

TRADE MARKS ACT 1994

IN THE MATTER OF Trade Mark registration N^o. 2187124 in
The name of Dan Dairies (UK) Ltd

AND

IN THE MATTER OF an application for a declaration of invalidity N^o.
12398 by Compagnie Gervais Danone

DECISION

1. Trade mark registration N^o. 2187124 'DAN DAIRIES' was applied for on 26th January 1999 in the name of Dan Dairies (UK) Ltd ('the proprietors'). The following goods were specified:

'Soft cheese and soured cream', in Class 29.

2. On 8th March 2001, Compagnie Gervais Danone ('the applicants') applied for a declaration of invalidity under section 47 of the Trade Marks Act 1994 ('the Act'). They argued that the registration should be declared invalid since, under section 47(2)(a), it offends against section 5(2) and also that, under section 47(2)(b), it offends against section 5(4)(a).

3. The applicants are the owners of a significant number of registrations (see Exhibit MAG.1, in the evidence of Marc Antone Gosselin) most of which consist of the DANONE mark, some containing other matter. I do not intend to recite all these trade marks, but registration N^o. 2027470 is a typical example. The mark is DANONE and the goods specified are:

'Milk and milk products; milk desserts, yogurts, *cream, cheese, fresh cheese, cottage cheese*; meat, fish, ham, poultry, game, delicatessen; ready dishes, partially or totally made of the aforesaid products; preserved, dried and cooked fruits and vegetables, jam and jelly, soup, stewed fruits; canned food partially or totally made of the aforesaid products; frozen milk products; preserved, dried, cooked, frozen or canned ready dishes' (emphasis mine),

in Class 29. There are other registrations specifying the same products I have highlighted, but they contain other material.

4. The proprietors denied the grounds in a counterstatement, and the matter proceeded through the usual evidence rounds and came before me at a hearing on 10th December 2001. The proprietors supplemented their counterstatement at the hearing by raising additional issues of estoppel, consent and acquiescence, with which I propose to deal with in my decision.

5. At the hearing the registered proprietors were represented by Richard Cole of Counsel and Christopher Morcom QC represented the applicants. The written evidence I have summarised as follows.

The applicants evidence

6. Marc Gosselin has given evidence for the applicants, in the form of a witness statement. He is Managing Director of Danone UK Ltd., which is a wholly owned subsidiary of the applicants. Mr.

Gosselin says that the DANONE umbrella brand has appeared on all the applicants' packaging, advertising and promotional materials in the UK since at least as early as 1988. In addition to the umbrella brand, the applicants use product brands such as 'PETIT DANONE' for fromage frais or DANONEBIO for yoghurt. Turnover figures for DANONE products are as follows:

Year	£ sterling
1992	12,800,000
1993	14,800,000
1994	13,900,000
1995	14,500,000
1996	13,400,000
1997	10,600,000
1998	9,300,000
1999	10,200,000
2000	20,200,000

7. Mr. Gosselin gives details of extensive advertising (Exhibit MAG.4), including television (Exhibit MAG.5) from 1996 onwards for a variety of its brands: PETIT DANONE, MY FIRST DANONE, DANONE ACTIMEL and DANONE BIO (paragraph 13).

8. Also provided are details of sector share (Exhibit MAG.7) for DANONE BIO (e.g. 15.1% in 1992) and PETIT DANONE (e.g. 13.2% in 1992) brands and also exhibits specimen bar and pie charts showing brand awareness, the sources being 'SRL Usage and Attitude Survey' dated October 1993 and Parker Tanner Partnership dated June 1994 (Exhibit MAG.8). It is clear that the name is very well known in the UK.

9. The applicants also own a company called Galbani (UK) Ltd ('Galbani') which has been part of Groupe Danone since 1991 and, according to Mr Gosselin, the mark DANONE has appeared on all Galbani products and literature and on its website. This is disputed by the registered proprietors. The significance of this company is that they manufacture, *inter alia*, soft cheeses such as belpaese, valledata and certosa and have sold these cheeses in the UK since 1991. In relation therefore to the specification of goods for which the mark is registered, clearly Galbani's interest is highly focussed.

10. I note, finally, that the applicants' Statement of Case says that they are the registered proprietor of the trade marks DANONE, DAN and other marks commencing with the prefix 'DAN'. However, I have been unable to find any registrations in the schedule for the mark DAN on its own, or even for 'DAN' plus something else. There are certain product brands mentioned by Mr Gosselin: DANINO, DANIO and DANETTE, but I find no evidence of use or reputation of these product brands in the UK, nor registrations.

The registered proprietors evidence

11. Rafael Bechar has given evidence, also in the form of a Witness Statement. He is the Managing Director of Dan Dairies UK Ltd. The name 'Dan Dairies' derives from the family business started

by his father in Israel in 1947. Kibbutz Dan is where his father obtained his initial supplies of milk, 'Dan' being one of the tribes of the people of Israel.

12. Mr. Bechar does not take issue with much of Marc Gosselin's evidence, but does not consider it relevant to this application. The registered proprietors are a dairy which supplies major supermarkets and manufacturers, and are ingredient suppliers to Marks and Spencer. They have operated since 1992. Much of Mr Bechar's evidence is taken up with a rebuttal of the statement in Marc Gosselin's evidence that Galbani's General Manager has never heard of DAN DAIRIES products or the company Dan Diaries UK Ltd. As both Dan Diaries and Galbani are both exhibitors at the Nantwich International Cheese Show, Mr. Bechar finds this surprising. Between 1995 and 1999 Galbani and Dan Dairies (using the mark DAN DAIRIES) entered cheeses in the same class on 17 occasions. Since 1996 Dan Diaries have sponsored a prize which, in 1999, was won by Galbani themselves. At no time, says Mr Bechar, did Galbani object to the use of the Dan Dairies name.

13. Mr Bechar says that he considers the marks DANONE or DAN DAIRIES to be dissimilar and, in any event, he believes that soft cheeses produced by the Danone group are produced under the Galbani brand rather than DANONE.

Decision

14. The grounds of attack are section 5(2)(b) and 5(4)(a). Before I consider these I will mention, briefly, Mr. Cole's submissions requesting a striking out the proceedings on the basis of an abuse of process, consent, estoppel or some other form of *res judicata*.

15. In my view Mr. Morcom was correct to say that the proper place for these sorts of arguments is in the counterstatement. To raise them at the last possible opportunity, when all the evidence has been filed was, he believed, unacceptable, and I agree. Mr Morcom nevertheless dealt with each submission in turn.

16. The basis of Mr. Cole's reasoning was an earlier opposition against the mark by the applicants. This, apparently, had been deemed abandoned for failure to file evidence. The proprietor is entitled, Mr. Cole argued, to be protected from repeated actions concerning the same subject matter (*Johnson and Gore Wood & Co* [2001] 2 WLR 72 at 91H).

17. Mr. Morcom contended that there was no estoppel, *res judicata* or any other means by which these proceedings could be struck out, as nothing was adjudicated upon in the earlier proceedings. Further, the applicants cannot be said to have consented to the registration of this mark by permitting their earlier opposition to be withdrawn – so creating a 'deemed' consent – as the legislative framework permits a mark to be attacked both before, and after, it is registered.

18. Mr. Morcom did not believe that the applicants could be said to have acquiesced in the registration, which would likewise defeat the application (see s. 48 of the Act). Whilst the registered proprietors' evidence (denied by the applicants) goes to knowledge that the applicants had of the use of the mark DAN DAIRIES, the fact is that the mark was applied for on 26th January 1999 and the relevant period of acquiescence has to be 5 years in the use of a *registered* trade mark.

19. Mr. Cole, of course, pressed his case on these matters, but I did not believe I have to consider them in any event, as I do not see how the opponents can succeed in their opposition to this

application under the grounds pleaded. In my view, their prior rights under s. 5(2)(b) and s. 5(4)(a) are insufficient to frustrate it.

20. Turning to the first of these substantive grounds of attack, s. 5(2)(b) reads:

‘A trade mark shall not be registered if because –

.... ,

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

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

21. The applicants clearly own a number of registrations which are earlier marks for the purposes this section (see s. 6(1)). The relevant guidance on s. 5(2)(b) is provided by the European Court of Justice (ECJ), in *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc* [1999] ETMR 1 and *Lloyd Schufabrik Meyer & Co GmbH v Klijsen Handel BV* [2000] FSR 77. I will cite to these cases as they become relevant to my decision.

22. Mr. Morcom referred me to the increased likelihood of confusion, as specified by the case law, for example, in *Canon* (paragraph 18):

‘18. Furthermore, according to the case law of the Court, the more distinctive the earlier mark, the greater the risk of confusion (SABEL, paragraph 24). Since protection of a trade mark depends, in accordance with Article 4(1)(b) of the Directive, on there being a likelihood of confusion, marks with a highly distinctive character, either *per se* or because of the reputation they possess on the market, enjoy broader protection than marks with a less distinctive character.’

23. As stated above, there is no doubt that the opponents’ have a very significant reputation in their name, for a range of dairy products, in particular for ‘bio’ and ‘probiotic’ yoghurts and for fromage frais. However, it is not clear, despite the inclusion of Galbani evidence (Mr. Gosselin’s Declaration paragraphs 22 – 24), that this reputation extends to cheeses in general. Further, the opponents have not established any reputation or rights in the 3 letter prefix ‘DAN’, despite such a claim in their grounds of opposition.

24. Mr. Gosselin listed the ‘product brands’ DANINO, DANIO and DANETTE (see paragraph 8), all of which he says were sold in the UK. It may be argued that these products give an emphasis to the DAN element of the opponents’ mark, but I do not consider this evidence is enough to provide the opponents with a reputation in that element under s. 5(2)(b), or a goodwill under s. 5(4)(a). No evidence of the extent of sales is given and, as Mr. Gosselin states, the opponents’ ‘umbrella’ brand appears on all their product packaging (paragraph 8). It is in the DANONE mark that they have their reputation, and I approach my comparison with this in mind, basing it on registration N^o. 2027470, which is arguably their best case.

25. Before I do so, I should comment on a number of other submissions in favour of finding a likelihood of confusion, presented by Mr. Morcom. Some of these carried more weight than others.

I do not believe, for example, that a conceptual link will be made between the marks by consumers, in the normal course of events. Though 'dairies' is, as Mr. Morcom pointed out, wholly descriptive, I do not see that it should be forgotten on that basis: the meaning of the applicants' mark – taken as a whole – is likely to be that of a Dairy called 'DAN'. The significance of this name as one of the twelve tribes of Israel is, in my view, likely to be lost on most consumers. Though people might expect an apostrophe 'S' appended to DAN if they were to apply to it nominal significance, many might read the mark this way, or think of DAN as a place. None of this tends to create a link in the mind with DANONE, an invented mark, with a very significant reputation, that is always used on the opponents' products as one word.

26. Mr. Morcom suggested that DAN would be read as a shorthand for Denmark. I doubt many consumers would, but even if they did, I see no conceptual linkage to DANONE from that reading of the applicants' mark in any event.

27. Visually and orally the marks share the DAN element, but their overall impression is very different: the one is two words and three syllables, the other one word and two syllables. Their sound and appearance is quite dissimilar.

28. Mr. Morcom said that it was trite law in trade mark practice to pay attention to the first syllable in a word when considering the issue of confusion. Maybe so, but the applicants' mark consists of two words, and I doubt that the second, however descriptive, would be 'lost' in speech in the manner described in *London Lubricants (1920) Limited's Application* (1925) 42 RPC 264, which is to what I assume he was referring.

29. He also said that these are items which are bought off the shelf quickly by consumers in a hurry, and that one could easily see only the DAN element of the marks, and thus take the wrong product. I suspect that purchasers take more care than this for these items, as there are a number of different flavours and types which are aimed at different age groups. Nor do I believe that considering only part of the mark is consistent with normal and fair use (see *British Sugar plc v James Robertson & Sons Ltd* [1996] RPC 281, at 293).

30. I have not forgotten that a lesser degree of similarity between marks can be offset by a greater degree of similarity between goods; and here the goods are identical. However, this must not be taken too far. I do not believe that the differences in these marks can be ignored, in determining the likelihood of confusion, because the goods are the same.

31. The Act requires me to consider the likelihood of confusion, as opposed to the mere possibility of confusion. Taking all the above into account and assuming that the 'average consumer' is reasonably well-informed and reasonably circumspect and observant and that he or she 'normally perceives a mark as a whole and does not proceed to analyse its various details', (*Sabel*, page 224; *Lloyd* page 84) I consider that confusion is unlikely. Therefore, even allowing for imperfect recollection, the fact that marks are rarely compared side-by-side and that the goods are generally low-cost and bought with less care than expensive or rare purchases, I consider the public are unlikely to confuse the marks. As a consequence, I consider the s. 5 ground to fail. I do not believe that the opponents have any better chance under section 5(4)(a) and therefore I do not propose to consider that ground further. The opposition fails, and the application can proceed.

32. The application having failed, the proprietors are entitled to a contribution towards costs. I order the applicants to pay the sum of £635. This sum to be paid within seven days of the expiry of

the appeal or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 22ND Day of February 2002.

**Dr W J Trott
Principal Hearing Officer
For the Registrar, the Comptroller General**