

O-129-06

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO 2337751
BY PHILLIP AND JENNIFER KELLY
TO REGISTER THE TRADE MARK:**



IN CLASSES 29 AND 30

AND

**THE OPPOSITION THERETO
UNDER NO 92185
BY KRAFT FOOD HOLDINGS, INC**

Trade Marks Act 1994

**In the matter of application no 2337751
by Phillip and Jennifer Kelly
to register the trade mark:**



**in classes 29 and 30
and the opposition thereto
under no 92185
by Kraft Foods Holdings, Inc**

BACKGROUND

1) On 14 July 2003 Phillip and Jennifer Kelly, whom I will refer to as the Kellies, applied to register the above trade mark (the trade mark). The application was published for opposition purposes in the "Trade Marks Journal" on 12 September 2003 with the following specification:

foodstuffs prepared in the form of snacks; potato crisps; extruded snacks; prepared nuts;

snack foods made from pasta, rice or noodles, all sold in pots.

The above goods are in classes 29 and 30 respectively of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

The Kellies claim the colours red, white and blue as an element of the mark.

2) On 11 December 2003 Kraft Foods Holdings, Inc, which I will refer to as Kraft, filed a notice of opposition. Kraft is the owner of the following registrations of the trade mark RITZ:

- United Kingdom registration no 848832, applied for on 8 May 1963, with the following specification of goods:

biscuits (other than biscuits for animals).

- United Kingdom registration no 855673, applied for on 24 October 1963, with the following specification of goods:

preserved, dried and cooked fruits and vegetables; nuts and nut based products; edible seeds; non-meat based spreads; potato chips; jellies, jams, fruit sauces, pie fillings; eggs, cheese, milk and milk products; peanuts and

peanut butter; edible oils and fats; salted foods; snack food products; mixed fruit; mixed vegetables; mixtures of fruit and nuts.

- United Kingdom registration no 1016605, applied for on 29 August 1973, with the following specification of goods:

crackers being biscuits (other than biscuits for animals).

- United Kingdom registration no 1342350, applied for on 22 April 1988, with the following specification of goods:

biscuits; savoury snackfoods, all made from cereals; all included in Class 30.

- Community registration no 129585, applied for on 1 April 1996, with the following specification of goods:

rice, pasta; cereals, cereal preparations, preparations made from wheat, cereal breakfast foods, confectionery, frozen confectionery, non-medicated confectionery having breath freshening properties; candy, chewing gum and bubble gum; syrups, honey, sauces, chocolate, imitation chocolate, cakes, sponges, pastries, biscuits, cookies, crackers, pancakes and waffles, scones, pastry and puddings, flans; coffee, tea and cocoa, bread, sugar and natural sweeteners; foodstuffs prepared in the form of snack foods, fillings, sandwiches, meals and constituents therefor, mixes for making bakery products; preparations consisting wholly or principally of nuts, all included in Class 30.

Kraft also owns the following trade mark registrations:

- United Kingdom registration no 830014 of the trade mark:



It was applied for on 25 January 1962 and is registered for the following goods:

biscuits (other than biscuits for animals).

The trade mark was registered with the following disclaimer:

Registration of this mark shall give no right to the exclusive use of the device of biscuits.

- United Kingdom registration no 1366824 for a series of two trade marks:

RITZ BITZ
RITZ BITS

It was applied for on 12 December 1988 and is registered for the following goods:

biscuits; savoury snackfoods; all made from cereals; all included in Class 30.

The trade marks were registered with the following disclaimer:

Registration of these marks shall give no right to the exclusive use of the words "Bits" and "Bitz".

- United Kingdom trade mark registration no 1584229 for RITZ HITZ. It was applied for on 2 September 1994 and is registered for the following goods:

bakery products; biscuits, bran, buns, cakes, cookies, cereals and cereal preparations, doughnuts, figbars, flour, crispbread, pies, pretzels, pretzel sticks, rolls, rusks, cookie and cracker sandwiches, shortbread, wafers, yeast, mixes for making bakery products, savoury snackfoods; all included in Class 30.

- United Kingdom trade mark registration no 2103917 of:



It was applied for on 28 June 1996 and is registered for the following goods:

cereal preparations, preparations made from wheat, cereal breakfast foods, non-chocolate confectionery including non-chocolate candy, bubblegum and chewing gum, non-chocolate frozen confectionery; syrups, cakes, sponges, pastries, biscuits, cookies, crackers, waffles, scones, pastry and puddings, flans; bread, sugar and natural sweeteners; foodstuffs prepared in the form of snack foods, fillings and constituents therefor, mixes for making bakery products; preparations consisting wholly or principally of nuts, all included in Class 30.

- Community trade mark registration no 677393 of:



It was applied for on 17 November 1997 and is registered for the following goods:

biscuits, cookies, crackers.

All the above goods, barring those encompassed by registration no 855673, are in class 30 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended. The goods of registration no 855673 are in class 29.

3) Kraft claims that its Ritz trade mark has become exceptionally well-known in the United Kingdom as a result of use since 1963 and that it has a substantial reputation and goodwill in relation to the trade mark. Kraft states that it has spent a substantial amount in relation to promotional activities with regard to the Ritz trade mark over the previous forty years. It claims that the Kellies' trade mark is extremely similar to its trade marks and is to be registered for identical and similar goods to those covered by its application. Consequently, there is a likelihood of confusion and registration of the trade mark would be contrary to section 5(2)(b) of the Trade Marks Act 1994 (the Act).

4) Kraft claims that owing to its reputation and goodwill use of the trade mark is liable to be prevented by the law of passing-off. So, registration of the trade mark would be contrary to section 5(4)(a) of the Act.

5) Kraft seeks the refusal of the application and an award of costs.

6) The Kellies filed a counterstatement. They deny and put Kraft to proof in relation to the claims that it has made. The Kellies request the dismissal of the opposition and an award of costs.

7) Both sides filed evidence.

8) The sides were advised that they had a right to a hearing and that if neither side requested a hearing a decision would be made from the papers and any written submissions that were received. Neither side requested a hearing. Both sides filed written submissions. Consequently, this decision is made from the evidence and written submissions before me.

EVIDENCE

Evidence of Kraft

Witness statement of John Arthur Samuels

9) Mr Samuels is a self-employed market and social research consultant. Mr Samuels gives a lengthy account of his qualifications and professional expertise. He exhibits at JAS 1 a copy of a survey commissioned by Kraft's trade mark representatives. It was conducted by the Phonebus telephone omnibus survey run by Taylor Nelson Sofres between 12 and 14 November 2004. Mr Samuels states the survey is "a very well established and professionally executed survey". He states that the technical design for the Phonebus omnibus survey achieves a representative sample of the adult population of Great Britain, using random digital dialling technique. Mr Samuels goes on to give approval to the validity of the techniques used in the survey. In relation to the question what does Ritz mean to you, 61% of the respondents at first mention stated biscuits or crackers; 21% mentioned the hotel. In relation to what Mr Samuels describes as a more leading question 77% of the respondents identified it with biscuits and 6% with a hotel. Mr Samuels states that he believes that the survey establishes that the word Ritz is strongly identified with biscuits/crackers. Mr Samuels notes that the interviewers were instructed to refer to Ritz and not The Ritz.

Affidavit of Josephine Ricca

10) Ms Ricca is attorney-in-fact of Kraft. Ms Ricca states that the Ritz trade mark was first used in the United Kingdom as early as 1 January 1962. She gives the approximate annual sales turnover figures for products bearing the Ritz trade mark in the United Kingdom from 1994 – 2003. She does not state upon which goods the trade mark has been used.

2003	€1,610,000
2002	€1,680,000
2001	€1,894,000
2000	€1,945,000
1999	€609,000
1998	€651,000
1997	€605,000
1996	€575,000
1995	€556,000
1994	€505,000

Witness statement of John Christopher Wells

11) Professor Wells has the chair of phonetics at University College, London. Not surprisingly, Professor Wells states that the only phonetic difference between Ritz and Britz is the sound coming from the letter B at the beginning of the trade mark. He is of the opinion that when the two words are spoken or heard under noisy or less than perfect conditions they might easily be confused with one another. He states that they have "confusingly similar pronunciations".

Affidavit of Cecelia Dempsey

12) Ms Dempsey is senior counsel – international trade marks for Altria Corporate Services, Inc; a management group providing services to the subsidiaries and affiliates of the Altria family of companies, which include Kraft and Philip Morris Products SA. Ms Dempsey’s evidence in relation to this case is not specific to either the United Kingdom or the European Union. As part of exhibit A there is an extract from ‘Nabisco’ for August 1961 about the introduction of Ritz crackers to England on 1 May 1961. Other exhibits relate to Ritz crackers being made in Italy and introduced into Germany.

Witness statement of Jacqueline Simpson

13) Ms Simpson is a trade mark attorney acting for Kraft. She exhibits at JHS1 a report produced by Carratu International, dated 9 September 2004. The report advises that Carratu was instructed to undertake a search of databases and other media sources to establish how frequently references to Ritz crackers occur. Carratu was also instructed to contact high street supermarkets to establish how widespread was the sale of Ritz crackers in the United Kingdom.

14) Searches of a specialist database containing details of advertisements shown in the United Kingdom found that five advertisements were broadcast prior to December 2003. The details are exhibited at GH-B/1. One advertisement is for Morrisons, and relates to a variety of brands. It emanates from after the date of application. There are two advertisements relating to the sponsorship of the television programme ‘Who wants to be a millionaire?’; these refer to Jacob’s Ritz. There are advertisements for Ritz emanating from 5 November 1979 and December 1976. The details of the advertisements indicate that four of the five were broadcast in the ITV LWT or London areas. The Morrisons advertisement was broadcast in the Newcastle area.

15) An Internet search combining the top 18 search engines showed 275 records for the term Ritz crackers and 189 references to Ritz biscuits. Details of these references are exhibited at GH-B/2 and GH-B/3. The Internet search is of limited assistance as it has not been limited to the United Kingdom, nor to the date of application.

16) Searches of online Internet shopping sites showed the Waitrose, Tesco, Ocado, Asda and Sainsbury online shopping services stocking Ritz crackers. Enquiries showed that Ritz 200g box was available at various Sainsbury stores; 294 of Tesco’s 1878 stores carry the Ritz line; most Safeway stores carried the Ritz range; 158 Waitrose stores carry Ritz crackers; the majority of Asda stores would carry the Ritz product.

17) Searches were undertaken of online media databases covering all available United Kingdom publications for the previous 15 years. Two search terms were used: Ritz within five words of crackers, which located 296 references, and Ritz within five words of biscuits which locate 76 references. The list of publications is exhibited at GH-B/10 and the references found at GH-B/11 and GH-B/12. A few of the references emanate from after the date of application.

Evidence of the Kellies

18) This consists of a witness statement by Jennifer Kelly. Ms Kelly is the sales director of Phoenix Britz Ltd. She has worked in various sectors of the food industry for eighteen years. It appears that the Britz product is actually produced by Phoenix Britz Ltd. Ms Kelly narrates the genesis of the Britz brand and product. She states that none of the numerous contacts that were approached suggested that there was any similarity between Britz and Ritz. The crisps range was launched in December 2003; initially with 7 flavours of crisps, which were then augmented by 4 varieties of bagged snacks. These latter goods do not appear to bear the Britz name. Ms Kelly states that Brits/z is a slang term for the British people; there are the Brits (the British Music Awards) and Britsboard (an international newsletter). Ms Kelly states that "Ritz Crackers are familiar in the UK market". Ms Kelly states that in nearly two years of trading there has not been one single incident of confusion with Ritz.

Conclusions from the evidence

19) Mr Samuels states that the survey was properly and well conducted. I have no reason to doubt Mr Samuels views. However, the considerations of the survey for legal proceedings are different from those for marketeers. In *Bach and Bach Flower Remedies Trade Marks* [1999] RPC 1 Neuberger J considered omnibus surveys:

"More specifically, I was also impressed by Mr Barter's evidence as to the general unreliability of surveys of the sort conducted in the present case. They are known as "omnibus surveys" as the interviewees are asked a wide variety of different questions based on NOP's clients' requirements. Mr Barter said: "While omnibus surveys are suitable for commercial purposes they are generally considered to be inappropriate for the purposes of legal proceedings.""

The use of an omnibus survey, therefore, comes freighted with problems. The requirements for survey evidence are outline in the head note of *Imperial Group plc & Another v. Philip Morris Limited & Another* [1984] RPC 293:

"If a survey is to have validity (a) the interviewees must be selected so as to represent a relevant cross-section of the public, (b) the size must be statistically significant, (c) it must be conducted fairly, (d) all the surveys carried out must be disclosed including the number carried out, how they were conducted, and the totality of the persons involved, (e) the totality of the answers given must be disclosed and made available to the defendant, (f) the questions must not be leading nor should they lead the person answering into a field of speculation he would never have embarked upon had the question not been put, (h) the exact answers and not some abbreviated form must be recorded, (i) the instructions to the interviewers as to how to carry out the survey must be disclosed and (j) where the answers are coded for computer input, the coding instructions must be disclosed."

The evidence filed fails to satisfy points e and h. There is also a problem with surveys conducted after the date of application (see to this effect *EI Du Pont de Nemours & Company v ST Dupont* [2004] FSR 15). Nevertheless, even taking all these failings

into account, I consider that it would be captious to the extreme to deny that the survey does show a clear recognition of the Ritz brand. The failings to a great extent are mitigated by the Carratu investigation. Some of the use of Ritz exhibited at GH-B/11 shows Ritz, in relation to crackers, being used as part of a simile or a pun, eg:

- 20 of 296 ‘The Evening Standard’ of 25 April 2003 – “and sandwiches no bigger than a Ritz cracker”.
- 38 of 296 ‘The Daily Telegraph’ of 18 May 2002 -“Frank Ritz’s cracker of a place”
- 211 of 296 ‘Daily Mirror’ of 13 January 1996 - “RITZ ON SEA IS A REAL CRACKER”
- 49 of 296 ‘The Herald’ of 17 January 2002 - “Current devices are as small as a Ritz cracker and use computer technology....”

The fact that Ritz, in relation to crackers, is used in this manner is clearly indicative of the renown of the product. Press articles relating to shopping trolleys indicate that the price of the product varies from 49p to 89p; 49p seems atypically low. Ms Ricca does not advise if the turnover figures she gives are wholesale or retail. Even if wholesale, the turnover figures seem small for a product sold throughout the United Kingdom. Turnover, though, is not an automatic indicator of how well-known a product is. Ms Kelly states that “Ritz Crackers are familiar in the UK market”. She is well aware of the product. The press usage shows that the writers presume that the brand will be known to readers, whether they be readers of broadsheets, red tops, Glasgow or London newspapers.

20) I have no doubt that at the date of application Kraft had a goodwill in relation to crackers sold by reference to the name Ritz. I also consider that at the date of application Ritz had a substantial reputation in relation to crackers. (Ritz is obviously famous as the name of a hotel but this does not gainsay the fame of the crackers; Polo is famous for confectionary, cars and clothing.)

21) Professor Wells states the obvious in relation to the similarity of the words Britz and Ritz. It did not need a professor of phonetics to advise me of how the words were likely to be pronounced. He goes on to state that in less than perfect conditions the words might be easily confused. This is his opinion but again it is not one that requires an expert witness. It runs in a similar vein to the oft used and oft rejected argument in relation to pharmaceuticals, that the bad handwriting of a doctor might lead to confusion. Professor Wells trespasses into the territory of this tribunal by stating that the words are confusingly similar. He can give his expert opinion on the phonetic similarities, he is not there to give his opinion as to whether there would be confusion. If he is, I am redundant in my task. Effectively Kraft is trying to substitute its expert for this tribunal. Millet LJ in *The European Limited v The Economist Newspaper Ltd* [1998] FSR 283 took a robust approach to those who tried to encroach on this area in calling experts in trade:

“It is not legitimate to call such witnesses merely in order to give their opinions whether the two signs are confusingly similar.”

Professor Wells even uses that terminology so, unfortunately, oft used by trade mark professionals (including learned judges) in the United Kingdom “confusingly similar”. (A terminology that, as far as I am aware, has never been used in any judgment of the European Court of Justice (the ECJ), which always refers to similarity or lack of similarity; confusion only potentially arising as the result of cumulative effects, there cannot, for instance, be confusion where there is no similarity of goods. The Court of First Instance (the CFI) has only, I believe, used this terminology once (in Case T-214/04).) There are also issues as to how Professor Wells can make such a comment in abstracto, the jurisprudence of the ECJ and CFI demands that any such matter has to be considered in relation to the perception of the relevant consumer. I will reserve the decision as to whether the respective trade marks are similar to myself.

22) In their submissions the Kellies submit that the evidence of Professor Wells should not have been adduced on the basis that it is the position in common law that expert opinion can only be adduced if the matter calls for expertise. This position is based on a case from 1555 (sic) (until the Evidence Act 1851 there was no possibility of parties themselves being able to give expert evidence, since they were not allowed to give evidence at all) and a criminal case (for murder) *R v Turner* (1974) 60 Cr App R 80, [1975] QB 834. ‘Halsbury’s Laws of England’ comments upon expert evidence in the following terms:

“Under the Civil Procedure Rules the court has a discretion as to the need for, and extent of, expert evidence to be given in any matter. It will therefore restrict the evidence given by experts to that which is reasonably required to resolve the proceedings. The presumption in favour of single joint experts does not necessarily apply to Admiralty cases; applications to call an expert witness, or serve an expert’s report, should normally be made at the case management conference stage of the proceedings. Otherwise the rules as regards experts’ instructions will follow those applicable in other High Court claims.”

Proceedings before the trade mark rules are not governed by the Civil Procedure Rules (see *Rhone-Poulenc Rorer International Holdings Inc and Imclone Systems Inc v Yeda Research and Development Co Ltd v The Comptroller of Patents Designs and Trade Marks* [2006] EHW 160 (Ch) and *St Trudo Trade Mark* [1995] RPC 370). Although where the rules are silent it is practice to look to the Civil Procedure Rules for guidance. The reasoning behind the practice in the courts in relation to expert evidence is based on avoiding unnecessary cost and delay. The evidence of Professor Wells was adduced in accordance with the rules. It is not the case that in proceedings before the registrar that permission has to be given to adduce expert evidence. I can see no reason that it should have been excluded; although as I have indicated it has served no useful purpose.

DECISION

Likelihood of confusion – section 5(2)(b) of the Act

23) According to section 5(2)(b) of the Act a trade mark shall not be registered if because:

“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.”

Section 6(1)(a) of the Act defines an earlier trade mark as:

“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) The trade marks upon which Kraft relies are earlier trade marks as defined by the Act.

25) In determining the question under section 5(2)(b), I take into account the guidance 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] RPC 117, *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* [2000] FSR 77, *Marca Mode CV v Adidas AG and Adidas Benelux BV* [2000] ETMR 723 and *Vedial SA v Office for the Harmonization of the Internal Market (marks, designs and models) (OHIM) C-106/03 P*.

Comparison of goods

26) In their submissions the Kellies accept that the class 29 goods of the application are identical to the goods of United Kingdom registration no 855673. They submit that the class 30 goods of the application are not identical to the goods of the Kraft registrations but seem to accept that there is a degree of similarity between the goods. The class 30 goods of the application are:

snack foods made from pasta, rice or noodles, all sold in pots.

Community registration no 129585 includes the following in its specification: *foodstuffs prepared in the form of snack foods*. This term will include all snack foods in the class so it must encompass the class 30 goods of the application and so the goods are identical.

27) The respective goods are identical.

Comparison of trade marks

28) The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details (*Sabel BV v Puma AG*). 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*). Consequently, I must not indulge in an artificial dissection of the trade marks, although taking into account any distinctive and dominant components. The average consumer 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 and he/she is deemed to be reasonably well informed and reasonably circumspect and observant (*Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV*). “The analysis of the similarity between the signs in question constitutes an essential element of the global assessment of the likelihood of confusion. It must therefore, like that assessment, be done in relation to the perception of the relevant public” (the Court of First Instance (CFI) in *Succession Picasso v OHIM - DaimlerChrysler (PICARO)* Case T-185/02).

29) Kraft in its submissions concentrates on the Ritz elements of those of its trade marks that contain other elements. If it does not succeed in relation to the trade marks that consist of Ritz on its own, I cannot see that it will succeed in relation to any of the other trade marks. (Registration nos 855673 and 129585 referred to above in relation to the comparison of goods consist of RITZ on its own.) The RITZ BITZ/BITS trade marks have the BITZ/BITS elements disclaimed and so these elements cannot be taken into account in relation to likelihood of confusion (see *General Cigar Co Inc v Partagas y Cia SA* [2005] FSR 45). Consequently, I will make the comparison on the basis of the RITZ simpliciter trade marks.

Earlier trade mark:
RITZ

Applied for trade mark:



30) The point of coincidence lies with the presence of ritz in Britz. As the Kellies state Brit or Brits is a common slang term for people from Britain. It is not uncommon for the substitution of z for s in trade marks and advertising, as it makes a word stand out. I cannot see that there would be any phonetic difference in normal speech between Britz and Brits. Ritz is synonymous with the luxury hotel. It has been commemorated in such works as F Scott Fitzgerald’s ‘The Diamond as Big as the Ritz’ and Irving Berlin’s song ‘Puttin’ on the Ritz’, the song is also the name of a Hollywood musical. The conceptual meaning of Britz is emphasised by the use of the Union Jack device and the colours. Kraft, in its submissions, comments on use of Britz without the device element; I can only consider the trade mark for which there has been an application, not hypothetical trade marks. This is not a case where there is a lack of conceptual similarity but conceptual dissonance, the trade marks are conceptually dissimilar. The trade marks share visually and phonetically the ritz element. Despite the comments of Professor Wells I am of the view that the B at the beginning of the trade mark does have a notable effect; as Ritz and Brits (of course,

the trade mark in question in Britz but there will be no aural difference and Professor Wells is commenting on oral use) are both commonly used words, his premise must be that in normal speech that the words are confused, which I find difficult to conceive. I have certainly never confused the two words. It is the nature of language that words with much smaller differences than Ritz and Brits can be distinguished. It is also settled law that the beginnings of words are more important than the ends in considering similarity (see *Les Editions Albert René v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM) Case T-336/03 and *Tripcastroid* (1925) 42 RPC 264). Language is not just about sound, it is about the conveying of information; that surely is its fundamental purpose. It is not possible to dissect perception and meaning, accepting that the perception will be based to some extent upon context. The trade mark shouts that it relates to Britain, visually, phonetically and conceptually. The earlier trade mark shouts of the name of a hotel. I note that the survey evidence indicates that the cracker rather than the hotel is the first response of the respondents. However, this identifies the problems with omnibus surveys and the lack of full documentation in relation to the survey. One does not know the context in which the questions were asked; it could be for instance that other questions related to biscuits or foodstuffs so directing the minds of the respondents to foods rather than hotels.

31) The CFI in *Phillips-Van Heusen Corp v Pash Textilvertrieb und Einzelhandel GmbH* Case T-292/01 [2004] ETMR 60 held:

“54. Next, it must be held that the conceptual differences which distinguish the marks at issue are such as to counteract to a large extent the visual and aural similarities pointed out in paragraphs 49 and 51 above. For there to be such a counteraction, at least one of the marks at issue must have, from the point of view of the relevant public, a clear and specific meaning so that the public is capable of grasping it immediately. In this case that is the position in relation to the word mark BASS, as has just been pointed out in the previous paragraph. Contrary to the findings of the Board of Appeal in paragraph 25 of the contested decision, that view is not invalidated by the fact that that word mark does not refer to any characteristic of the goods in respect of which the registration of the marks in question has been made. That fact does not prevent the relevant public from immediately grasping the meaning of that word mark. It is also irrelevant that, since the dice game Pasch is not generally known, it is not certain that the word mark PASH has, from the point of view of the relevant public, a clear and specific meaning in the sense referred to above. The fact that one of the marks at issue has such a meaning is sufficient - where the other mark does not have such a meaning or only a totally different meaning - to counteract to a large extent the visual and aural similarities between the two marks.”

In *GfK AG v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM) Case T-135/04 the CFI held that the conceptual meaning must be clear:

“the fact remains that that meaning must be clear, so that the relevant public are capable of grasping it immediately (see, to that effect, Case T-292/01

Phillips-Van Heusen v OHIM – Pash Textilvertrieb und Einzelhandel(BASS) [2003] ECR II-4335, paragraph 54.”

32) That trade marks have similarities does not make them similar. Even with the worst cases of imperfect recollection, even with the relevant consumer being a moron in a hurry, owing to the conceptual gulf, I cannot envisage how the trade marks can be considered to be similar. I noted that Ritz is commonly used on the products in a circle, as per Community registration no 677393:



However, I do not consider that this sways the issue towards Kraft, I certainly do not consider that the circles and the placing of the trade marks in circles are distinctive and dominant components. **This is a case where I have neither doubt nor hesitation in finding that the respective trade marks are not similar.**

Conclusion.

33) As I have noted above, having similarities cannot be conflated with being similar. The leading authority on this issue is the judgment of the ECJ in *Vedial SA v Office for the Harmonization of the Internal Market (marks, designs and models) (OHIM)* C-106/03 P. Normally, one looks at the principles of the case rather than the facts. However, in this context it seems useful to consider the facts of the case, to illustrate that similarities between trade marks does not mean that they are similar for the purposes of deciding upon a likelihood of confusion. The trade mark applied for was:



The earlier trade mark was SAINT-HUBERT 41. Clearly there is a similarity between the trade marks, they both contain the forename Hubert.

34) In *Vedial SA v Office for the Harmonization of the Internal Market (marks, designs and models) (OHIM)* the ECJ held:

“51 For the purposes of applying Article 8 (1)(b) of Regulation No 40/94, the likelihood of confusion presupposes both that the mark applied for and the

earlier mark are identical or similar, and that the goods or services covered in the application for registration are identical or similar to those in respect of which the earlier mark is registered. Those conditions are cumulative (see to that effect, on the identical provisions of Article 4(1)(b) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1), Case C-39/97 *Canon* [1998] ECR I-5507, paragraph 22).

52 Contrary to Vedral's claim, the Court of First Instance did not rely on the visual, aural and conceptual differences between the earlier mark and the mark applied for in deciding that there was no likelihood of confusion.

53 After making a comparative study, at paragraphs 48 to 59 of the judgment under appeal, of the two marks in the visual, aural and conceptual senses, the Court of First Instance concluded, as stated at paragraph 65 of the judgment, that the marks could in no way be regarded as identical or similar for the purposes of Article 8(1)(b) of Regulation No 40/94.

54 Having found that there was no similarity between the earlier mark and the mark applied for, the Court of First Instance correctly concluded that there was no likelihood of confusion, whatever the reputation of the earlier mark and regardless of the degree of identity or similarity of the goods or services concerned."

This judgment confirms the position of the CFI which stated:

"63. In those circumstances, it must be held that, even though there is identity and similarity between the goods covered by the conflicting marks, the visual, aural and conceptual differences between the signs constitute sufficient grounds for holding that there is no likelihood of confusion in the mind of the targeted public.

64. The finding by the Board of Appeal that the earlier mark is widely known in France and enjoys a definite reputation in that Member State (paragraphs 28 and 33 of the contested decision) consequently has no bearing on the application of Article 8(1)(b) of Regulation No 40/94 in this case."

As in this case there was an identity in the coverage of the specification and a reputation. In his opinion in relation to the case Advocate General Ruiz-Jarabo dealt with the effects of the global appreciation where there was an absence of similarity of the signs:

"59. This claim is, at best, to no avail. From the moment that the Court of First Instance reached the conclusion, in paragraphs 48 to 59 of the judgment under appeal, that the signs were not similar to each other (as it categorically states in paragraph 65), there is neither the likelihood of confusion nor the likelihood of association to which the appellant refers. In the absence of such similarity, it is pointless to wonder whether the public would think that products identified by the new mark originate from an undertaking which is economically linked to the proprietor of the earlier mark. In addition, the

judgment at first instance stated, also in paragraph 62, that, ‘Consequently, there is no risk that the targeted public might link the goods identified by each of the two marks which evoke different ideas’.

60. The second error is in paragraph 63, in which it is stated that, ‘even though there is identity and similarity between the goods covered by the conflicting marks, the visual, aural and conceptual differences between the signs constitute sufficient grounds for holding that there is no likelihood of confusion in the mind of the targeted public’, when, according to the appellant, the correct path would have been to take as a parameter the global assessment of the sign in question and to decide whether the identity or similarity are such that they may cause a likelihood of confusion.

61. This argument must be rejected, for reasons similar to those set out in respect of the first complaint: the Court of First Instance considered that the signs display no similarity and the appellant has not properly challenged on this premiss. Therefore, it is pointless to investigate the circumstances in which two different signs may give rise to a likelihood of confusion.

62. The third error which the appellant claims to discern in the judgment under appeal consists in the misapplication of the rule of interdependence. Vedral explains that, if the Court of Justice considered that the Court of First Instance observed a certain similarity, at least phonetic, between the signs, it should require it to regard that slight similarity as offset by the identity between the products and the strong distinctive character of the earlier mark, and to find that there was a likelihood of confusion.

63. This part of the plea is manifestly unfounded, since it starts from a false assumption, because the Court of First Instance never found the alleged phonetic similarity between the signs. Quite the contrary, it stated that those signs cannot be regarded as identical or similar (paragraph 65), a point which the appellant does not challenge. Consequently, this claim must be rejected.

64. Finally, Vedral complains that paragraph 62 of the judgment under appeal infringes the concept of likelihood of confusion by taking the relevant public to be those consumers likely to purchase the products identified and not all persons who might notice the mark.”

As the ECJ has stated the likelihood of confusion is cumulative. There must be a similarity between the signs and a similarity between the goods/services before a global appreciation can be made. In this case there is a lengthy chain of consideration and argument: the Opposition Division of OHIM, the Boards of Appeal of OHIM, the CFI, the Advocate General and finally the ECJ. A similar approach, unsurprisingly, has been taken by the CFI in relation to similarity of goods/services. In *Alecansan, SL v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-202/03 the CFI stated:

“35 However, a likelihood of confusion within the meaning of Article 8(1)(b) of Regulation No 40/94 presupposes both that the mark applied for and the earlier mark are identical or similar, and that the goods or services referred to in the application for registration are identical or similar to those in respect of

which the earlier mark is registered. Those conditions are cumulative (*Canon*, paragraph 22, concerning the provisions of Article 4(1)(b) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1), and Case C-106/03 P *Vedial v OHIM* [2004] ECR I-9573, paragraph 51, concerning Article 8(1)(b) of Regulation No 40/94). Thus, even where the sign applied for is identical to a mark which is highly distinctive, it must be established that the goods or services covered by the opposing marks are similar (judgment of 1 March 2005 in Case T-169/03 *Sergio Rossi v OHIM– Sissi Rossi (SISSI ROSSI)* [2005] ECR II-0000, paragraph 53; see also, by analogy, *Canon*, paragraph 22).

39 According to settled case-law, in order to assess the similarity of the goods and services concerned, all the relevant factors which characterise the relationship between those services should be taken into account, those factors including, in particular, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary (Case T-85/02 *Díaz v OHIM– Granjas Castelló (CASTILLO)* [2003] ECR II-4835, paragraph 32, and *EMILIO PUCCI*, paragraph 41; see also, by analogy, *Canon*, paragraph 23).

40 Thus, in the present case, the fact relied upon by the applicant to the effect that the intervener's sales services, the sale of computer hardware and various retail services of a technological and digital nature provided by internet, are connected with the applicant's transport services, is not sufficient for those services to be regarded as similar if they otherwise differ significantly in relation to all the relevant factors which characterise the ways in which they are linked."

In *Eurodrive Services and Distribution NV c Oficina de Armonización del Mercado Interior (marcas, dibujos y modelos) (OAMI)*, Case T- 31/04 the same approach was adopted:

"39 Por lo que respecta a la apreciación global del riesgo de confusión, procede recordar que la similitud o identidad de los productos y servicios designados por las marcas en conflicto es un requisito determinante del riesgo de confusión, expresamente exigido por el artículo 8, apartado 1, letra b), del Reglamento nº 40/94."

In the above case the CFI re-emphasised that association was not the same as a likelihood of confusion:

40 El concepto de riesgo de asociación no es una alternativa al concepto de riesgo de confusión, sino que sirve para precisar el alcance de éste. Los propios términos de esta disposición excluyen, pues, la posibilidad de aplicarla si no existe, por parte del público, un riesgo de confusión (sentencias del Tribunal de Justicia de 11 de noviembre de 1997, *SABEL*, C-251/95, Rec. p. I-6191, apartado 18, y de 22 de junio de 2000, *Marca Mode*, C-425/98, Rec. p. I-4861, apartado 34).

(The above judgment is only available in Castellano and French.)

35) I have referred above to the unfortunate use of the term ‘confusingly similar’ in this jurisdiction, a phrase that comes freighted with the premise that confusion will arise; but confusion can only arise if all conditions of the First Council Directive 89/104 of December 21, 1988 are satisfied, ultimately the likelihood of confusion is a legal test. If signs are similar, if goods are similar, following the global appreciation, it might be decided that there is a likelihood of confusion. It may seem to be a hair splitting point to comment on this use of the phrase ‘confusingly similar’, however, by linking confusion with the similarity there is a danger to fall into the trap of substituting association with confusion as per *Eurodrive*. The issue under section 5(2) is not whether the public will associate the signs but whether the legal criteria of similarity of signs and similarity of goods/services have been satisfied and then following the global appreciation whether there is a likelihood of confusion. There is the legal test to be satisfied.

36) It is for the relevant authority to decide whether the similarities between signs that they can be classed as similar for the purposes of the Act. It will be very unusual that the signs in question do not have some similarities, otherwise there would be no conflict under section 5(2). If one takes a *reductio ad absurdum* approach one can find similarities between virtually any sign. The same applies even more so to goods and services, the *reductio ad absurdum* will reduce all goods and services to being for purchase by humans.

37) In the *Vedial* case there were obvious similarities between the signs but the relevant authorities decided that they were not similar. Once that decision had been made there were no further questions to be asked; identity of goods, reputation of the earlier trade mark, they amounted to nothing. In practical terms the judgement of the relevant authority in relation to whether the signs are similar will often be a posteriori; considering whether if all other factors were in the favour of the attacker – identity of goods/services, distinctiveness of the earlier trade mark (either by nature or nurture), nature of the relevant consumer – could there be a likelihood of confusion. In this case the goods are identical, the earlier trade mark is distinctive to a high degree for all the goods and in relation to crackers highly distinctive (owing to reputation, although there is no reputation in relation to identical goods), the relevant consumer is the public at large and the purchasing decision is unlikely to be particularly educated and/or careful (the goods are low cost everyday goods). **However, owing to the effective dissimilarity of the trade marks there is no likelihood of confusion.** This is a case where in the terms of patent law a negative declaration could be made as to the similarity of the trade marks.

38) The *Kellies* refer to a lack of confusion in the market place. As is invariably the case this says little, especially as the trade mark appears to have only been used on crisps and the earlier trade mark on crackers – so, for instance, the matter has never been tested in relation to identical goods. There is, of course, solid case law that lack of evidence of confusion says very little - *The European Limited v The Economist Newspaper Ltd* [1998] FSR 283 and *Compass Publishing BV v Compass Logistics Ltd* [2004] RPC 41. In its submissions, Kraft has tried to bring in evidence in the form of a crisp packet bearing the trade mark; showing the trade mark on a reddish background, as the Ritz logo is used. I have to consider normal and fair use of the

respective trade marks. The respective trade marks could be used on the same colour packaging. The evidence of Kraft shows the word Ritz is commonly used on a blue circle which is placed on red packaging, this can be considered paradigm use (see *Open Country Trade Mark* [2000] RPC 477 and *Premier Brands UK Ltd v Typhoon Europe Ltd* [2000] FSR 767). The dissimilarity of the respective trade marks leads me to the conclusion that this matter is not going to give rise to a likelihood of confusion.

39) The ground of opposition under section 5(2)(b) of the Act is dismissed.

Passing-off -section 5(4)(a) of the Act

40) Section 5(4)(a) of the Act states:

“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,”

41) In this case Kraft relies upon the law of passing-off. To succeed in passing-off Kraft has to establish that it has a goodwill related to the trade marks upon which it relies, that there will be confusion or deception and damage to its goodwill. The Kellies had not used the trade mark prior to the date of application so the material date for passing-off purposes is the date of application (see *Cadbury Schweppes Pty Ltd v Pub Squash Co Pty Ltd* [1981] RPC 429 and *Inter Lotto (UK) Ltd v Camelot Group PLC* [2004] RPC 8 and 9 and article 4(4)(b) of First Council Directive 89/104 of December 21, 1998). I have already decided that Kraft had a goodwill at the date of application in relation to the sign Ritz for crackers. That goodwill will also encompass the manner in which the trade mark has been typically used (as referred to in paragraph 38). Owing to the dissimilarity of the respective trade marks there will not be confusion or deception and so the claim based upon the law of passing-off must fail.

42) The ground of opposition under section 5(4)(a) is dismissed.

COSTS

43) Phillip and Jennifer Kelly having been successful are entitled to a contribution towards their costs. I order Kraft Foods Holdings, Inc to pay Phillip and Jennifer Kelly the sum of £2200. 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 this case if any appeal against this decision is unsuccessful.

Dated this 22nd day of May 2006

**David Landau
For the Registrar
the Comptroller-General**