

## O-227-04

IN THE MATTER OF APPLICATION NO. 2187008 IN THE NAME OF  
MUHAMMAD SARMAD

AND IN THE MATTER OF OPPOSITION NO. 50844 THERETO BY KENTUCKY  
FRIED CHICKEN (GREAT BRITAIN) LIMITED

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### DECISION

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#### Introduction

1. On 25 January 1999 Muhammad Sarmad applied to register the trade mark KENNEDY FRIED CHICKEN in Class 42 in respect of “catering services relating to the preparation and provision of takeaway foods and beverages”. The application was subsequently opposed by Kentucky Fried Chicken (Great Britain) Ltd under sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994. In a written decision dated 16 July 2003 Mr MacGillivray acting for the Registrar rejected each of these grounds and dismissed the opposition. Kentucky Fried Chicken (Great Britain) Ltd has appealed against that decision in so far as it relates to the grounds of opposition under section 5(2)(b) and 5(4)(a). For reasons that will appear it is only necessary to consider the objection under section 5(2)(b).
2. The appellant originally pleaded a plethora of registered trade marks in support of its objection under section 5(2)(b). Before the hearing officer the appellant primarily relied upon UK Registered Trade Mark No. 1298011, but also relied upon UK Registered Trade Mark No. 1298067. On the appeal counsel for the appellant relied solely upon ‘011, which consists of the words KENTUCKY FRIED CHICKEN in a faintly stylised script registered in respect of “restaurant services in Class 42”.

### Section 5(2)(b)

3. Section 5(2)(b) provides:

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 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.

### The hearing officer's decision with respect to section 5(2)(b)

4. Having reviewed the parties' evidence, the hearing officer began in paragraph 30 of his decision by directing himself as to the law in accordance with the Registry's standard summary of the guidance given by the European Court of Justice in Case C-251/95 *Sabel BV v Puma AG* [1997] ECR I-6191, Case C-39/97 *Canon Kabushiki Kaisha v Metro-Goldwyn-Meyer Inc* [1998] ECR I-5507, Case C-342/97 *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV* [1999] ECR I-3819 and Case C-425/98 *Marca Moda CV v Adidas AG* [2000] ECR I-4881. This summary is very well-known and it is unnecessary to repeat it here. Counsel for the appellant made the forensic point that there was a discrepancy between the page references to the reports of the ECJ decisions given in some of the individual paragraphs of the summary and the citations of the four cases, and submitted that this demonstrated that the hearing officer had simply cut-and-pasted the summary into his decision without applying his mind to it. There is nothing in this point. As counsel accepted, there is nothing wrong in cut-and-pasting: everyone does it. Moreover, the hearing officer returned to aspects of the case law and the principles established by it at various points later in his decision. I would observe, however, that the authoritative reports of the ECJ decisions are those that I have cited above, and it would perhaps be better if in future reference was made to those.

5. The hearing officer next turned to consider the appellant's evidence as to its reputation in the mark KENTUCKY FRIED CHICKEN. He was rightly critical of aspects of this evidence. He nevertheless found that the evidence showed that:
  - (a) the appellant operated a quick service dining and take-away restaurant business which in 2001 had over 500 hundred outlets;
  - (b) use of the mark in the United Kingdom had been commenced in 1965 and continued until 1997 when the appellant's outlets had been re-branded as KFC (earlier in his decision he had noted the appellant's evidence that the mark continued to be used as the corporate name for the business thereafter);
  - (c) in the year to 1 December 1996 the appellant's turnover was nearly £95 million (earlier in his decision he had noted the appellant's evidence that in the year to 28 November 1999 the turnover had increased to nearly £123 million); and
  - (d) in a Taylor Nelson Omnimas omnibus survey carried out in July 2001 81% of a sample of 1103 adults in response to the question "I'd like to ask you about restaurants. What do the letters KFC mean?" replied "Kentucky Fried Chicken", which indicated a high level of awareness amongst the relevant public.
6. On this basis the hearing officer concluded that at the relevant date the appellant had a reputation in the mark in relation to quick service restaurant and take-away restaurant services.
7. On a comparison between the services covered by the application and those covered by '011, the hearing officer concluded that, if not strictly identical, they were very closely similar.
8. Next, the hearing officer considered a second survey conducted on behalf of the appellant which was relied upon as demonstrating a likelihood of confusion and concluded that it was of no assistance. I shall return to this below.

9. Next the hearing officer compared the two marks, stating as follows:
47. The mark in suit comprises the words KENNEDY FRIED CHICKEN. The words FRIED CHICKEN merely describe a product which is available under the service provided, whereas the word Kennedy is a family name which I believe would be readily recognised as such by the UK public due to the fact that a number of well known individuals (alive and deceased) have borne this surname. The opponent's registration consists of the word KENTUCKY FRIED CHICKEN, the presentation of the words have a minimal element of stylization. As stated above, the words Fried Chicken merely describe a product available under the service provided. The word Kentucky describes a southern state of the United States of America, and I believe this fact would be generally well known amongst the UK public.
48. The respective marks must be compared as a whole and by reference to overall impression but, as recognised in *Sabel BV v Puma AG* (mentioned earlier in this decision) in any comparison reference will inevitably be made to the distinctiveness and prominence of individual elements. It is, of course, possible to over analyse marks and in doing so shift away from the real test which is how marks would be perceived by customers in the normal course and circumstances of trade and I must bear this in mind when making the comparisons.
49. Firstly, I turn to a visual comparison of the respective marks. Both marks share the descriptive words FRIED CHICKEN and the words KENNEDY and KENTUCKY both commence with the letters KEN and terminate with the letter Y. However, as stated earlier I believe both the words KENNEDY and KENTUCKY would be commonly known to the public and in this context I believe the meaning and look of a word will be closely associated by the public. A common word will be identified with its meaning when it is viewed and the visual interpretation will be based upon the identification of the word. Accordingly, I believe that in totality the respective marks are not visually similar.
50. In relation to aural considerations, notwithstanding that the marks share the same first syllable and a similar final syllable, it seems to me that overall the marks have an obviously differing aural impact given the obvious meanings of KENNEDY and KENTUCKY and that the words FRIED CHICKEN are merely descriptive.
51. On the conceptual comparison of the respective marks, it seems to me that the obvious different connotations of the word KENNEDY and KENTUCKY, as mentioned earlier in this decision, means that in totality the marks do not share a conceptual association or similarity.
52. In assessing the degree of similarity between the respective marks and whether it is likely to give rise to a likelihood of confusion I must

consider the average customer of the services. At the hearing it was common ground that the customer for the relevant services was the public at large who would in the main enter the respective premises to purchase a drink, snack or meal.

10. Having considered certain points made by the appellant about the manner in which the marks were used in the marketplace, the hearing officer expressed his conclusion as follows:

56. On a global appreciation taking into account all the relevant factors, I have come to the conclusion that while some people encountering the applicant's mark may think it reminiscent of the opponent's mark, it does not follow that a likelihood of confusion exists among the average customer for the services. While the respective specifications cover identical/very closely similar services, the overall differences in the marks and the category of services, which are wholly experienced by the customer in person at the service provider's premises, means that the possibility of confusion amongst the relevant customers cannot be regarded as a likelihood.

#### Standard of review

11. This appeal is a review of the hearing officer's decision. Counsel for the appellant accepted that the hearing officer's decision with regard to section 5(2)(b) involved a multi-factorial assessment of the kind to which the approach set out by Robert Walker LJ in *REEF TM* [2002] EWCA Civ 763, [2003] RPC 5 at [28] applied:

In such circumstances an appellate court should in my view show a real reluctance, but not the very highest degree of reluctance, to interfere in the absence of a distinct and material error of principle.

#### Grounds of appeal

12. The appellant contends that the hearing officer erred in principle in three respects. First, he correctly recited the law but failed to apply it to the facts and in particular he failed properly to assess the marks as a whole but improperly dissected them. Secondly, he failed to assess the likelihood of confusion on the

basis of normal and fair use of the mark applied for. Thirdly, he wrongly rejected the survey evidence. I shall deal with each of these points in turn.

Assessment of the marks as a whole

13. Counsel for the appellant accepted that the hearing officer had directed himself correctly as to the approach to comparison of the marks. Indeed, in paragraph 48 of his decision the hearing officer expressly warned himself that it was possible to over-analyse marks and thus move away from the real test which was how they would be perceived by consumers in normal use. Counsel for the appellant contended that, despite this, the hearing officer had fallen into the very trap he had warned himself against. In support of this contention counsel for the appellant advanced four arguments.
14. First, he pointed out that in one place in his decision the hearing officer had written KENTUCKY FRIED CHICKEN when he meant KENNEDY FRIED CHICKEN and in another place the hearing officer had done the opposite. He argued that this showed that, considered as a whole, the two were confusingly similar. In my view there is nothing in this point. The fact that the hearing officer transposed the two marks on two occasions in his decision, a mistake of the same order as the common mistake of writing “claimant” when one means “defendant” or vice-versa, does not demonstrate a likelihood of confusion on the part of the average consumer under normal conditions of use of the respondent’s mark.
15. It is convenient to take the second, third and fourth arguments together. The second argument is that the hearing officer failed properly to appreciate that the appellant’s mark was a composite whole which was more than the sum of its parts. The third argument is that the hearing officer wrongly treated the words FRIED CHICKEN as purely descriptive of goods supplied as part of the respective services, and therefore effectively discounted them. The fourth argument is that the hearing officer failed to consider how a consumer who was familiar with the appellant’s mark would react to the respondent’s mark when viewed as whole rather than breaking it down into its elements.

16. In my judgment there is substance in these points. The appellant's '011 registration is not limited to restaurant services involving the provision of fried chicken. This is for the good reason that, as the evidence shows, the appellant does not just sell fried chicken in its outlets, it also sells other items of food and drink. The same is true of the mark applied for. Again, the evidence shows that the respondent, who owns a take-away restaurant trading as KENNEDY FRIED CHICKEN in Stoke Newington, London, also sells other items of food and drink. In the case of items other than fried chicken, the words FRIED CHICKEN are not descriptive. It follows that both marks not only have a very similar three word structure, but also are conceptually similar in that both marks use the words FRIED CHICKEN to denote services which encompass the provision of items of food and drink other than fried chicken.
  
17. Furthermore, while it is no doubt true that the average consumer would appreciate that KENTUCKY was a southern state in the United States of America, I consider that the hearing officer was plainly right to find that at the relevant date the appellant had a reputation (I would add, a substantial reputation) in the mark KENTUCKY FRIED CHICKEN. Still further, I consider that it is clear that the reputation was in the mark as a whole, and not merely in the word KENTUCKY (and see also my comments on the question of abbreviation below). Again, while it is no doubt true that the average consumer would appreciate that KENNEDY was a surname, the question remains as to how the average consumer who was familiar with KENTUCKY FRIED CHICKEN would react when presented with KENNEDY FRIED CHICKEN.
  
18. I consider that there is force in the appellant's submission that human beings have a tendency to see what they expect to see, and so some consumers would be likely to misread KENNEDY FRIED CHICKEN as KENTUCKY FRIED CHICKEN because, on a quick visual scan, they would see the overall structure KEN ... Y FRIED CHICKEN and jump to the conclusion that the phrase was KENTUCKY FRIED CHICKEN. I consider that there would also be potential for mishearing for similar reasons.

19. I therefore cannot agree with the hearing officer's assessments that "in totality the respective marks are not visually similar" (paragraph 49), that "overall the marks have an obviously differing aural impact" (paragraph 50) and that "in totality the marks do not share a conceptual association or similarity" (paragraph 51). In my judgment the marks have some similarity in all three respects.

Normal and fair use

20. At paragraph 34 of his decision, the hearing officer reminded himself that he should compare the marks assuming normal and fair use of the marks on a full range of services covered by the respective specifications. Counsel for the appellant contended, however, that when it came to assessing the likelihood of confusion the hearing officer had failed to consider normal and fair use of the marks. In particular, he submitted that there was a propensity for people to abbreviate compound word marks to their initial capital letters. On this basis, he submitted that both marks were likely to be abbreviated to KFC and that this would exacerbate the potential for confusion.
21. In my judgment, while it is true as a general proposition to say that people have a propensity to abbreviate compound word marks to their initial capital letters, whether this is likely to happen in any particular case is a question of fact to be assessed on the evidence. In the present case Justinian Ash of the appellant gave evidence that his company's outlets were referred to by the public as both KENTUCKY FRIED CHICKEN and KFC. Mr Ash's evidence is expressed in the present tense, and so he is referring to the situation in 2001 after the appellant's re-branding. His evidence is supported by the survey to which I have referred in sub-paragraph 5(d) above. Although there is no evidence that KENTUCKY FRIED CHICKEN was ever abbreviated to KFC prior to the re-branding, it is clear that at least from 1997 onwards consumers would have understood that KFC was short for KENTUCKY FRIED CHICKEN. There is no evidence to show that members of the public have ever abbreviated KENNEDY FRIED CHICKEN to KFC. Nevertheless it is

obvious that, like KENTUCKY FRIED CHICKEN, KENNEDY FRIED CHICKEN is something of a mouthful (no pun intended), and therefore I conclude that some consumers would be likely to abbreviate it to KFC. This would exacerbate the potential for confusion.

22. In addition, it is important to bear in mind that normal and fair use of the mark applied for would extend beyond the use presently being made of it. The attorney for the respondent naturally placed strong reliance upon the respondent's unchallenged evidence that his restaurant has been trading since 1987 and that he was unaware of any instances of confusion (although he had only been the proprietor since 1994). She accepted, however, that normal and fair use of the mark would encompass use by a chain of take-away restaurants. Like the possibility of abbreviation, this is not a matter which the hearing officer took into account.
23. A factor which the hearing officer did take into account is that he found that both parties used the colour combination of red and white for their respective marks, but in his view the overall dissimilarity between the marks remained. As the hearing officer correctly recognized, the manner in which an applicant for registration actually uses his mark will generally be regarded as a normal and fair use of it, although not the only possible normal and fair use of it. I agree with the hearing officer that the use of the same combination of colours is a minor factor, but I take the view that this serves slightly to accentuate the similarity between the respective marks and the potential for confusion.

#### The survey

24. The survey referred to in paragraph 8 above formed part of the Taylor Nelson Omnimas omnibus survey referred to in sub-paragraph 5(d). As I understand the position (although this is not explicitly stated in the evidence, as it should have been), roughly half of the respondents to the Omnimas survey were asked the question quoted in sub-paragraph 5(d). The other half were shown a photograph of the front of the respondent's premises and asked the following question "This is used on the front of a take away and restaurant. Can I ask

you who runs it?”. 24% of the sample of 1021 adults replied “Kentucky Fried Chicken”, 6% replied “KFC” and 3% replied “Colonel Sanders or The Colonel”. Included within these percentages are 1% who gave two or more of the answers, and so the net proportion who identified the appellant (assuming that KFC is taken to be a reference to the appellant) was 32%. The appellant submitted a statutory declaration from a market research expert, John Samuels, who expressed the opinion that this figure was likely to be “an underestimate of the true proportion who associate the picture with Kentucky Fried Chicken”.

25. The hearing officer’s main reason for discounting the survey was that he considered that the question led the interviewee into a field of speculation he or she would never have embarked upon had the question not been put, and in particular might lead the interviewee to believe that the establishment was not run by someone called Kennedy because otherwise the question would not have been asked.
26. Counsel for the appellant contended that, rather than giving the survey no weight, he should have given it some weight in particular because the evidence of Mr Samuels, whose expertise includes questionnaire design, was unchallenged. In my judgment, however, the hearing officer was right on this point for the reasons he gave. Mr Samuels’ evidence did not address this point, which was in any event a matter on which the hearing officer was entitled, if not obliged, to form his own view. Moreover, when I asked counsel for the appellant what the question actually meant, he declined to answer and said that it would mean different things to different people but that this did not matter. In my view, asking such an ambiguous question is not a satisfactory way of demonstrating a likelihood of confusion.

#### Likelihood of confusion

27. It follows that I agree with the appellant that the hearing officer erred in two of the three respects contended for, and therefore I must make my own assessment of the likelihood of confusion. Taking into account the very close

similarity between the respective services, the fact that the average consumer for quick service and take-away restaurants is an unsophisticated one and no particular care is taken in selection of such services, the reputation enjoyed by the appellant's mark at the relevant date, the similarities between the respective marks, and having regard to normal and fair use of the mark applied for as discussed above, I judge that there is a likelihood of confusion.

### Conclusion

28. Accordingly, the appeal against the hearing officer's rejection of the ground of opposition under section 5(2)(b) is allowed. It is therefore unnecessary to consider the ground of opposition under section 5(4)(a).

### Costs

29. The hearing officer ordered the appellant to pay the respondent the sum of £1,900 as a contribution to his costs. This figure was increased by £200 from the figure he would otherwise awarded due to the appellant having filed a large of volume of irrelevant evidence. Accordingly I shall order the respondent to pay the appellant the sum of £1,700 in respect of the proceedings below and a further £800 in respect of the appeal.

30 July 2004

RICHARD ARNOLD QC

Michael Edenborough, instructed by Grant Spencer Caisley Porteous, appeared for the appellant.

Jackie Tolson of Withers & Rogers appeared for the respondent.