

O/587/18

TRADE MARKS ACT 1994

IN THE MATTER OF

TRADE MARK REGISTRATION No. 3210593

IN THE NAMES OF SOMERDALE INTERNATIONAL LIMITED AND

ABERGAVENNY FINE FOODS LTD

AND

APPLICATION NO. CA501721

BY SOUTH CAERNARFON CREAMERIES LTD

FOR A DECLARATION OF INVALIDITY

BACKGROUND AND PLEADINGS

1. Somerdale International Limited and Abergavenny Fine Foods Ltd (herein “the Proprietors”) are the registered proprietors of a UK trade mark registration as detailed:

The Proprietors’ contested registered trade mark (No. 3210593) (word mark)
“RED DRAGON”
Registered for goods in Class 29: <i>Cheese and dairy products</i>
Date of filing application: 3 February 2017
Published for opposition purposes: 3 March 2017
Registration date: 12 May 2017

2. On 10 July 2017, South Caernarfon Creameries Ltd (herein “the Applicant”) filed an application, on Form TM26(l), to invalidate the whole of the Proprietors’ registration, based on grounds under section 5(2)(b)¹ of the Trade Marks Act 1994 (“the Act”). The Applicant relies for its claim on its ownership of its UK trade mark registration as detailed:

The Applicant’s earlier registered trade mark (No. 2647307) (figurative mark)	
	Date of filing application: 21 December 2012 Published for opposition purposes: 1 February 2013 Registration date: 12 April 2013
Registered for goods in Class 29: <i>Milk and milk products; cheese; processed cheese; butter; flavoured butter and spreads; dairy desserts; cream products</i>	

3. The Applicant claims that visually and aurally the respective marks are highly similar and that they are conceptually identical, and that the parties’ goods and are similar or identical, such that there exists a likelihood of confusion on the part of the public, including the likelihood of association with the earlier trade mark.

¹ Applicable by virtue of section 47 of the Act.

The Proprietors' counterstatement

4. The Proprietors filed a Form TM8 notice of defence and counterstatement denying the claimed likelihood of confusion. While the defence statement admits that the goods of the respective parties' are identical or similar, it denies that the parties' marks are similar, and details the following points:
 - It denies that the marks are visually highly similar as the Applicant's mark "consists of two equally dominant parts, being the word DRAGON and a highly stylised picture of a dragon." It claims that the dragon device is "quite striking" and therefore "visually differentiates the marks to a large degree."
 - It denies the marks are aurally highly similar.
 - It denies that the marks are conceptually identical or highly similar and states that the Proprietors' mark does not automatically bring to mind a red coloured dragon.

5. It states that the Proprietor² is one of the largest British cheese exporters, which has used the RED DRAGON trade mark on cheese continuously since 1992 to present day and that evidence would be filed to show their use of trade mark on a substantial scale, including exports of RED DRAGON cheese to numerous countries.

Representation and Papers filed

6. The Applicant is represented in these proceedings by Wilson Gunn; the Proprietors by Chancery Trade Marks. During the evidence rounds the Proprietors filed evidence (including points of submission), which I briefly summarise below; the Applicant filed no evidence. The Applicant filed written submissions in lieu of an oral hearing, which included comments on the Proprietors' evidence. I bear in mind the parties' claims and submissions and refer to them, and to relevant aspects of the evidence, where appropriate.

² It appears from the context of the evidence that this is a reference to Somerdale International Limited.

EVIDENCE

7. Evidence was filed on behalf of the Proprietors in the form of a **witness statement** dated 17 May 2018 **by Charles Jennings**, a trade mark attorney employed by the Proprietors' representatives. The witness statement has 2 exhibits, filed to support Mr Jennings' account of "reputation and goodwill" through the claimed use of the RED DRAGON mark. Mr Jennings states that the Proprietors spend around £100,000 annually promoting their products under the RED DRAGON trade mark. **Exhibit 1** is a sample of promotional literature relating to the mark. **Exhibit 2** is a sample selection of invoices to show use of the RED DRAGON mark on goods both in the UK and overseas, together with sales figures 2013 -2018.

DECISION

Relevant legislation

8. Section 47 of the Act provides for invalidity of a registration and the immediately relevant parts of that section are set out below:

47 Grounds for invalidity of registration

(1) [...]

(2) *The registration of a trade mark may be declared invalid on the ground—*
(a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or
(b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,
unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

[...]

(3) [...]

(4) [...]

(5) *Where the grounds of invalidity exist in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.*

(6) *Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made: Provided that this shall not affect transactions past and closed.*

9. Section 5(2)(b) of the Act states:

“... 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.”

10. Since the Applicant's trade mark has a date of application for registration earlier than that of the Proprietors' trade mark, it is clearly an “earlier trade mark” as defined by section 6(1)(a) of the Act; and since the earlier mark had not been registered for more than five years when the Proprietors' mark was published for opposition the earlier mark is not subject to the proof of use provisions under section 6A of the Act.

11. The following decisions of the EU courts provide the principles to be borne in mind when considering section 5(2)(b) of the Act:

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.

12. The principles are that:

- (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.

Comparison of goods

13. The Applicant submits that the goods at issue are identical and the Proprietors admit in their counterstatement that the parties' goods are identical or similar. It is clear from case law such as *Meric*³ that goods can be considered as identical when the goods designated by the earlier mark are included in a more general category designated by the trade mark application or vice versa. The parties' goods are identical.

The average consumer and the purchasing process

14. It is necessary to determine who is the average consumer for the respective goods and how the consumer is likely to select them. 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 question⁴. In *Hearst Holdings Inc*,⁵ 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 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 word “average” denotes that the person is typical... [it] does not denote some form of numerical mean, mode or median.”

15. Cheeses and dairy products are sold and purchased very widely and the relevant average consumer in this case will be members of the public. In considering and purchasing such goods, the average consumer will exercise **no more than an ordinary degree of attention**. Visual considerations will be particularly influential in the purchasing act because the goods of the type under the marks are likely to be selected visually after perusal of shelves or refrigerators in supermarkets, delicatessens and other retail outlets, or potentially from information on websites or in catalogues.⁶ However, aural

³ See paragraph 29 of the judgment of the General Court in *Gérard Meric v Office for Harmonisation in the Internal Market (OHIM)*, Case T- 133/05

⁴ *Lloyd Schuhfabrik Meyer*, Case C-342/97

⁵ *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),

⁶ See *New Look Limited v OHIM*, joined cases T-117/03 to T-119/03 and T-171/03 at paragraphs 49 -50.

considerations may also play a part, such as on the basis of word of mouth recommendations, so the way the marks are said is also relevant.

Distinctive character of the earlier trade mark

16. The distinctive character of the earlier mark must be considered. The more distinctive an earlier mark, either by inherent nature or by use, the greater the likelihood of confusion (*Sabel*). In *Lloyd Schuhfabrik*⁷ 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 ...

*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).”*

17. The distinctive character of a trade mark can be appraised only, first, by reference to the goods specified in the registration and, secondly, by reference to the way it is perceived by the relevant public⁸. With this in mind, I note the following:

- The earlier mark is registered for “*Milk and milk products; cheese; processed cheese; butter; flavoured butter and spreads; dairy desserts; cream products*” - those terms are not limited in the specifications (for example to such goods made in Wales);

⁷ *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97

⁸ *Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91

- The earlier trade mark is a figurative mark, that has two striking components, one being the text “Dragon”, the other being the device of a dragon, which is the same depiction of a dragon as appears in the national flag of Wales.
18. The word “Dragon” is not an invented, meaningless word, so is not of the highest order of distinctiveness, but nor does it have a descriptive message in relation to the goods at issue – therefore it inherently has an ordinary level of distinctiveness. The dragon device reinforces the word element “Dragon” and the device has no descriptive message in relation to cheese at large. That said, I recognise that if applied in relation to goods that may have a particular connection to Wales, the ability of the Welsh dragon device to distinguish goods of one undertaking from those of another, may be reduced by virtue of the consumer’s familiarity with the emblem as a shorthand for Wales. However, in relation to cheese at large, as well as for such part of the relevant public in the UK who may not readily perceive the dragon as that drawn from the Welsh flag, the distinctiveness of the device is not reduced. Overall, I consider the mark overall retains an ordinary level of inherent distinctiveness.
19. The level of inherent distinctiveness of a trade mark may be enhanced through use in the UK, but since the Applicant filed no evidence as to the use of its earlier mark, there is no possibility of considering whether the Applicant’s trade mark may have an enhanced level of distinctiveness in the perception of the UK consumer through use.

Comparison of the marks


20. It is clear from *Sabel*⁹ 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 the marks, bearing in mind their distinctive and dominant components. The Court of Justice of the European Union (CJEU) stated in *Bimbo*¹⁰ 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

⁹ *Sabel BV v Puma AG*, Case C-251/95

¹⁰ *Bimbo SA v OHIM*, Case C-591/12P (paragraph 34)

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.”

21. It would therefore be wrong to dissect the trade marks artificially, but it is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features that are not negligible and therefore contribute to the overall impressions created by the marks. The marks to be compared are shown below:

<p>The Applicant’s earlier registered mark:</p>	<p>Dragon</p> 
<p>The Proprietors’ contested trade mark:</p>	<p>RED DRAGON</p>

22. The overall impression of the Applicant’s earlier trade mark is that it is the word “Dragon” set above a depiction of a dragon, which depiction a substantial part of relevant UK public will recognise as the same representation of a dragon as appears on the national flag of Wales. Both the text and dragon device play a distinctive role in the mark, the two aspects providing mutual reinforcement.
23. The overall impression of the Proprietors’ contested trade mark comes simply from its two words. The “DRAGON” element is more striking in the overall impression, since although “RED” will be read first, its role is secondary to the longer and more distinctive word “DRAGON” that it describes.

Visual similarity

24. The distinctive text element “Dragon” of the Applicant’s mark is also present as the more distinctive of the two words of the Proprietors’ mark, so there is a clear visual overlap in the word. The Proprietors’ trade mark happens to be shown in upper case, whereas only the first letter of the Applicant’s mark is capitalised; however, that visual difference may

be disregarded for the purposes of assessing visual similarity, since it is well established that fair and notional use of a word mark would certainly allow the mark to be presented in title case¹¹. The “Dragon” text of the Applicant’s figurative mark includes a pointed tongue / tail stemming from its “g”, which stylistic flourish would be outside the tolerance of fair notional presentation of a word mark. That tail / tongue feature is not negligible, but it is small and if noticed by the average consumer, it will be seen for what it is, a stylistic flourish.

25. The most notable visual differences between the marks are that the Proprietors’ mark has the additional word “RED”, which is not present in the Applicant’s mark, and that the Applicant’s mark has a striking dragon device which is not present in the Proprietors’ word mark. I find that the clear linguistic message of the word “Dragon” may be considered the dominant aspect of the Applicant’s mark - or else, as claimed in the Proprietors’ counterstatement, the word is at least equal in dominance to the dragon device, which reinforces the word - and that same word is the dominant element in the Proprietors’ mark. On that basis I find the marks share a **certain degree of visual similarity, although certainly no more than to a medium degree.**

Aural similarity

26. The marks will be referred to in speech as “dragon” and “red dragon”. The word “dragon” is the more dominant and distinctive aspect of the Proprietors’ mark and that two-syllable word will of course be pronounced in an identical manner for both marks. Although the word “red” will be said and heard first, it is not only a short single syllable, but is also secondary to the word “DRAGON” that it describes and so is the less dominant element. I find marks to be **aurally similar to at least a medium degree.**

¹¹ See the ruling of Iain Purvis QC, sitting as the Appointed Person in *Groupement Des Cartes Bancaires v China Construction Bank Corporation*, Case BL O/281/14 (at paragraph 21). See also the ruling of the CJEU in *Sadas SA, v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-346/04 4 November 2005 at paragraph 47.

Conceptual similarity

27. There is a clear conceptual overlap between the parties' marks arising from the shared word 'Dragon', which the average consumer will readily understand to refer to a mythical creature, winged and fire-breathing. Moreover, although the dragon device happens to be presented in black, since the Applicant's figurative mark is registered in black and white, notional fair use of mark would allow its use in other colours, including red. It is also the case that the particular representation of the dragon is that found on the Welsh flag, which is a red dragon. The average consumer – which is to say at least a substantial part of the relevant UK public – would readily perceive in the Applicant's mark the form of the red dragon of Wales. To that extent the conceptual overlap is strengthened. Overall, I find the respective marks to be **conceptually similar to a high degree**.¹²

Conclusion as to likelihood of confusion

28. Deciding whether there is a likelihood of confusion requires a global assessment, of all relevant factors in accordance with case law. Thus, I remind myself of the effect of the interdependency principle, where a great degree of similarity between the goods or services may offset a lesser degree of similarity between the marks, and factor in my finding that the Proprietors' registered goods are identical to those for which the Applicant's earlier mark is registered and that the respective marks, as I have described, are similar. I take into account that the earlier mark has a level of inherent distinctiveness that is no more than ordinary, and which benefits from no enhancement through use. I note that that the average consumer is deemed reasonably well informed and reasonably circumspect and observant, and that in purchasing the goods at issue the relevant consumer will pay a normal level of attention. Notwithstanding the particular importance of visual considerations in the purchasing process, where I assess the visual similarity to be no more than medium, I nonetheless find that the shared presence of the distinctive word dragon raises a risk of confusion between the two marks, which risk is heightened by the conceptual overlap arising from the red dragon of Wales, especially if the mark were used in red. I find that the differences between the marks are not sufficient to

¹² I also note that the Applicant highlights in its submissions in lieu that the Proprietors' evidence at **Exhibit 1** includes explicit reference on two online review sites to the name RED DRAGON being taken from the symbol in the Welsh flag.

prevent a likelihood of confusion, including a risk that the public might believe that the respective goods come from the same or economically-linked undertakings.

29. Taking into account that the average consumer rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect mental recollection of them, it is possible that the marks may be directly confused – one mistaken for the other. However, it seems to me equally likely that confusion may be indirect, whereby the average consumer would recognise the marks to be different, but influenced by the presence of the distinctive word “dragon”, assumes it is another brand of the owner of the earlier mark¹³. For example, the average UK consumer may have come across varieties of cheese such as Red Leicester, and may conclude that the Proprietors’ RED DRAGON mark is logical and consistent with a brand extension of the earlier mark¹⁴. I make that finding while mindful of the ruling of James Mellor QC sitting as the Appointed Person in *Eden Chocolat*¹⁵, where he stressed that a finding of indirect confusion should not be made merely because the two marks share a common element, but that the assessment must take account of the common element in the context of the later mark as a whole.
30. Having found that a prima facie likelihood of confusion exists in respect of the Applicant’s goods identified, I turn to address the implications of defensive points raised by the Proprietors.
31. Mr Jennings, in his evidence for the Proprietors, states that there are other trade marks containing the word dragon or devices of dragons in respect of Class 29, which have not been prevented by the Applicant’s registered mark. In its submissions in lieu, the Applicant refutes the relevance of this point, stating that there is no indication as to whether or not the trade marks mentioned by the Proprietors “are in use in the marketplace, such that it is not an argument in favour of the [Proprietors] that the existence of [those] trade marks in themselves is evidence that the [Proprietors]’ trade

¹³ See the ruling of Iain Purvis QC, sitting as the Appointed Person, in *L.A. Sugar Limited v By Back Beat Inc*, Case BL O/375/10 at paragraph 16.

¹⁴ *Ibid* at paragraph 17.

¹⁵ Case BL O-547-17 *Eden Chocolat be more chocstanza (word & device) v Heirler Cenovis GmbH* (27 October 2017) at paragraph 81.4.

mark can coexist with the [Applicant's] earlier trade mark." I accept those submissions¹⁶. I also note that the Applicant submits that the Proprietors' mark is of much greater concern to the Applicant since both parties' marks "contain clear, concrete and direct references to the Welsh Dragon." I note the Proprietors' submission that the Applicant does not have a monopoly on the word "Dragon" in this area, but nor has my assessment of likelihood of confusion proceeded on that basis – rather I have made my decision on the basis of all relevant circumstances and in respect of the particular marks at issue.

32. *Evidence of use of the Proprietors' mark* - The Applicant's submissions in lieu make various criticisms of the evidence of use filed by the Proprietors, but whatever that evidence may or may not show, I do not find that the evidence or submissions filed by the Proprietors disturb my prima facie findings regarding the likelihood of confusion. The Proprietors claim in their counterstatement and in evidence to have used the mark since 1992, developing reputation and goodwill in their mark, essentially implying that they have earlier rights to the mark, while making no formal counterclaim. Tribunal Practice Notice 4/2009 makes clear that defences to section 5(2) claims based on a registered proprietor having used the trade mark before an applicant for cancellation registered its mark are wrong in law. "*Section 5(2) of the Act turns on whether the attacker has an earlier trade mark compared to the mark under attack, as defined by section 6 of the Act. If the owner of the mark under attack has an earlier mark or right which could be used to oppose or invalidate the trade mark relied upon by the attacker, and the applicant for registration/registered proprietor wishes to invoke that earlier mark/right, the proper course is to oppose or apply to invalidate the attacker's mark.*"¹⁷
33. Nor is there any prospect of considering a defence founded on concurrent use, since for such a defence to succeed, I would need to be satisfied that the parties have traded in circumstances where the relevant public has shown itself able in fact to distinguish between goods bearing the marks in question i.e. without confusing them as to trade

¹⁶ See for example, the CJEU ruling in *Zero Industry Srl v OHIM*, Case T-400/06, at paragraph 73 of that decision, along with its comment to the effect that "*the mere fact that a number of trade marks relating to the goods at issue contain the word [in this instance "Dragon"] is not enough to establish that the distinctive character of that element has been weakened because of its frequent use in the field concerned.*"

¹⁷ See the decision of Ms Anna Carboni, sitting as the Appointed Person in *Ion Associates Ltd v Philip Stainton and Another*, BL O-211-09.

origin¹⁸. In the present case, the Applicant has filed no evidence of use at all, which clearly excludes the possibility of such a defence.

OUTCOME

- 34. Consequently, the application for a declaration of invalidity succeeds and the Proprietor's registration is deemed never to have been made and will be removed as from its date of application (3 February 2017).**

COSTS

35. The Applicant has been successful and is entitled to a contribution towards its costs, which I calculate taking into account the costs scale published in Tribunal Practice Notice 2/2016, as follows:

Reimbursement of the official fee for Form TM26(I):	£200
Preparing a statement of grounds and considering the Proprietors' counterstatement:	£200
The evidence was minimal and I factor it in to an award component along with preparing submissions in lieu of a hearing	£500
Total:	£900

36. I therefore order Somerdale International Limited and Abergavenny Fine Foods Ltd to pay South Caernarfon Creameries Ltd the sum of £900 (nine hundred pounds) to be paid within fourteen days of the expiry of the appeal period, or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 24th day of September 2018

Matthew Williams
For the Registrar

¹⁸ See summary of the law relating to concurrent use at paragraph 74 of the ruling of Carr J in *Victoria Plum Limited (trading as "Victoria Plumb") v Victorian Plumbing Limited and others*, [2016]EWHC 2911 (Ch).