

O-077-03

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION No. 2237453  
BY KRAFT FOODS SCHWEIZ HOLDING AG  
TO REGISTER THE TRADE MARK “REVERIES” IN CLASS 30**

**AND IN THE MATTER OF OPPOSITION THERETO  
UNDER No. 51767  
BY MARS U.K. LIMITED**

**AND IN THE MATTER OF AN APPEAL TO THE APPOINTED PERSON  
BY THE OPPONENT  
AGAINST THE DECISION OF MR. M. REYNOLDS  
DATED 29 AUGUST 2002**

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**DECISION**

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**Introduction**

1. This is an appeal against a decision of Mr. M. Reynolds, the Hearing Officer acting on behalf of the Registrar, dated 29 August 2002 in which he rejected an opposition against UK Trade Mark Application No. 2237453 in the name of Kraft Foods Schweiz Holding AG (“the Applicants”) for REVERIES in Class 30 in respect of the following goods:

Coffee, coffee extracts, coffee substitutes, coffee or chocolate beverages and preparations for such, tea, chocolate and cocoa, including beverages made thereof, chocolate and cocoa products, biscuits, wafers, sweets, sugar and sweeteners, flour and nutritional preparations made from cereals, breakfast cereals, pasta and other dough products, pizzas, Russian pastries, pies, bread, bakery, pastry and confectionery products, sugar confectionery, ice-creams, yoghurt ice-cream, frozen yoghurt and ices; salt, mustard, ketchup, vinegar, sauces, condiments, spices, salted snacks, snack products based on corn, rice, barley, rye or pastry.

The date of Application No. 2237453 is 28 June 2000.

2. On 23 November 2000, Mars U.K. Limited (“the Opponents”) filed notice of opposition against Application No. 2237453 based on earlier registered and unregistered rights in the trade mark REVELS. Neither party wished to be heard or to file further written submissions. After a careful review of the statement of grounds, counterstatement and evidence, the Hearing Officer

dismissed the Opponents' objections under section 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 ("TMA"). The Opponents appeal only against Mr. Reynolds' decision under section 5(2)(b) of the TMA and for that purpose REVELS has achieved the following registrations:

No.	Mark	Date	Class
UK 834508	REVELS	11.05.1962	30
CTM 1636	REVELS	01.04.1996	29, 30, 32
CTM 1420		01.04.1996	29, 30, 32



The Hearing Officer proceeded on the assumption, unchallenged on appeal, that identical and/or closely similar goods were involved.

- The Opponents' evidence gives the following UK sales figures for REVELS assorted-centre chocolates, which in 1999 retailed at between 31 – 125 pence per bag/cardboard pot (Declaration of Ms. Evie Kyriakides dated 21 September 2001):

Year	£
1994	15,455,764
1995	17,729,515
1996	18,650,121
1997	19,642,394
1998	20,672,197
1999	19,833,740
2000	23, 755,054

In support of these figures, the Opponents exhibited copies of invoices to a major distributor, advertisements and point of sale material (EK1 – EK3). The Hearing Officer held that REVELS was inherently distinctive for all the goods in question and by reason of use, highly distinctive for chocolate confectionery with a variety of centres. His findings on distinctive character were again unchallenged by either party.

## **The appeal**

4. The appeal came to be heard by me on 13 January 2003. Mr. Simon Malynicz of Counsel appeared on behalf of the Opponents whilst Ms. Denise McFarland of Counsel represented the Applicants. Mr. Malynicz alleged three grounds on which together or separately Mr. Reynolds' decision under section 5(2)(b) of the TMA should be overturned, namely failures by the Hearing Officer:
  - (a) To apply the principle of interdependence between similarities of goods and services on the one hand and marks on the other hand, i.e., a lesser degree of similarity between the goods or services may be offset by a greater degree of similarity between the marks and vice versa (Case C-39/97 *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc.* [1998] ECR I-5507, para. 17 and Case C-342/97 *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel BV* [1999] ECR I-3819, para. 19).
  - (b) To factor particularly distinctive character into the global assessment of likelihood of confusion (Case C-251/95 *Sabel BV v. Puma AG* [1997] ECR I-6191, para. 24, *Canon*, para. 18 and *Lloyd*, paras. 21 – 24).
  - (c) To afford sufficient importance to the visual and conceptual comparisons between the marks.

## **Approach to the appeal**

5. Counsel agreed that the approach I should adopt is as set out by the Court of Appeal in *REEF Trade Mark* [2003] RPC 101. It is not open to me to reverse the Hearing Officer's decision under section 5(2)(b), based as it was on a multi-factorial assessment, unless I am satisfied that it involved an error of principle or was clearly wrong. Further, I should not treat the decision as containing an error of principle merely because I believe it could have been better expressed.

## **Merits of the appeal**

6. Mr. Reynolds commences his decision under section 5(2)(b) by saying (at para. 8):

“I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* [1998] E.T.M.R. 1, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] E.T.M.R. 1, *Lloyd Schufabrik Meyer & Co GmbH v Klijsen Handel B.V* [2000] F.S.R. 77 and *Marca Mode CV v Adidas AG* [2000] E.T.M.R. 723.”

He does not, however, set out the list of principles derived from those cases, which practitioners are used to seeing in comparable Registry decisions. Mr. Malynicz's opening point was that although the list might be viewed as rote repetition, it does have the advantage of satisfying the reader that the Hearing

Officer had the relevant principles in mind. No such conclusion, he says, can be drawn in the present case. As might be expected, Ms. McFarland's retort was that it is clear from the decision overall that the Hearing Officer did evaluate in a proper manner all the factors concerned.

Principle of interdependence

7. Mr. Malynicz's main criticism is that Mr. Reynolds ignored the principle of interdependence of similarities between the goods and the marks. He referred me to the following passage from *RALEIGH INTERNATIONAL Trade Mark* [2001] RPC 202 where Mr. Geoffrey Hobbs QC sitting as the Appointed Person said (at p. 211):

“Similarities between marks cannot eliminate differences between goods or services; and similarities between goods and services cannot eliminate differences between marks. So the purpose of the assessment under section 5(2) must be to determine the *net effect* of the given similarities and differences” (emphasis added).

Mr. Malynicz contended that the Hearing Officer did not perform the exercise advocated by Mr. Hobbs; he did not determine the “net effect” of the similarities and differences.

8. On the subject of the respective goods, the Hearing Officer said (at para. 9):

“The parties have not offered submissions on what are similar and what are dissimilar goods. It is clear, however, that there is very substantial overlap between the respective sets of goods. Thus the non-medicated confectionery of No. 834508 must be contained within the term confectionery products in the applicants' specification. The latter broad term must in turn encompass the specific items of confectionery such as cakes, pastry and biscuits to be found in No. 834508. Identical and/or closely similar goods are involved. The specification of CTM No. 1420 contains an even wider selection of Class 30 goods. Many of these find precise counterparts in the applied for specification. If the opponents do not succeed on the basis of identical or similar goods they cannot fare any better to the extent that their case may be based on goods that are less closely similar. No further analysis of the respective goods specifications is called for at this point.”

Having considered the distinctive character of REVELS and compared the respective marks visually, orally and conceptually, Mr. Reynolds moved to his conclusion in the following manner (paras. 25 – 27):

“The ‘likelihood of confusion’ must be appreciated globally taking account of all relevant factors (*Sabel v Puma*, paragraph 22). [Mr. Reynolds then dismissed as irrelevant to section 5(2)(b) an argument of the Opponents based on the colour of the Applicants' packaging against which there is no appeal.] I cannot envisage circumstances

where the applicants' use of their word mark in a particular colour would tip the balance of the argument in the opponents' favour. In short I have reached the clear view that there is no likelihood of confusion if the applicants use their mark on identical or similar goods. The opposition must, therefore, fail under Section 5(2)(b)."

9. It is true that Mr. Reynolds did not expressly articulate the *Canon* principle of interdependence, i.e., he did not write in his decision that a lesser degree of similarity between the marks can be offset by a greater degree of similarity between the goods. Nevertheless, he considered the overlap between the respective goods including the Applicants' suggestion, which he did not accept in view of the unlimited specifications, that because the parties operated in different markets (boxed chocolates v. bagged chocolates) there was unlikely to be confusion in the public between the marks. In making his final assessment of likelihood of confusion, Mr. Reynolds says that he is taking account of all relevant factors. Ms. McFarland says that must have included the effect on the likelihood of confusion of the identity/close similarity of the goods. Mr. Malynicz seeks to attribute the Hearing Officer's discussion of identity/close similarity of goods solely to the fact that the Opponents pleaded sections 5(3) and 5(4)(a) in their statement of grounds.
10. The principle of interdependence of relevant factors is implied in the global assessment of likelihood of confusion stated by the ECJ in *Sabel v. Puma* at paragraph 22 and in turn derived from recital 10 of the preamble to Council Directive 89/104/EEC (*Canon*, para. 17). Mr. Reynolds expressly refers to *Sabel v. Puma*, paragraph 22, in arriving at his conclusion under section 5(2)(b) quoted at paragraph 8 above. I am unpersuaded that Mr. Reynolds did not consider the interdependence of similarity between the goods and between the marks in his global assessment of likelihood of confusion. Accordingly, the Opponents' criticism on this ground fails.

*Particularly distinctive character*

11. Similarly, I find against the Opponents on their second ground of challenge, namely that the Hearing Officer failed to include particularly distinctive character into his assessment of likelihood of confusion and accord REVELS a broader scope of protection. On this issue the Hearing Officer said (para. 10):

"REVELS is the only or the dominant element of each of the opponents' marks. The distinctive character of an earlier trade mark is a factor to be borne in mind in coming to a view on the likelihood of confusion (*Sabel v Puma*, paragraph 24). That distinctive character can arise from the nature of the mark or be acquired through use."

I have already mentioned that Mr. Reynolds found REVELS to be inherently distinctive for all the goods and highly distinctive for assorted-centre chocolates sold in a bag. I believe even Mr. Malynicz accepted at the hearing that the most the Hearing Officer could be criticised for in this area would be his form of expression.

Comparison of the marks

12. Mr. Malynicz's third point did, however, trouble me. He argued that the Hearing Officer compared the marks in a vacuum. Mr. Reynolds did not take into account that the goods concerned are low priced items that are generally picked off the shelves by consumers on the basis of the visual tag provided by the name. That omission led him to place insufficient weight on the visual analysis of the marks. Had he heeded the words of Morritt L.J. in *Neutrogena Corp. v. Golden Ltd* [1996] RPC 473 at 504 below, the common beginnings of the marks (REVE-) would have lead him to a finding of likelihood of confusion:

“Whether a mark is deceptive in any relevant legal sense must be ascertained by considering it and its comparator as a whole. But that proposition does not require the court to ignore the facts that one part may represent the significant features of the mark, that that feature is often contained in the first syllable or that with many people “the eye is not an accurate recorder of visual detail”. cf *De Cordova v. Vick Chemical Co.* (1951) 68 RPC 103 at page 106 and Kerly on the Law of Trade Marks 12<sup>th</sup> Ed. Para. 17 – 13 and the cases there cited”.

13. The relevant passages in the Hearing Officer's decision are as follows:

“20. That brings me to the visual, aural and conceptual similarities between the marks, that is REVERIES and REVELS. The following submissions are contained in the opponents' statement of grounds:

“Specifically, the first four letters of the Applicants mark, and the first syllable are identical to the corresponding parts of the Opponents earlier protected marks. It has frequently been held that the first part of a mark is the most important part, as it is most likely to be remembered and spoken correctly. The latter part of the mark is often slurred or forgotten and for this reason the Opponent's and the Applicant's marks are closely phonetically similar.

Furthermore, the marks are visually similar as, again, they consist of the same first four letters and in particular contain the letter V as the third letter which is a letter not frequently used, and which, therefore, stands out in both marks ...”

21. Not surprisingly the applicants take a contrary position and dispute the above view of the matter ...

22. The opponents are entitled to point to the elements that the respective marks have in common, notably the first four letters. They are also correct to point out that the first part of words have traditionally been held to be of particular importance not least because of the tendency to slur the endings of words (TRIPCASTROID Trade Mark 42 RPC 264). But that consideration must be balanced against

the fact that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details (Sabel v Puma, paragraph 23). That is particularly likely to be the case where the marks at issue are dictionary words and small differences can produce words which are visually distinguishable as well as being aurally and conceptually different. Whilst I acknowledge certain points of similarity between REVELS and REVERIES they are visually different in my view.”

14. The parties are at one that the Hearing Officer took account of the visual similarity between marks. What divides them is the sufficiency of the visual analysis. Ms McFarland reminded me that Mr. Reynolds had already considered the buying habits of the chocolate consuming public (paras. 17 – 19). But that was in the context of whether the chocolate confectionery market could be compartmentalised. In the event, Mr. Reynolds decided that the relevant consumer was the public at large. Ms McFarland also pointed to the lack of any specialist or other factual evidence before the Hearing Officer. In those circumstances, it was a matter of first impression based on the Hearing Officer’s own experience. Moreover the absence of oral argument may have led the Hearing Officer to adopt a more synoptic approach towards writing his decision.

15. After some deliberation, I have formed the view that that this is not a case where the Hearing Officer has made an error of principle such that I should interfere. I am mindful of the words of Robert Walker L.J. in *REEF* (at para. 29):

“The duty to give reasons must not be turned into an intolerable burden: see the recent judgment of this court in *English v. Emery Reimbold & Strick Ltd* (and two other appeals heard with it) [2002] EWCA Civ 605, April 30, 2002, para. 19:

“... the judgment must enable the appellate court to understand why the judge reached his decision. This does not mean that every factor which weighed with the judge in his appraisal of the evidence has to be identified and explained. But the issues the resolution of which were vital to the judge’s conclusion should be identified and the manner in which he resolved them explained ...”.

16. Finally, Mr. Malynicz argued, though with little force, that the Hearing Officer wrongly held that there was no conceptual similarity between the marks. Mr. Reynolds preferred the Applicants’ view that “revels” conveyed to the public merrymaking, merry or noisy celebrations whereas “reveries” meant something altogether more passive – extravagant or fanciful product of the mind, being lost in thought. Mr. Malynicz linked the two as referring to a state of joy or happiness or alternatively suggested that the public would be unfamiliar with the word “reveries”. He also pointed to the common etymology of “reverie” and “revelry” in Middle French. In my view, the Hearing Officer was justified in finding no conceptual similarity on the

dictionary evidence presented to him by the Applicants. Any Middle French connotation is unlikely to be widely known.

### **Conclusion**

17. In the result the appeal fails. Mr. Reynolds ordered that the Opponents should pay the Applicants the sum of £1400 in respect of the opposition and I direct that a further sum of £1400 be paid to the Applicants towards the costs of this appeal, to be paid on the same basis as indicated by Mr. Reynolds.

Professor Ruth Annand, 29 January 2003

Mr. Simon Malynicz instructed by Clifford Chance appeared as Counsel on behalf of the Opponents

Ms. Denise McFarland instructed by Haseltine Lake appeared as Counsel on behalf of the Applicants