

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION No 2105612
BY SOCIETE DES PRODUITS NESTLE S.A.
TO REGISTER A TRADE MARK
TEXICANA
IN CLASSES 29 & 30

AND IN THE MATTER OF OPPOSITION THERETO
UNDER NUMBER 46443
BY LA MEXICANA QUALITY FOODS LIMITED

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10 **DECISION**

BACKGROUND

15 On 22 July 1996 Societe Des Produits Nestle S.A. of Vevey, Canton of Vaud, Switzerland applied under the Trade Marks Act 1994 for registration of the trade mark **TEXICANA**

In respect of the following goods:

20 Class 29: Meat, fish, seafood, poultry and game; preserved, dried, cooked and/or processed fruits and vegetables; meat extracts; meat products; sausages; extracts of fruits and/or of vegetables; jellies, jams; fruit preserves, vegetable preserves; snack foods; prepared meals; desserts; eggs; milk; dairy products; yoghurt, frozen yoghurt; edible protein derived from soya beans; edible oils and edible fats; nuts and nut butters; pickles;
25 food spreads consisting wholly or substantially wholly of vegetables, milk, meat, poultry, fish, seafood or of edible fats; soups; bouillons.

30 Class 30: Coffee, coffee essences and coffee extracts; mixtures of coffee and chicory; mixtures of coffee and chicory, chicory and chicory mixtures, all for use as substitutes for coffee; tea, tea extracts; cocoa; preparations made principally of cocoa; chocolate; chocolate products; confectionery, candy; sugar, flour; preparations made from cereals and/or rice and/or flour; breakfast cereals; pizza; pasta and pasta products; bread; biscuits; cookies; cakes; pastry; ice; ice cream, water ices, frozen confections; preparations for making ice cream and/or water ices and/or frozen confections; honey; preparations
35 consisting wholly or substantially wholly of sugar, for use as substitutes for honey; syrup, treacle, molasses; ketchup; sauces and preparations for making sauces; spices; vinegar; chutney; custard powder; salad dressings; snack foods; prepared meals; mousses; desserts; puddings.

40 On the 19 February 1997 La Mexicana Quality Foods Limited filed notice of opposition to the application. The grounds of opposition are in summary:

45 i) The opponent is, inter alia, the manufacturer of various food products included in Classes 29 & 30 and more particularly described in the specification of goods of their Registered Trade Marks Numbers 1578949 (Class 29, Journal 6073 page 2933) and 1477556 (Class 30, Journal 5983 page 4515). The two marks are identical and are reproduced below with their full specification.

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The South American Spanish words "La Mexicana" appearing in the mark mean "The Mexican Woman".

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Class 29: Cooked, dried, preserved, chilled and frozen fruit and vegetables; fruit pulp; fruit salads; vegetable salads; tomato puree; soup preparations; bouillon and bouillon concentrates; fish and meat; poultry; dairy products; prepared nuts; edible fats and oils; eggs; all originating from Mexico or made to Mexican recipes or being in Mexican style; all included in Class 29.

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Class 30: Milled corn, corn flour, corn meal; milled maize, maize flour, maize meal; flour for foods; milling products for flour; cereal preparations, farinaceous foods, farinaceous food pastes; tortilla chips and tortilla, whether of maize or wheat flour, fried or unfried, for use instead of bread or as a wrapper or container for fillings; wheat flour; pancakes, biscuits, cake, bread; prepared meals or individual dishes; pastries, pastry; tarts; pizzas; pies; meat pies; pasties; patties; dumplings; puddings; fudge; caramels; syrups; condiments; sauces; seasoning; peppers for seasoning; milk based gruel; ice cream, edible ices; sherbets; vanilla; all included in Class 30, and all originating from Mexico or made to Mexican recipes or being in Mexican style.

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ii) The applicant's mark is similar to the opponent's registered trade marks and is for similar and/or identical goods. It therefore contravenes Sections 5(2) and, by virtue of the opponent's reputation it also offends against Section 5(4) of the Trade Marks Act 1994.

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iii) The applicant's mark is similar to the opponent's registered trade marks and is for goods which are not similar. It therefore contravenes Section 5(3) of the Trade Marks Act 1994.

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The opponent also requested the Registrar to exercise her discretion in its favour. However, under the Trade Marks Act 1994 the Registrar does not have a discretion to refuse trade marks as she did under the old law. A mark can only be refused if it is shown to offend against the requirements of the Act and Rules in one or more aspects.

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The applicant filed a counterstatement denying all the grounds other than accepting that the opponent is the proprietor of the trade marks claimed. Both sides ask for an award of costs. Both sides filed evidence in these proceedings and the matter came to be heard on 16 November 1999 when the applicant was represented by Mr Roberts of Counsel, and the opponent by Mr Darlington of Messrs. Trade Mark Consultants & Co.

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OPPONENT'S EVIDENCE

This takes the form of a statutory declaration by Ms Julie Goddard, dated 1 October 1997, the Managing Director, a position she has held since February 1994.

Ms Goddard states:

“My Company is, inter alia, a manufacturer and merchant of various food products and the trade mark LA MEXICANA has been in continuous use by my company in respect of these goods since at least 1986. My company has built up a significant reputation and goodwill in the trade mark LA MEXICANA since 1986 and seeks to protect this reputation and goodwill that has been built up.”

Ms Goddard claims that as a result of articles about her company’s goods in the trade press, newspapers and various periodicals that the trade mark LA MEXICANA has become well known throughout the UK. At exhibit JG1 are copies of articles from newspapers such as the Buckingham Herald, the Buckingham Advertiser, Independent Retailer, & BBC Vegetarian magazine. Other articles are either unattributable, are dated after the relevant date, or do not actually mention the trade mark. This exhibit also includes copies of the opponent’s stationery which also displays the trade mark.

Ms Goddard states that the opponent’s products are sold through various retail outlets such as Tesco, Waitrose, Sainsbury, Lidl, Aldi, Budgens, CWS and Netto. At exhibit JG2 is a list of products offered by the opponent which shows Tortilla chips, wheatflour tortilla, buritos, tacos, salsas, guacamole etc and is dated April 1994 and also October 1990. Also at exhibit JG2 are extracts from monthly lists dated March 1995 - November 1995 which appears to be an industry wide price list, which it is stated is from “Shaws Retail Price Guide”. On each months page is a reference to La Mexicana goods.

Ms Goddard provides turnover figures for goods sold under the trade mark as follows:

Year	Turnover £
1993 / 4	2,217,282
1994 / 5	2,701,915
1995 / 6	2,832,504
1996 / 7	3,291,381

At exhibit JG3 examples of the various labels and packaging used by the opponent is provided. These all show use of the trade mark La Mexicana used with a variety of devices and also solus.

Ms Goddard regards the applicant’s mark as confusingly similar to her company’s mark as “there is only the alteration of the initial letter and this is not sufficient to avoid confusion”. She also states:

“There is also the likelihood that the applicant’s mark TEXICANA would be seen as a Texan version of my company’s MEXICANA. The prefix TEX and the prefix MEX are related. For example, in the English dictionary the word ‘TEX-MEX’ has the meaning ‘of, relating to, or denoting the Texan version of something Mexican, such as music, food or language’. In my opinion, in the minds of some consumers this is likely to lead to

confusion between Texan and Mexican foods, especially with the proliferation of TEX-MEX style restaurants and cooking.”

5 APPLICANT’S EVIDENCE

This consists of a statutory declaration, dated 1 April 1998, by Ms Caroline Julia Crowe a legal adviser of Nestle UK Ltd, a position she has held since March 1996.

10 Ms Crowe states that:

15 “I note that in the Notice of Opposition the Opponent seeks to rely only on two registered trade marks namely No 1578949 in Class 29 and No 1477556 in Class 30. As can be seen from exhibit CJC1 attached hereto the mark in each case is a composite word and device mark LA MEXICANA & Device in which the words LA MEXICANA occupy a relatively small proportion of the mark as a whole.”

At exhibit CJC2 Ms Crowe provides a list of trade marks in which the letters “mexica” or a phonetic equivalent thereof were a dominant part.

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Ms Crowe refers to the fact that both sides marks are registered in Germany. At exhibit CJC3 consists of a printout showing that the applicant obtained registration of the mark TEXICANA in Germany on 11/1/95 whilst the opponent’s mark was registered on 21/3/95. She claims that the marks have co-existed on the register in Germany since 1995. At exhibit CRC6 evidence of use of the applicant’s mark in Germany (on a salsa sauce and ready made meals) is provided.

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Ms Crowe also provides at exhibit CJC7 a copy of a report on Mexican and Tex-Mex style food products in the UK market up to the end of 1996, in particular products containing “mexican” and or “tex-mex” references in the brand and/or product name. Particular reference is drawn to two of the entries which indicate that Sainsbury’s launched a product describes as “Chicken Mexicana Sauce” under the brand “Ten n Mex” in September 1996 and that a company called Jethro launched a similar sauce under the name “Salsa Mexicana” in April 1996. The sources quoted for this information are “Grocer” and “UK New Food Rep”. Neither publication is included in the evidence, nor is there any other evidence of the use of these names.

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OPPONENT’S EVIDENCE IN REPLY

This consists of a statutory declaration, dated 1 September 1998, by Peter Martin Darlington a trade mark agent employed by the applicants.

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Mr Darlington comments that although both sides marks co-exist in Germany that market is different to the UK and is in any case not relevant to these proceedings. With regard to the references to other products containing mexican or tex-mex references, Mr Darlington points out that no evidence of use of these marks has been shown.

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That concludes my review of the evidence. I now turn to the decision.

DECISION

At the hearing the opponents withdrew the ground of opposition under Section 5(3).

I turn first to the ground of opposition under Section 5(4) which states:

“5. (4) 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) by virtue of an earlier right other than those referred to in subsections (1) to (3) or paragraph (a) above, in particular by virtue of the law of copyright, design right or registered designs.

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.”

In deciding whether the mark in question “TEXICANA” offends against this section, I intend to adopt the guidance given by the Appointed Person, Mr Geoffrey Hobbs QC, in the WILD CHILD case (1998 14 RPC 455). In that decision Mr Hobbs stated that:

“The question raised by the Grounds of Opposition is whether normal and fair use of the designation WILD CHILD for the purposes of distinguishing the goods of interest to the Applicant from those of other undertakings (see Section 1(1) of the Act) was liable to be prevented at the date of the application for registration (see Art.4(4)(b) of the Directive and Section 40 of the Act) by enforcement of rights which the opponent could then have asserted against the Applicant in accordance with the law of passing off.

A helpful summary of the elements of an action for passing off can be found in Halsbury’s Laws of England 4th Edition Vol. 48 (1995 reissue) at paragraph 165. The guidance given with reference to the speeches in the House of Lords in Reckitt & Colman Products Ltd - v - Borden Inc [1990] RPC 341 and Even Warnik BV - v - J. Townend & Sons (Hull) Ltd [1979] AC 731 is (with footnotes omitted) as follows:

‘The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

(1) that the plaintiff’s goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;

(2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by the defendant are goods or services of the plaintiff; and

(3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous

belief engendered by the defendant's misrepresentation.

5 *The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House's previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal definition of "passing off", and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House.'*

10 *"Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:*

15 *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:*

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

25 *(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.*

30 *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:

35 *(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

40 *(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.*

45 *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."*

With these considerations in mind I turn to assess the evidence filed on the behalf of the parties

in the present proceedings as set out earlier in this decision.

5 The opponents' evidence includes turnover figures under the mark for the years 1993 - 1996. These are substantial. However, it appears that the figures are not restricted solely to sales in the UK. The opponents state that their products are sold in supermarkets throughout the UK. There is some support for this in the copies of advertisements included in exhibit JG1. For example, the BBC's 'Vegetarian' magazine of May '96 featured an advertisement for 'La Mexicana' wheat tortillas, which it reports as being available from Tesco. Likewise, the copies of Shaws Retail Price Guide from 1995 include monthly listings for 'La Mexicana' tortillas chips. There are also
10 copies of features about the opponent dating back to 1993 and 1995 which support the opponents' contention that they had a significant business in the UK selling tortillas and other Mexican food such as salsa and guacamole sauces.

15 It appears from the written articles featured in evidence that some of the opponents' trade is in prepared meals sold to restaurants and public houses. It is not clear whether these goods carried the 'La Mexicana' mark, although that was the name the opponent traded under and there is nothing to suggest that the goods carried any other mark. It appears from the advertisement in BBC Vegetarian magazine that, before the date of the application, goods sold through supermarkets would have carried the mark 'La Mexicana'. However, beyond tortillas, it is not
20 clear what goods were offered for sale through supermarkets before the relevant date. The reason these things are not clear is that Ms Goddard's evidence refers only (and rather vaguely) to the sale of "various food products" under the mark since 1986.

25 The opponents have filed evidence of use of the words LA MEXICANA prominently with various devices and also solus. In my opinion this suggests that any goodwill accruing would be primarily under the words LA MEXICANA. Considering the evidence as a whole, I am prepared to accept that, at the relevant date, the opponents had established a goodwill in a business in the UK under the name LA MEXICANA. I am also prepared to accept that this business traded in tortillas, tortillas chips, prepared meals and salsa and guacamole sauces. However, other than
30 tortillas and tortillas chips, it is not clear which goods reached the general public under the mark LA MEXICANA.

35 For the opponent's, Mr Darlington asserted that their mark should be viewed as MEXICANA. He claimed that the word LA would be discounted by the public as they would recognise it as meaning THE. For the applicant, Mr Roberts asserted that the words 'La Mexicana' are descriptive as the words mean "The Mexican Woman", and so would not, by themselves, be taken by the public as an indication of trade origin.

40 I agree that the average consumer would identify "LA" as the equivalent of the definite article. The second word of the opponents' mark begins with an M whilst the applicants' mark starts with a T. I was referred to the Tripcastroid case [1925] 42 RPC 264 at 278 where the importance of a prefix is stressed. It is well established (and no less true under the 1994 Act) that the beginnings of words are of particular importance for the purposes of this type of comparison- see for instance London Lubricants (1920) Ltd's application (Tripcastroid) (1925) 42 RPC 264 at page 279 lines
45 36-40.

Although I was not referred to it at the hearing, I am aware of the case of Wagamama Ltd v City

Centre Restaurants plc [1995] (FSR 713 at page 732) whereby Mr Justice Laddie found that the use of the mark RAJAMAMA for restaurant services was an infringement of the registered trade mark WAGAMAMA. Part of the reasoning in that case was that the similarity of the marks was likely to lead to confusion through imperfect recollection or to the public expecting the restaurants to be connected in trade, with the later mark perhaps indicating a further venture by the owner of the WAGAMAMA mark in respect of restaurants specialising in Indian food.

Of course WAGAMAMA is meaningless whereas it could be said that the main component of the opponents' sign, MEXICANA, differs from the descriptive word "Mexican" by only one letter. This is a significant factor. However, the addition of the letter "A" makes a significant difference to the resulting word both to the ear and to the eye. The additional "A" gives the word MEXICANA a completely different "rhythm" to MEXICAN. A "rhythm" that is shared by the applicants' mark, TEXICANA. I also note that Mexican and Texan food is closely associated to the extent that, as the applicants' evidence indicates, it forms a single recognised category known commonly as "Tex-Mex". These factors, together with the relatively low cost of the goods in question increases substantially the likelihood of imperfect recollection between the two marks if used on the same or closely similar goods.

The applicant has claimed that similar marks to that of the opponent have been used in the market place already. However, the use identified of a similar mark by Sainsbury's is after the relevant date. As to the claimed use of several marks by a company called Jethro, there is no direct evidence of such use, simply a second hand reference from a copy of a publication. I don't think this is enough for me to conclude that the opponent's goodwill, at the relevant date, was diluted to the extent that it was not actionable.

In my view, use of the applicants' mark, at the material date, in relation to tortillas, tortillas chips and the like 'Tex-Mex' snack foods, preparations made from cereals and/or rice and/or flour for use as wrappings or containers for foods, prepared meals based upon tortillas, and salsa and guacamole sauces/dips, was likely to have lead a substantial number of persons to believe that such goods were those of the opponents. The opposition under Section 5(4)(a) therefore succeeds to this extent.

That brings me to the ground of opposition under Section 5(2) of the Act which states:-

*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 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."*

An "earlier trade mark" is defined in Section 6, the relevant parts of which state

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

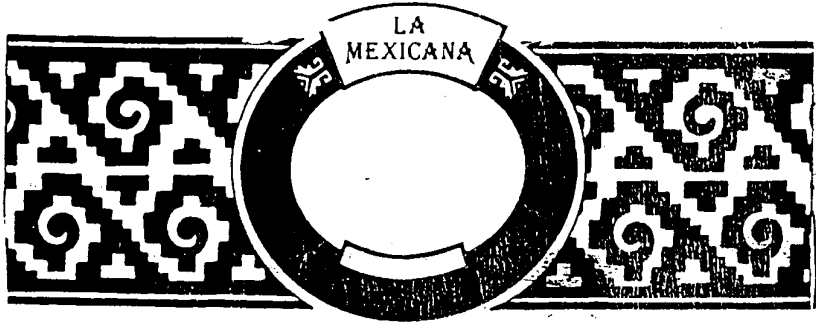
(a) a registered trade mark, international trade mark (UK) or Community trade mark which has a date of application for registration earlier than that of the

trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks,

(b)...

(c) a trade mark which, at the date of application for registration of the trade mark in question or (where appropriate) of the priority claimed in respect of the application, was entitled to protection under the Paris Convention as a well known trade mark.”

At the hearing it was common ground that the respective specifications of goods contain largely identical or at least similar goods. I must therefore compare the marks. The two registrations listed by the opponent show the same trade mark. For ease of reference the marks in question are reproduced here:

Applicant's mark	Opponent's mark
TEXICANA	

In deciding whether the two marks are similar I rely on the decision of the Court of Justice of the European Communities (ECJ) in the Sabel BV v Puma AG, Rudolf Dassler Sport case [1998] RPC 199. In that case the court stated that:

“Article 4(1)(b) of the directive does not apply where there is no likelihood of confusion on the part of the public. In that respect, it is clear from the tenth recital in the preamble to the Directive that the appreciation of the likelihood of confusion ‘depends on numerous elements and, in particular, on the recognition of the trade mark on the market, of the association which can be made with the used or registered sign, of the degree of similarity between the trade mark and the sign and between the goods or services identified’. The likelihood of confusion must therefore be appreciated globally, taking into account all factors relevant to the circumstances of the case.

Global appreciation of the visual, aural or conceptual similarity of the marks in question, must be based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components. The wording of Article 4(1)(b) of the Directive - “there exists a likelihood of confusion on the part of the public” - shows that the perception of the marks in the mind of the average consumer of the type of goods or services in question plays a decisive role in the global appreciation of the likelihood of confusion. The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details.

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

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Visually the marks differ in that the opponents' mark consists of two words within a device, whilst the applicants' mark is simply one word. Although the words 'La Mexicana' are relatively small within the opponent's mark they are likely to make a greater impact because "words speak louder than devices." This is particularly so where the device in question has the appearance of a border or label. With some hesitation, I conclude that the words 'La Mexicana' is a dominant and distinctive component of the opponent's mark. I have already observed that these words are visually similar to 'Texicana.'

10

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Phonetically the marks are closer. The only words in the applicants' mark are 'La Mexicana' and this is similar to 'Texicana.'

Conceptually, the marks are similar for the reasons stated above.

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I take account of the following guidance of the European Court of Justice in *Lloyd Schuhfabrik Meyer & Co* (1999 ETMR 690) in which the court held that:

"For the purposes of ... global appreciation, the average consumer of the category of products concerned is deemed to be reasonably well-informed and reasonably observant and circumspect (*see, to that effect, Case C-210/96 Gut Springenheide and Tusky [1998]ECR I-4657, paragraph 31*). However, account should be taken of the fact that the average consumer only rarely has the chance to make a direct comparison between the different marks but must place his trust in the imperfect picture of them that he has kept in his mind. It should be also be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question."

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In this case the marks will be used on foodstuffs of relatively low value where, in my opinion, the average consumer will not be over vigilant. The existence of a relevant category of foods commonly known as 'Tex-Mex' clearly adds to the likelihood of confusion. The marks are similar to the ear and, if I am right that the earlier mark would be remembered as a 'La Mexicana' mark, to the eye.

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Because the earlier is registered in a device form, I consider the matter to be more finely balanced under Section 5(2)(b) than under Section 5(4). But in the end I have come to the view that the opposition under Section 5(2)(b) also succeeds.

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Although, as I noted earlier, it was common ground at the hearing that the respective goods are similar, there are clearly a few items in the applicant's specification which are not similar to the goods for which the earlier mark is registered and in respect of which use of the applicant's mark would be unlikely to confuse the average consumer of the goods. As grounds for refusal exist only in respect of some of the goods, the application will be allowed to proceed to registration if, within one month of the end of the appeal period for this decision, the applicants file a TM21

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amending its specification to:

Class 29: Jellies, jams.

5 Class 30: Coffee, coffee essences and coffee extracts; mixtures of coffee and chicory;
 mixtures of coffee and chicory, chicory and chicory mixtures, all for use as substitutes for
 coffee; tea, tea extracts; cocoa.

10 If the applicants do not file a TM21 restricting the specification as set out above the application
 will be refused in its entirety.

The opposition having partly succeeded the opponents are entitled to a contribution towards their
costs. I order the applicants to pay them the sum of £835

15 Dated this 17 day of February 2000

20 George W Salthouse
 For the Registrar
 The Comptroller General