o/0193/23

IN THE MATTER OF THE TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION NO. 3572130 IN THE NAME OF INTERCONTINENTAL FOODS (UK) LIMITED T/A DONYA FOODS FOR THE TRADE MARK

IN CLASS 29

AND THE OPPOSITION THERETO UNDER NO. 426283 BY NIK ROSE CHENARAN CO.

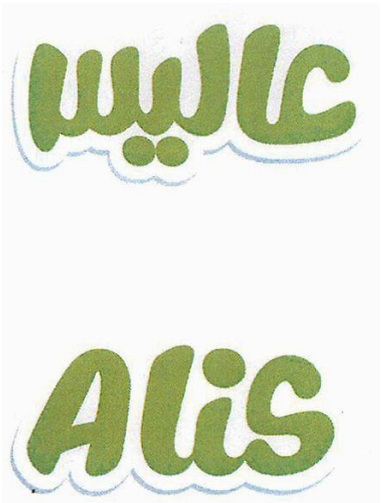
AND IN THE MATTER OF AN APPEAL FROM THE DECISION OF L. FAYTER (O/782/22) DATED 9 SEPTEMBER 2022.

DECISION

Introduction

1. This is an appeal by Intercontinental Foods (UK) LTD T/A Donya Foods Limited ("**Appellant**") from decision O/782/22 of Ms L. Fayter ("**Decision**") concerning the opposition to application number 3572130 ("**Application**") by Nik Rose Chenaran Co. ("**Respondent**"). The Application, which was filed on 24 December 2020 and published on 21 May 2021, is for the mark shown below, for Yoghurt drinks in class 29.

2. The Respondent relied upon the following trade mark ("**Earlier Mark**"):



IR(EU) registration no. 801371938

Filing date 2 May 2017; registration date 28 March 2018.

Registered for the following goods and services:

Class 32 Non-alcoholic fruit juice beverages; fruit juice and fruit beverages; aerated fruit juice; concentrated fruit juice; carbonated fruit juice.

Class 35 Advertising services; export agency services; wholesale and retail sale services for goods including non-alcoholic fruit juice beverages, fruit juice and fruit beverages, aerated fruit juice, concentrated fruit juice, carbonated fruit juice.

Class 39 Packing of goods and delivery of goods including non-alcoholic fruit juice beverages, fruit juice and fruit beverages, aerated fruit juice, concentrated fruit juice, carbonated fruit juice.

3. In the Decision, L. Fayter for the Registrar held that the opposition was successful, and the Application was accordingly refused.

4. On 27 October 2022 the Appellant filed a Notice of Appeal to the Appointed Person against the Decision under Section 76 of the Trade Marks Act 1994.

The Hearing Officer's decision

5. The Hearing Officer held as follows (in summary, and insofar as is relevant to this appeal):

   a. The average consumer of the goods is a member of the general public. The level of attention paid during the purchasing process will be between a low and medium degree. The purchasing process is likely to be mainly visual, but there may also be an aural component to the selection if the goods are ordered at a bar or in a café.

   b. The Earlier Mark is inherently distinctive to a high degree.

c. The word "Alis", which is an invented word, is the distinctive and dominant part of both marks, with the foreign language text, stylisation and (in the case of the Application) the bottle device playing a lesser role.

d. The Application and the Earlier Mark are visually similar to between a low and medium degree, aurally identical, and conceptually dissimilar.

e. Yoghurt drinks are similar to "non-alcoholic fruit juice beverages" and "fruit juice and fruit beverages" to between a medium and high degree.

f. There is no likelihood of direct confusion between the Application and the Earlier Mark. However, the average consumer, noting the common use of the word ALIS, and taking into account the addition of the bottle device, the different stylisations and the different presentation of the wording (foreign text then Alis vs ALIS then foreign text) in the Application, would perceive it, in the context of the applied-for yoghurt drink goods, as an alternative decorative mark being used by the same undertaking. There is accordingly a likelihood of indirect confusion.

Grounds of Appeal

6. The Appellant filed a letter ("**Appeal Letter**") alongside its notice of appeal, making a number of criticisms of the Decision. I have grouped these as follows:

a. The Hearing Officer was incorrect to find that the marks are visually similar – the marks are in fact completely different;

b. The Hearing Officer was incorrect to find that the goods are similar. The goods are in different classes, and are in any case sold in different sections of supermarkets;

c. The Respondent has not provided any proof of sale / use of its product in the UK. There cannot therefore be a likelihood of confusion;

d. The Applicant's label clearly indicates the contents and origin of the milk drink, thereby reducing any likelihood of confusion;

e. The Hearing Officer failed to take into account that importation of dairy products from Iran to the UK is forbidden. The Earlier Mark will deceive consumers as to the origin of the product, contrary to s. 3(3)(b) of the Trade Marks Act 1994;

f. The Hearing Officer failed to take into account the Appellant's passing off rights, as the Appellant has been selling products bearing the Application in the UK, whereas the Respondent has never traded in the UK;

g. The Hearing Officer failed to take into account the Respondent's bad faith.

7. The Appellant's representative, Dr Daniel Berg, expanded upon the above at the hearing. I set out below further details of the Appellant's arguments as are necessary to understand my overall conclusions. The Respondent took no part in the appeal.

Standard of review

8. The approach to be adopted in an appeal hearing has been laid down a number of times in case law, both in general terms (e.g. by the Supreme Court in *Actavis Group PTC v. ICOS Corporation* [2019] UKSC 1671) and specifically in relation to appeals before the Appointed Person (Daniel Alexander Q.C. sitting as the Appointed Person in *TT Education Ltd v Pie Corbett Consultancy Ltd* (O/017/17), approved by Arnold J in *Apple Inc. v Arcadia Trading Limited* [2017] EWHC 440 (Ch)). These cases establish the following principles:

- Appeals to the appointed person are by way of review, not re-hearing;
- It is necessary for the appellant to satisfy the appeal tribunal that there was a distinct and material error of principle in the Hearing Officer's decision, or that the Hearing Officer was wrong;
- In the case of conclusions on primary facts it is only in a rare case, such as where that conclusion was one for which there was no evidence in support, which was based on a misunderstanding of the evidence, or which no reasonable judge could have reached, that the Appointed Person should interfere with it;
- In the case of a multifactorial assessment or evaluation, the Appointed Person should show a real reluctance, but not the very highest degree of reluctance, to interfere in the absence of a distinct and material error of principle. Special caution is required before overturning such decisions. In particular, where an Appointed Person has doubts as to whether the Registrar was right, he or she should consider with particular care whether the decision really was wrong or whether it is just not one which the appellate court would have made in a situation where reasonable people may differ as to the outcome of such a multifactorial evaluation;
- Situations where the Registrar's decision will be treated as wrong encompass those in which a decision is (a) unsupportable, (b) simply wrong (c) where the view expressed by the Registrar is one about which the Appointed Person is doubtful but, on balance, concludes was wrong. It is not necessary for the degree of error to be 'clearly' or 'plainly' wrong to warrant appellate interference but mere doubt about the decision will not suffice;
- The Appointed Person should not treat a decision as containing an error of principle simply because of a belief that the decision could have been better expressed. Appellate courts should not rush to find misdirections warranting reversal simply because they might have reached a different conclusion on the facts or expressed themselves differently. Moreover, in evaluating the evidence the Appointed Person is entitled to assume, absent good reason to the contrary, that the Registrar has taken all of the evidence into account.

9. In addition to the above, Mr Iain Purvis QC sitting as the Appointed Person in *ROCHESTER Trade Mark*, BL O/049/17, made the following observations at paragraph 33:

> "… the reluctance of the Appointed Person to interfere with a decision of a Hearing Officer on likelihood of confusion is quite high for at least the following reasons:
>
> (i) The decision involves the consideration of a large number of factors, whose relative weight is not laid down by law but is a matter of judgment for the tribunal on the particular facts of each case

(ii) The legal test 'likely to cause confusion amongst the average consumer' is inherently imprecise, not least because the average consumer is not a real person

(iii) The Hearing Officer is an experienced and well-trained tribunal, who deals with far more cases on a day-to-day basis than the Appellate tribunal

(iv) The legal test involves a prediction as to how the public might react to the presence of two trade marks in ordinary use in trade. Any wise person who has practised in this field will have come to recognize that it is often very difficult to make such a prediction with confidence ….

Any sensible Appellate tribunal will therefore apply a healthy degree of self-doubt to its own opinion on the result of the legal test in any particular case."

10. I shall bear all the above in mind when reviewing the Decision.

Discussion

11. Looking at the various alleged errors in turn, my analysis is as follows.

(a) The Hearing Officer was incorrect to find that the marks are visually similar

12. The Hearing Officer held that Earlier Mark comprises two sets of text presented in a green stylised font, with a white border outlining it. The word "Alis" will be recognised as an invented word, which does not convey any meaning. The other text will be recognised as written in a foreign language, although the specific language is unlikely to be identified. In that regard, I was informed by Dr Berg that the text is in fact the word "Alis" spelt in Persian – I would not have recognised the language myself, and I believe the Hearing Officer is correct in saying that the average consumer would not either. As the invented word "Alis" consists of identifiable letters from the English language, and therefore can be aurally pronounced by the average consumer, it is the distinctive and dominant part of the mark. Therefore, it will likely play a greater role in the overall impression, with the foreign language text and stylisation playing a lesser role.

13. The Hearing Officer held that the Application comprises a figurative bottle bearing a label, the label containing two sets of text, one above the other. The uppermost text is the word "Alis" and the lowermost will be recognised by the average consumer as written in a foreign language, although the specific language is unlikely to be identified. There is also a second set of text, outside of the bottle, again in a foreign language, which is preceded by a figure which the "average consumer may also recognise [as] a device of a person running towards the left". She held that the bottle device and the decorative aspects of the label, which looks like white splashes across a green background, "isn't particularly striking or unusual". The word "Alis" is the dominant and distinctive part of the mark, with the foreign language text and the bottle device playing a lesser role.

14. I am unable to agree with the Appellant's submission that "there is no visual similarities of the two marks", which are "completely different". The Hearing Officer's careful analysis cannot in my view be faulted. In reality, as accepted by Dr Berg during the hearing, the bottle shape in the Application is wholly unremarkable, and will not be regarded as having any origin significance by the average consumer. The average consumer's attention will therefore be drawn to the label, and particularly to the text on the label. An English-speaking consumer will note, in particular, the word "Alis", although the foreign language text and the stylisation will also be noted.

15. As for the differences between the marks, the average consumer will note the different colours, the different stylisation and the fact that the order of the English and Persian words are reversed, and also the text and device situated outside the bottle. However, taking all the above into account, and bearing in mind that the distinctive and dominant feature of both marks is the same, in my view the Hearing Officer's assessment that the marks are visually similar to a low to medium degree is not wrong, and in fact is correct.

16. I accordingly dismiss the first ground of appeal.

(b) The Hearing Officer was incorrect to find that the goods are similar. The goods are in different classes, and are in any case sold in different sections of supermarkets

17. Class headings in the Nice Classification system are primarily of administrative significance. The fact that goods may fall under the same class under the Nice Classification does not mean that they are to be regarded as 'similar'. Likewise, the fact that the goods may fall under a different class under the Nice Classification system does not mean that such goods should be classed as 'dissimilar'. See Case T-118/07 *P.P.TV v. OHIM* [2011] ETMR 738, and also *SK.4 TM Application* (O-176-08) at [31] to [40] where Ms Anna Carboni, sitting as the Appointed Person, helpfully provided an analysis of the law in this area. Accordingly, the fact that the goods are in different classes in the Earlier Mark and the Application is irrelevant to consideration of similarity.

18. As for assessment of similarity, the Hearing Officer reminded herself of the relevant law, including the *Treat* case, [1996] R.P.C. 281. She assessed all the relevant factors, noted areas of overlap and non-overlap, and reached a decision that the goods are similar to between a medium and high degree. That decision cannot be challenged unless either she erred in principle, or was wrong. The Appellant contends that she erred in principle because she failed to take into account that the goods would be found in different aisles and/or on different shelves in shops and supermarkets. I note that the Appellant, in its Form TM8, made that assertion, but did not provide any evidence in support, such as photographs of its product in supermarkets showing the location of its products. The Hearing Officer was not bound to accept a bare assertion at face value without supporting evidence, and I do not accept she made an error of principle in deciding, in the absence of evidence one way or the other, that the goods would be sold "in either the same cold drinks aisle or in close proximity".

19. The Appellant has filed, as part of this appeal, a witness statement containing photographs of its product in UK supermarkets, purporting to show the products being sold alongside dairy produce rather than alongside fruit juice drinks. That evidence was not provided to the Hearing Officer. Admissibility of new evidence on an appeal is governed by the principles set forth in *Ladd v Marshall*, [1954] EWCA Civ 1, in which Lord Denning laid down a three-step test. First, it must be shown that the evidence could not have been obtained with reasonable diligence for use at the trial: second, the evidence must be such that, if given, it would probably have an important influence on the result of the case, though it need not be decisive: thirdly, the evidence must be such as is presumably to be believed, or in other words, it must be apparently credible, though it need not be incontrovertible.

20. Clearly, the evidence could have been obtained for use at the hearing before the Hearing Officer. Dr Berg explained that the Appellants were not legally represented in that hearing, and hence did not submit all the evidence they could potentially have submitted. Whereas I accept that explanation, it does not alter the fact that the evidence could have been obtained "with

reasonable due diligence". The new evidence therefore fails the first step of the test in *Ladd v Marshall*, and I do not admit it into this appeal.

21. Accordingly, the Hearing Officer made no error of principle, and was not wrong, on the evidence before her, in her assessment of similarity of goods. I dismiss this second ground of appeal.

(c) The Respondent has not provided any proof of sale / use of its product in the UK. There cannot therefore be a likelihood of confusion

22. The Earlier Mark was registered on 28 March 2018. The Application was filed on 24 December 2020, therefore within the five year period during which the Respondent is not required to prove use pursuant to s. 6A of the Trade Marks Act 1994. If the Appellant is correct in its assertion that the Earlier Mark has never been used, it is of course at liberty to commence proceedings for revocation for non-use after 28 March 2023, but that is not a relevant factor in this appeal. I therefore dismiss this third ground of appeal.

(d) The Applicant's label clearly indicates the contents and origin of the milk drink, thereby reducing any likelihood of confusion

23. The Appeal Letter contains some representations of the labels used by the Appellant on the products it is distributing in the UK. The labels indicate the contents (it is described as a "Doogh Drink") and origin (Germany) of the milk drink. The contents of the labels would potentially be relevant in an action for trade mark infringement and/or passing off brought against the Appellant. However, as none of the information on the labels is visible in the Application, it is not relevant to the assessment of likelihood of confusion under s. 5(2)(b) of the Trade Marks Act 1994.

24. I dismiss this fourth ground of appeal.

(e) The Hearing Officer failed to take into account that importation of dairy products from Iran to the UK is forbidden. The Earlier Mark will deceive consumers as to the origin of the product, contrary to s. 3(3)(b) of the Trade Marks Act 1994

25. This argument was not raised before the Hearing Officer, and was raised for the first time in this appeal. In *Singh v Dass* [2019] EWCA Civ 360, Haddon-Cave LJ said ([15] – [18]):

> "The following legal principles apply where a party seeks to raise a new point on appeal which was not raised below.
>
> First, an appellate court will be cautious about allowing a new point to be raised on appeal that was not raised before the first instance court.
>
> Second, an appellate court will not, generally, permit a new point to be raised on appeal if that point is such that either (a) it would necessitate new evidence or (b), had it been run below, it would have resulted in the trial being conducted differently with regards to the evidence at the trial (*Mullarkey v Broad* [2009] EWCA Civ 2 at [30] and [49]).
>
> Third, even where the point might be considered a 'pure point of law', the appellate court will only allow it to be raised if three criteria are satisfied: (a) the other party has had adequate time to deal with the point; (b) the other party has not acted to his detriment

on the faith of the earlier omission to raise it; and (c) the other party can be adequately protected in costs. (*R (on the application of Humphreys) v Parking and Traffic Appeals Service* [2017] EWCA Civ 24; [2017] RTR 22 at [29]).”

26. Whereas the issue of whether or not a dairy product produced in Iran can lawfully be imported and sold into the UK could be said to be a “pure point of law”, the issue of whether or not the Respondents are deceiving the public is not. It would require filing of evidence by the Respondent, which has clearly not been done (because the issue was not raised below). The attempt to raise the argument now therefore falls foul of the second requirement in *Singh v Dass*, as set out above.

27. I dismiss this fifth ground of appeal.

(f) The Hearing Officer failed to take into account the Appellant’s passing off rights, as the Appellant has been selling products bearing the Application in the UK, whereas the Respondent has never traded in the UK

28. This issue was also raised for the first time in this appeal. If the Appellant’s assertion in the Appeal Letter that it “has a vivid, clear history of trading, whereas the opponent has no history of trading ever in the UK” is correct, that could in principle provide a ground for invalidity of the Earlier Mark under s. 47(2)(b) of the Trade Marks Act 1994. However, again, assessment of this issue would require evidence, which was not filed because the issue was not raised below. The attempt to raise the argument now therefore falls foul of the second requirement in *Singh v Dass*, as set out above.

29. I dismiss this sixth ground of appeal.

(g) The Hearing Officer failed to take into account the Respondent’s bad faith

30. The Appeal Letter was accompanied by a witness statement made by Payman Poyagohar, on behalf of the Appellant, which alleges that a former business partner of the Appellant had approached the Respondent and persuaded them to apply to register a mark identical to the Earlier Mark in the UK (mark number 3668440, filed on 21 July 2021). It is alleged that this is evidence of bad faith on the part of the Respondent.

31. This issue was again not raised before the Hearing Officer, would require evidence in order to be assessed, and again falls foul of the second requirement in *Singh v Dass*. In any case, the Respondent has not sought to rely on this later mark in this dispute, and I therefore cannot see that the circumstances in which it was filed could be relevant.

32. I dismiss this seventh ground of appeal.

Conclusion

33. The Hearing Officer made no error of principle, and was not wrong. The appeal is dismissed.

Costs

34. Clearly, the Respondent has been the successful party in this appeal. As the Respondent has not participated in this appeal, it has not incurred any costs, so a further costs order is unnecessary. The Hearing Officer’s order that the Appellant should pay the Respondent £650 within 21 days of this appeal still stands.

Dr. Brian Whitehead

23 February 2023

Representation

Dr Daniel Berg for the Applicant / Appellant

The Opponent / Respondent took no part in the appeal