

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NUMBER 2127596
BY NISSIN SHOKUHIN KABUSHIKI KAISHA
TO REGISTER A TRADE MARK IN CLASS 30**

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER NUMBER 48817
BY SPAR FOOD DISTRIBUTORS LIMITED**

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**IN THE MATTER OF Application Number 2127596
by Nissin Shokuhin Kabushiki Kaisha
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under Number 48817
by Spar Food Distributors Limited**

BACKGROUND

1. On 24 March 1997 Nissin Shokuhin Kabushiki Kaisha applied to register the following trade mark:

The image shows the trade mark 'Spar' written in a thick, black, handwritten-style font. The 'S' is large and loops around the 'p'. The 'a' is smaller and sits between the 'S' and the 'r'. The 'r' is tall and has a short vertical stem. The letters are slightly irregular, giving it a hand-drawn appearance.

in Class 30 for "Noodles, instant noodles, pasta, instant pasta".

2. The application was subsequently accepted by the Registrar and published in the Trade Marks Journal. On 22 July 1997 Wilson Gunn M'Caw on behalf of Spar Food Distributors Ltd filed a Notice of Opposition. In summary the grounds were:-
 - (1) Under Section 5(2)(b) of the Act because the trade mark the subject of the application is confusingly similar to the following UK trade mark registrations, owned by the opponent, which are registered for the same goods and similar goods - Nos. 752230 (Spar & device), 870037 (Spar), 870038 (Spar), 870039 (spar), 883238 (Spar), 1259314 (Spar), 1438399 (Spar Quick Bites), 1490147 (Spar Quick Snack), 1491041 (Spar Quick Savours) and 1530679 (Spar Wheaties).
 - (2) Under Section 5(3) of the Act because the trade mark the subject of the application is similar to the following UK trade mark registrations, owned by the opponent, which are registered in respect of goods or services which are not similar to those for which these earlier marks are protected and use of the mark applied for would take unfair

advantage of and be detrimental to the distinctive character and repute of the earlier trade marks - Nos. 1131802 (SPAR), 870032 (SPAR), 945408 (SPAR), 1285076 (SPAR), 1417042 (SPAR), 945409 (SPAR), 1201483 (SPAR), 1311227 (SPAR), 945410 (SPAR), 966469 (SPAR), 831780 (SPAR & Device), 870033 (SPAR), 967093 (SPAR), 870034 (SPAR), 1427028 (SPAR), 966470 (SPAR), 966471 (SPAR), 870036 (SPAR), 979219 (SPAR), 1031802 (SPAR), 870040 (SPAR), 870041 (SPAR), 1283354 (SPAR), 1282664 (SPAR), 1282665 (SPAR), 1282666 (SPAR) and 1282667 (SPAR).

(3) Under Section 5(4)(a) of the Act because the opponent has used the trade mark SPAR in the United Kingdom for many years and enjoys an enormous reputation and goodwill in the trade mark.

3. On 26 October 1998 the applicants, through their agents, Gee & Co, filed a counterstatement. Although admitting that Spar Food Distributors are the proprietors of the trade marks listed in the Statement of Grounds of Opposition and that the opponent has a reputation in the trade mark SPAR in the United Kingdom, the applicant made no admission as to the validity of the trade marks and does not believe that the opponent's reputation extends to goods identical with or similar to those of the application in suit. The applicant denies the grounds of opposition.
4. Both sides have asked for an award of costs in their favour and have filed evidence. The matter came to be heard on 31 January 2001 when the applicant for registration was represented by Mr Bubb of Gee & Co and the opponents by Mr March of Wilson Gunn M'Caw.

Opponents' Evidence

5. This consists of a statutory declaration by Philip Marchant dated 25 May 1999. Mr Marchant states that he is the Company Secretary of Spar Food Distributors Limited (the opponents) is authorised to make this declaration on their behalf and has been employed by the company since 1980. He goes on to say that he has full access to the books and records of the company and the facts of his declaration are taken from such records or are within his personal knowledge.
6. Mr Marchant states that Spar Food Distributors Limited is the proprietor of UK Trade Mark Registration No. 870038 SPAR advertised in the Trade Marks Journal 4524 page 647 in respect of "all goods in Class 30, but not including gelatine or goods of the same description as gelatine."
7. Mr Marchant next states that the trade mark SPAR is extensively used by his company on a vast range of products, that it is their company name and house-brand name and that it is extensively recognised as a trade mark of his company, which has accrued extensive goodwill in the trade mark. He refers to Exhibit A to his declaration which comprises a list of the trade mark applications and registrations for the trade mark SPAR which are owned by his company (the opponents).

8. Mr Marchant goes on to state that the trade mark SPAR has been in continuous use in relation to pasta and rice products for at least the past eight years and that the trade mark has been applied to the packaging of his company's pasta and rice products. He draws attention to Exhibit B to his declaration consisting of examples of how the trade mark is used in relation to pasta products and to Exhibit C to his declaration consisting of examples of how the trade mark is used in relation to rice products.
9. Mr Marchant follows this up by listing the number of units of pasta products and rice products sold by his company in 1998:-

<u>Product</u>	<u>Unit Sale Price (pence)</u>	<u>Total Annual Turnover (£)</u>
Pasta Twists (500g pack)	69	56,000
Pasta Shells (500g pack)	69	50,000
Lasagna (250g pack)	79	34,000
Spaghetti (500g pack)	57	120,000
Macaroni (500g pack)	69	26,000
Long Grain Rice (500g pack)	62	121,000
Short Grain Rice (500g pack)	75	40,000
Basmati Rice (500g pack)	135	68,000
Easy Cook Rice (500g pack)	69	102,000

10. He states that the sales figures and sales values have been of an equivalent amount for the last eight years.
11. Mr Marchant next states that, in his belief, the applicant's mark is confusingly similar to his company's registration 870038 and is likely to deceive or cause confusion because the prefix SPA is phonetically identical to his company's trade mark and the suffix is a Japanese character which has no meaning in the English language and would not be pronounced.

Applicants' Evidence

12. This consists of two statutory declarations, one each from Anwar Karim Husain and Seiji Toda.
13. Mr Husain is a director of K G Husain & Sons (Limited) and he states that he is authorised to make the declaration on behalf of his company, that he has been a Director of the company since 1966, that he has full access to the books and records of the company and that the facts in his declaration are taken from such records or are within his own personal knowledge.
14. Mr Husain states that his company is an importer and distributor of food throughout the United Kingdom and imports and distributes to food retailers products of Nissin Shokuhin Kabushiki Kaisha (Nissin Food Products Co Ltd) of Japan, the applicants. Included among such products are Spa - O Taku noodles and Mr Husain refers to Exhibit AKH1 to his declaration which consists of a photograph showing packaging of the product concerned from which, Mr Husain states, it can be seen that the packaging is in the form of a sealed bowl, upon the list of which prominently appears the trade mark which is the subject of the

application. He goes on to say that the trade mark comprises of the word Spa, followed by the Japanese character I and that the Japanese character has the meaning of the word "King" although the pronunciation thereof is the same as the English letter "O". Mr Husain states that a Japanese speaking person when ordering a product identified by the Trade Mark in the United Kingdom would be likely to ask for "Spa-O" noodles, rather than simply "Spa" noodles.

15. In support of his case, Mr Husain says that since commencing importation of the Spa-O product in March 1996, his company has sold, on average, approximately 1200 units of the product per quarter, amounting to an average annual turnover of approximately £8000 Sterling. The product is sold through Japanese supermarkets, with a small volume being sold through Chinese supermarkets, Harts, Europa and Whistle Stop Food Stores. Mr Husain is unaware of any confusion with the opponent's products.
16. Mr Husain disputes that the mark applied for would be confused with the opponent's trade mark and states that to the best of his knowledge and belief their mark is always used in upper case letters and is usually accompanied by a fir tree device, that the word SPAR is a dictionary word having a different meaning to the dictionary word SPA and that in the applicant's mark the word Spa is represented in upwardly slanting upper and lower case script and being accompanied by the Japanese character I.
17. While Mr Husain accepts that there is a phonetic similarity between the words SPAR and Spa he does not believe that in practice there is a real potential source of confusion in relation to the goods concerned since in his view, customers shopping in a food store usually select a product from a shelf by visual recognition of the packaging rather than by asking for the product by name. Mr Husain goes on to say that even if a customer were to ask for the product by name and be supplied with the other by mistake, the customer would immediately be aware that this was not the product asked for.
18. The second declaration contained in the applicants evidence is by Seiji Toda who is General Manager, International Division of Nissin Shokihin Kabushiki Kaisha, the applicant company. Mr Toda states that he is authorised to make this declaration on behalf of his company, that he has held his present position since May 1995 while being employed by the company since 1971, that he has full access to the books and records of his company and that he is familiar with the English language.
19. Mr Toda has read the Statutory Declarations of Mr Marchant and Mr Husain and he confirms that the statements made by Mr Husain in his declaration are to the best of Mr Toda's knowledge and belief correct and that the sales records of Nissin Shokihin Kabushiki Kaisha are consistent with the statements made by Mr Husain in his declaration.
20. Mr Toda goes on to state that in so far as he is aware or can ascertain from his company's records, his company was not conversant with the trade mark SPAR of Spar Food Distributors Ltd. at the time his company adopted the trade mark which is the subject of the current application. He adds that the word Spa is an abbreviation of the word "spaghetti" and the symbol I Means "King" and the trade mark as a whole was therefore devised with the intention of giving a covert allusion to a product as "King of Spaghetti".

21. This concludes my summary of the evidence filed in this case. I now turn to the decision.

DECISION

22. At the Hearing Mr Marsh, while not withdrawing the grounds of opposition raised under Section 5(3) and 5(4), concentrated his attack to Section 5(2)(b) of the Act, which reads as follows:

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

(a)

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

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

23. An earlier right is defined in Section 6, the relevant parts of which state:

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

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

24. I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* [1998] ETMR 2, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] ETMR 1, *Lloyd Schufabrik Meyer & Co GmbH v Klijsen Handel BV* [2000] FSR 77 and *Marca Mode CV v Adidas AG* [2000] ETMR 723.

25. It is clear from these cases that:-

(a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors; *Sabel BV v Puma AG*, paragraph 22;

(b) the matter must be judged through the eyes of the average consumer of the goods/services in question; *Sabel BV v Puma AG*, paragraph 23, 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; *Lloyd Schufabrik Meyer & Co GmbH v Klijsen Handel BV*, paragraph 27;

(c) the average consumer normally perceives a mark as a whole and does not

proceed to analyse its various details; *Sabel BV v Puma AG*, paragraph 23;

- (d) the visual, aural and conceptual similarities of the marks must therefore be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components; *Sabel BV v Puma AG*, paragraph 23;
- (e) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, paragraph 17;
- (f) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either per se or because of the use that has been made of it; *Sabel BV v Puma AG*, paragraph 24;
- (g) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Section 5(2); *Sabel BV v Puma AG*, paragraph 26;
- (h) further, 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; *Marca Mode CV v Adidas AG*, paragraph 41;
- (i) but if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, paragraph 29.

26. In light of the opponents prior registrations, in particular registration No 870038 in Class 30, it was common ground before me that identical and similar goods are involved.
27. Mr Marsh pointed out that the goods in issue were not a sophisticated nor expensive product and drew attention to the unit costs mentioned in the evidence. He stated that such goods were sold side-by-side on the shelves of retail outlets and as "quick turnover" goods they were, on a relative basis, not subjected to close scrutiny prior to purchase.
28. Mr Marsh argued that there was visual, aural and conceptual similarity between the marks. While conceding there was an element of stylisation to the applicant's mark, he argued that its impact was minimal as, in essence, it would be seen and pronounced as a SPA mark and would not be distinguished from the opponent's SPAR mark. Mr Marsh contended that the Japanese character I in the applicant's mark would be regarded merely as a device in the United Kingdom (as there are very few Japanese speakers) and its significance would therefore be overwhelmed by the word element. He went on to argue that, insofar as the Japanese character would be recollected by customers, it could, on imperfect recollection, be confused with the opponent's fir tree device used with the SPAR mark. Furthermore, Mr Marsh submitted that the applicant's mark was highly distinctive, (both on a prima facie basis and in view of its use and reputation) and that this increased the likelihood of confusion.

29. For the applicants for registration, Mr Bubb concentrated on the differences between the mark in suit and the opponent's marks. He stated that the applicant's marks, as registered, differed from their mark in use as the latter contained the device of a fir tree, which accentuated the differences. Mr Bubb argued that the Japanese character I was a very important and key element within the applicant's mark and its existence was significant in both visual and aural comparisons. Mr Bubb contended that the nature of the goods at issue in this case meant that the primary comparison of marks should be a visual one. The goods were invariably selected on a visual basis by customers themselves from the shelves of retail outlets. In addition to the Japanese character, Mr Bubb pointed out that the letter "R" at the end of the opponent's mark gave it a totally different meaning from the word of the applicant's mark as SPAR and SPA have different dictionary definitions. Accordingly, the marks were conceptually different. Furthermore, Mr Bubb submitted that the words SPAR and SPA were both short words, having a greater impact and being less liable to confusion, than longer words.
30. In essence, the test under Section 5(2)(b) is whether there are similarities in marks and goods which would combine to create a likelihood of confusion. In this case I accept that identical goods involved and that the opponent's mark possesses a highly distinctive character. However, it was held in *Marca Mode v Adidas AG* (2000) ETMR 723:
- "The reputation of a mark, where it is demonstrated, is thus an element which, amongst others, may have a certain importance. To this end, it may be observed that marks with a highly distinctive character, in particular because of their reputation, enjoy broader protection than marks with a less distinctive character (*Canon*, paragraph 18). Nevertheless, the reputation of a mark does not give grounds for presuming the existence of a likelihood of confusion simply because of the existence of a likelihood of association in the strict sense."
31. In my consideration of whether there are similarities sufficient to show that a likelihood of confusion I am guided by the recent judgements of the European Court of Justice mentioned earlier in this decision. The likelihood of confusion must be appreciated globally and I need to address the degree of visual, aural or conceptual similarity between the marks, evaluating the importance to be attached to those different elements, taking into account the category of goods in question and how they are marketed.
32. The mark SPAR is an ordinary dictionary word, albeit meaningless in relation to the goods in question, presented in upper case. On the other hand, the mark applied for consists of the ordinary dictionary word Spa (again meaningless in relation to the goods), presented in a slightly stylised format and running at an upwards angle from left to right, with the letter "S" in upper case and the letters "pa" in lower case and a Japanese character I following the word. It is, of course, possible to over analyse marks and in so doing shift the focus away from the real test which is how marks would be perceived by customers in the normal course and circumstances of trade.
33. I turn first of all to a visual and aural comparison of the marks. In the applicant's mark, the word Spa is slightly stylised in its presentation and a Japanese character I is present. However, in my opinion, the degree of stylisation and the presence of the Japanese character are unlikely to have any great impact upon the average customer in the United Kingdom, who

would not be familiar with the Japanese language. It seems likely that the Japanese character would be perceived merely as a device, whose significance and impact would be secondary to the word Spa, and in aural use I doubt it would be referred to.

34. Having found that, in aural use, the applicant's mark is likely to be described as a Spa mark I go on to consider whether this would lead to a likelihood of confusion. In my view the word Spa is very difficult (if not impossible) to distinguish from the word SPAR in aural use.
35. There is no evidence to support Mr Bubb's contention that customers select the goods in issue eg pasta and noodles, by eye rather than placing orders by word of mouth. However, my own experience tells me that this is the case and I am prepared to accept that a majority of the public rely primarily on visual means to identify and purchase the goods. This does not mean that aural confusion cannot be relied upon and I am also aware that a number of food retailers take orders and sell goods via the telephone (often combined with a home delivery service) and that it is not unusual for food shopping to be undertaken for or on behalf of others by eg relatives or neighbours, with a "list of goods" being provided aurally.
36. The case of Lloyd Schufabrik Meyer & Co Gmbh v Klijsen Handel BV, paragraph 29, makes it clear that mere aural similarity between trade marks may create a likelihood of confusion and the more similar the goods or services covered and the more distinctive the earlier mark, the greater will be the likelihood of confusion. In the present case the goods are identical and the opponents mark is highly distinctive.
37. When considering the aural and visual comparisons I also need to bear in mind that the goods at issue are akin to the "bag of sweets" ie they are relatively cheap and basic grocery products which are not normally purchased with a great deal of care or consideration. Imperfect recollection of the respective marks could well play a part in the purchasing process and result in confusion.
38. Finally, I turn to a conceptual comparison of the marks. There are differences, especially given that the words Spa and SPAR are dictionary words with different meanings. However, I doubt that either signification of the words would be uppermost in the minds of customers in the normal course of trade when one considers the goods being purchased.
39. After considering the evidence and in light of the arguments before me I conclude that, on a global appreciation of the marks, there exists a likelihood of confusion, in particular because of:-
 - a) the aural identity of the marks and the identity and nature of the goods;
 - b) the visual similarity of the marks and the likelihood of imperfect recollection; the conceptual differences being insufficient to prevent such a likelihood.
40. The opposition under Section 5(2)(b) is successful.
41. As I have found for the opponents under Section 5(2) I have no need to consider the grounds of opposition raised under Section 5(3) and Section 5(4).

42. The opponents are entitled to a contribution towards their costs and I therefore order the applicants to pay them the sum of £1,000. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of the case if any appeal against this decision is unsuccessful.

Dated this 22 day of February 2001

**J MacGILLIVRAY
For the Registrar
the Comptroller-General**