten free bread loaves* and although they may all be purchased from the same supermarkets, they are not to be found on the same shelves. The goods are not in competition with each other nor is there any complementarity in play. These goods are not similar.

### Biscuits; Pastry

63. The contested *biscuits* and *pastry* are not limited in any way and must include gluten free biscuits and pastry, both sweet and savoury. The goods would include, for

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<sup>1</sup> Oxford Dictionary of English



example, cheese biscuits, tarts, pies, etc. The goods are not in the same nature as *gluten free bread loaves* and are not complementary in the sense of being indispensable to one another. However, the intended purpose of the goods namely, that of satisfying hunger pangs between meals, is similar. Further, as both sets of goods are (finished) dough-based bakery products, the public might expect such goods to originate from the same companies. Consequently, the goods are, to some extent, in competition, have the same users and might coincide in their producers. For similar reasons to those outlined at paragraph 58, I do not find it appropriate to distinguish between gluten free and conventional products and, consequently, I find that *biscuits* and *pastry* are similar to a low degree to the opponent's goods.

### Confectionery

64. The same apply to confections, which includes confectionery bakery products, such as for example, pastry, including gluten free products. The goods are similar to a low degree.

### **Comparison goods conclusion**

65. In *eSure Insurance v Direct Line Insurance*, [2008] ETMR 77 CA, Lady Justice Arden stated that:

“49..... I do not find any threshold condition in the jurisprudence of the Court of Justice cited to us. Moreover I consider that no useful purpose is served by holding that there is some minimum threshold level of similarity that has to be shown. If there is no similarity at all, there is no likelihood of confusion to be considered. If there is some similarity, then the likelihood of confusion has to be considered but it is unnecessary to interpose a need to find a minimum level of similarity.”

66. Having concluded there is no similarity between the goods upon which the opponent is entitled to rely and: “*Coffee, tea, cocoa and artificial coffee; rice; sago; edible ices; sugar, honey, treacle; baking-powder; salt; mustard; vinegar, sauces (condiments); spices; ice*”, the opposition against these goods fails and is dismissed.

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

67. As the case law above indicates, it is necessary for me to determine who the average consumer is for the goods at issue. I must then determine the manner in which these goods will be selected in the course of trade. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

“60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median.”

68. The average consumer of the parties’ goods is the general public and those suffering from gluten intolerances/allergies or other health purpose. I consider that the average consumer will pay a normal degree of attention in relation to the categories of food in the parties’ specifications which are not gluten free products. In relation to gluten free products, given that the goods are intended for persons who suffer from celiac disease or are gluten sensitive or intolerant, they will be selected with a high degree of attention. The purchasing process is largely a visual process of self-selection, though I do not discount aural recommendations.

## **Comparison of marks**

69. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by them, bearing in mind their distinctive and dominant components. The

CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, 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.”

70. It would be wrong therefore artificially to dissect the marks, although it is necessary to take into account their distinctive and dominant components and to give due weight to any other features, (which are not negligible) and therefore contribute to the overall impressions created by them. The marks to be compared are:

Application	Earlier mark
	WELLFOODS

## **Overall impression**

71. The earlier mark consists of the word WELLFOODS presented in plain block capitals. Whilst presented as a single word, the mark naturally breaks down into its two component parts. The word WELL has a number of meanings but, in relation to the goods involved, is likely to be understood to refer to good health. The word FOODS will to be seen as referring to the goods, which are foodstuff. As no part of the mark is highlighted in any way, the distinctiveness rests in its whole.

72. The application is made up of a number of elements. The first one is a stylised device which resembles a red circular badge with a yellow tag. The red circle incorporates the words Well and Food embossed in the middle of it and presented in title case, in bold and in a yellow colour. Above the words Well Food is what appears to be a stylised crown, in white; underneath it, are the words “Made Fresh Everyday”, also in white, but in a much smaller and faint size. Due to their size, central position and colour the words Well Food stand out independently and represent the dominant element of the mark. Although the graphic elements of the mark have a visual impact and contribute to the overall impression, they are far from remarkable. The words “Made Fresh Everyday” are descriptive in relation to the relevant goods, and are subordinated to the words Well Food. That said, they are likely to assist the consumer’s perception of the words Well Food as signifying healthy food that is freshly prepared.

## **Visual similarity**

73. I agree with the applicant that the particular way in which the application is presented creates obvious visual differences between the parties’ marks and that it is easy to distinguish them. However, the presence in the marks of the dominant elements WELLFOODS and Well Food respectively, which share 8 letters in the same position and are highly similar, does create some degree of visual similarity. In this connection, it is worth noting that as notional and fair use means that the opponent’s

word mark could be used in upper or lower case and in different scripts<sup>2</sup>, the difference created by the cases and/or font as presented above is not relevant.

### **Aural similarity**

74. The letter S at the end of WELLFOODS in the earlier mark and the pause between Well and Food in the application are unlikely to introduce a noticeable difference between WELLFOODS and Well Food, when spoken. In my view it is more likely than not that the average consumer will refer to the application by the element Well Food alone, given the descriptive connotations (and subsidiary position) of the strapline “Made Fresh Everyday”, in which case the marks would be aurally nearly identical. Even if the component “Made Fresh Everyday” is pronounced, the consumer is likely to understand its descriptive connotations and will consequently attach less weight to it, which means that the marks would still be aurally similar to an above medium degree.

### **Conceptual similarity**

75. The words WELLFOODS and Well Food are likely to bring to mind the image of food that is healthy and/or make you well in both marks. The presence of the final letter S in the earlier mark will be understood as referring to a multitude of foods, however, this does not create anything more than a subtle conceptual difference, i.e. singular versus plural. As to the fact that the word WELLFOODS (in the earlier mark) when applied to the goods concerned, which are intended to prevent health issues related to gluten allergies and/or intolerances, is likely to convey a more specific meaning, the application also include gluten free products. In those circumstances, even considering that the application incorporates the additional concept of fresh food, the concept conveyed by WELLFOODS and Well Food in the context of gluten free goods will be the same and I find that the marks are conceptually similar to a very high degree. In relation to goods which are not gluten free, it seems to me that the conceptual similarity between the marks must be pitched at a more general level and

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<sup>2</sup> BL 420/18

it is slightly less pronounced; that said, there is still a good degree of conceptual similarity between the marks.

### **Distinctive character of earlier mark**

76. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*<sup>26</sup>, 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).”

77. The level of use shown by the opponent is not of a sufficient level so as to enhance the earlier mark’s distinctive character, consequently I have only its inherent nature to consider. The earlier mark consists of the word WELLFOODS. I have given above my views in relation to the conceptual significance of the mark. Made up of two ordinary dictionary words, although conjoined, the mark has obvious suggestive connotations in relation to the relevant goods. That said, the combination has a degree of

distinctiveness about it and the mark is endowed with a moderate (below average but not low) degree of inherent distinctive character.

### **Likelihood of confusion**

78. In determining whether there is a likelihood of confusion, a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective marks may be offset by a greater degree of similarity between the respective goods and vice versa. I must also keep in mind the average consumer for the goods, the nature of the purchasing process and the fact that the average consumer rarely has the opportunity to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has retained in his mind.

79. There are two types of relevant confusion to consider: direct confusion (where one mark is mistaken for the other) and indirect confusion (where the respective similarities lead the consumer to believe that the respective goods and services come from the same or a related trade source). This distinction was summed up by Mr Iain Purvis Q.C. sitting as the Appointed Person in *L.A. Sugar Limited v By Back Beat Inc*, Case BL-O/375/10:

“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.”

80. In *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17, 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 is mere association not indirect confusion.

81. Earlier in my decision I found that the parties' goods are similar to various degree. The goods concerned are foodstuff, including gluten free products, which will be purchased visually with a degree of attention varying from normal to high. The marks are visually similar to some degree, aurally similar to, at least, a medium degree and conceptually similar to, at least, a good degree. Although the visual differences between the marks are obvious, the dominant and distinctive element of the application is highly similar to the only element of the earlier mark, i.e. Well Food v WELLFOODS and has an independent distinctive role. The additional graphic and verbal elements of the contested mark, whilst having a visual impact, do not alter the overall impression of the mark as a Well Food mark. Finally, whilst the earlier mark is not strikingly distinctive, it possesses a moderate (below average but not low) degree of distinctive character.

83. This is plainly a case where direct confusion can be ruled out; the visual differences between the marks are easily sufficient to prevent the average consumer confusing one mark from another. However, neither the visual differences between the marks nor the higher than average degree of attention that the average consumer is likely to display when selecting some of the goods involved, does, per se, eliminate the risk of indirect confusion.

84. I will begin by considering the position in relation to identical (or highly similar) goods, namely *preparations made from cereals* and *bread*. Here, I consider that the conceptual and aural similarities between the marks and the closeness of the goods is likely to cause in the average consumer an impression that the goods bearing the applicant's mark came from the same and/or an economically linked undertaking, bearing in mind his or her imperfect recollection of the earlier mark, even where a higher degree of attention is involved. I reach this conclusion regardless of whether the goods are gluten free or not. In this connection, I remind myself that in the case of



goods which are not gluten free, the scenario would be that of a consumer who, being familiar with the earlier WELLFOODS mark used on gluten free bread, is faced with the later mark applied to highly similar non-gluten free goods. In those circumstances, absent evidence from the applicant that there is a clear distinction in the market between manufacturers of gluten free and non-gluten free products, I do not think that the fact that the later goods are not gluten-free is a factor which would prevent a likelihood of indirect confusion. **There is a likelihood of indirect confusion in relation to *preparations made from cereals and bread.***

85. In relation to *tapioca; flour; biscuits, pastry, confectionery and yeast*, notwithstanding the similarity between the goods is less pronounced, I find that the similarities between the marks are still sufficient to counterbalance the lower degree similarities between the goods and to cause an impression that the contested mark is a variant mark of the earlier mark. **There is a likelihood of indirect confusion in relation to *tapioca; flour; biscuits, pastry, confectionery and yeast.***

#### **Conclusion under section 5(2)(b) of the Act**

86. The opposition succeeds and the application will be refused in relation to the following goods:

**Class 30:** *Tapioca; flour and preparations made from cereals; biscuits, bread, pastry and confectionery; yeast.*

87. But fails in relation to:

**Class 30:** *Coffee, tea, cocoa and artificial coffee; rice; sago; edible ices; sugar, honey, treacle; baking-powder; salt; mustard; vinegar, sauces (condiments); spices; ice.*

## Section 5(4)

88. 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

(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.”

89. I only intend to deal with this ground to the extent that the opponent has been unsuccessful thus far, namely in relation to *coffee, tea, cocoa and artificial coffee; rice; sago; edible ices; sugar, honey, treacle; baking-powder; salt; mustard; vinegar, sauces (condiments); spices; ice.*

90. In *Discount Outlet v Feel Good UK*, [2017] EWHC 1400 IPEC, Her Honour Judge Melissa Clarke, sitting as a deputy Judge of the High Court conveniently summarised the essential requirements of the law of passing off as follows:

“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).”

91. Halsbury’s Laws of England Vol. 97A (2012 reissue) provides further guidance with regard to establishing the likelihood of deception. In paragraph 309 it is noted (with footnotes omitted) that:

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

(1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and

(2) that members of that class will mistakenly infer from the defendant’s use of a name, mark or other feature which is the same or sufficiently similar that the defendant’s goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

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

(a) the nature and extent of the reputation relied upon;

(b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;

(c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;

(d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.”

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

#### The relevant date

93. Whether there has been passing off must be judged at a particular point (or points) in time. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O 410-11, Mr Daniel Alexander QC sitting as the Appointed Person, considered the matter of the relevant date in a passing off case. He said:

“43. In *SWORDERS TM O-212-06* Mr Alan James acting for the Registrar well summarised the position in s.5(4)(a) proceedings as follows:

‘Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made.’

94. There is no claim and no evidence that the contested mark was in use prior to the date of application. That being the case, the relevant date is 18 May 2017.

## Ownership of the goodwill

95. Under Section 5(4)(a) the opponent relies on the use, throughout the UK, of the sign WELLFOODS since 2002 in relation to “*bakery products*”, “*gluten-free flour*”, “*bread loaves*”, “*bread rolls*”, “*chocolate muffins*”, “*sliced bread loaves*”, “*gluten-free rolls*”, “*burger buns*” and “*pizza bases*”.

96. It is clear that the unregistered sign relied upon under Section 5(4)(a) is identical to the earlier mark relied upon under Section 5(2)(b) and that the goods in relation to which goodwill is claimed are identical and/or highly similar to those for which the earlier mark is registered.

97. The copy of the assignment filed by the opponent recites that the goodwill attached to the earlier mark was transferred to the opponent on 3 August 2017, which is prior to the filing of the notice of opposition. Whilst the existence of a goodwill associated with the name WELLFOODS must be established at the date of the application for registration, i.e. 18 May 2017, the opponent’s passing off rights in the name WELLFOODS fall to be determined as at the date when the opposition was launched. At that stage, the opponent had a proprietary interest in the earlier mark and was entitled to goodwill in the name WELLFOODS. Although the overall picture relating to the assignment of the business operated by the opponent’s predecessor in title is not clear<sup>3</sup>, no specific challenge was raised by the applicant on this point. Consequently, I find that the opponent has established the necessary entitlement to raise an objection under Section 5(4)(a).

98. The evidence relied on for the purposes of genuine use under section 5(2) is relied on to demonstrate goodwill; the similarities between the marks and the goods is relied on to have created a misrepresentation; damage is said to follow the event. The goodwill on which the opponent can rely relates to the same goods relied upon under Section 5(2)(b) where I have stated that its earlier mark has not acquired an enhanced

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<sup>3</sup> See comments contained in the TM7 filed on behalf of the opponent about the relationship between the opponent and its predecessor in title which were not reiterated in the evidence and, as such, cannot be considered.

distinctive character. The sign the opponent relies on is the same sign as its earlier mark, furthermore, the distance between the respective goods still exists.

99. In its submissions, the opponent did not make any separate or different submissions to those that were made in relation to section 5(2). That said, I have already found that it is unlikely that there is a likelihood of confusion amongst a significant proportion of the relevant public in my findings under Section 5(2)(b). I similarly find that it is unlikely that 'a substantial number' of the applicant's customers or potential customers will be deceived in any way. In other words, I cannot see how the opponent can be in any better position under section 5(4). **The ground of opposition, in relation to the remaining goods, also fails.**

### **Section 5(3)**

100. Section 5(3) states:

“(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 the United Kingdom (or, in the case of a European Union trade mark or international trade mark (EC), in the European Union) 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.”

101. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, [1999] ETMR 950, Case 252/07, *Intel*, [2009] ETMR 13, Case C-408/01, *Addidas-Salomon*, [2004] ETMR 10 and C-487/07, *L'Oreal v Bellure* [2009] ETMR 55 and Case C-323/09, *Marks and Spencer v Interflora*. The law appears to be as follows.

a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors*, paragraph 24.

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors, paragraph 26*.

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman, paragraph 29* and *Intel, paragraph 63*.

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel, paragraph 42*

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel, paragraph 68*; whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel, paragraph 79*.

(f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel, paragraphs 76 and 77*.

(g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel, paragraph 74*.

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a

characteristic or quality which is liable to have a negative impact of the earlier mark; *L’Oreal v Bellure NV*, paragraph 40.

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark 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. This 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 coat-tails of the mark with a reputation (*Marks and Spencer v Interflora*, paragraph 74 and the court's answer to question 1 in *L’Oreal v Bellure*).

## Reputation

102. In *General Motors*, Case C-375/97, the CJEU held that:

“25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.

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. Territorially, the condition is fulfilled when, in the terms of Article 5(2) of the Directive, the trade mark has a reputation 'in the Member State'. In the absence



of any definition of the Community provision in this respect, a trade mark cannot be required to have a reputation 'throughout' the territory of the Member State. It is sufficient for it to exist in a substantial part of it." I can deal with this ground very briefly. In paragraph I found that the use shown is not enough to proof enenched distinctive character.

103. The opponent claims that it enjoys a significant reputation in relation to all of the goods for which it is registered, namely *bakery products; flour; farinaceous products, gluten free bakery products, bread, pastry*. I have already found that the earlier mark has not acquired enhanced distinctiveness through use in relation to the goods for which I have accepted use has been made. This finding necessarily means that the opponent has failed to establish a reputation for the purpose of Section 5(3).

104. **Consequently, the opposition based on Section 5(3) fails at the first hurdle.**

## **OVERALL CONCLUSION**

105. The opposition succeeds and the application will be refused in relation to the following goods:

**Class 30:** *Tapioca; flour and preparations made from cereals; biscuits, bread, pastry and confectionery; yeast.*

106. But fails, and the application shall proceed to registration (subject to appeal) in relation to:

**Class 30:** *Coffee, tea, cocoa and artificial coffee; rice; sago; edible ices; sugar, honey, treacle; baking-powder; salt; mustard; vinegar, sauces (condiments); spices; ice.*

## **COSTS**

107. As both parties have achieved a measure of success, I consider that each should bear its own costs.

**Dated this 27th day of July 2018**

**Teresa Perks**

**For the Registrar**

**The Comptroller General**