

O-228-07

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. 2366477
IN THE NAME OF NATIONAL BISCUITS AND CONFECTIONERY CO LTD

AND

OPPOSITION THERETO UNDER NO. 93370 BY
PODRAVKA PREHRAMBENA INDUSTRIJA D.D.

TRADE MARKS ACT 1994

In the matter of application No. 2366477
in the name of National Biscuits and
Confectionery Co Ltd and
Opposition thereto under No. 93370 by
Podravka Prehrambena Industrija D.D

Background

1. Application No. 2366477 was applied for on 23 June 2004 and stands in the name of National Biscuits and Confectionery Co. Ltd (“National”). The application is for the following mark:



2. The application was published for opposition purposes in the *Trade Marks Journal* on 28 January 2005 with the following specification of goods:

“Meat, fish, poultry and game, meat extracts, preserved, dried and cooked fruits and vegetables, jellies, jams, fruit sauces; eggs, milk and milk products, yoghurt; snack foods; prepared meals; products made from meat, fish, poultry and game; nuts and nut products; edible oils and fats.” in Class 29.

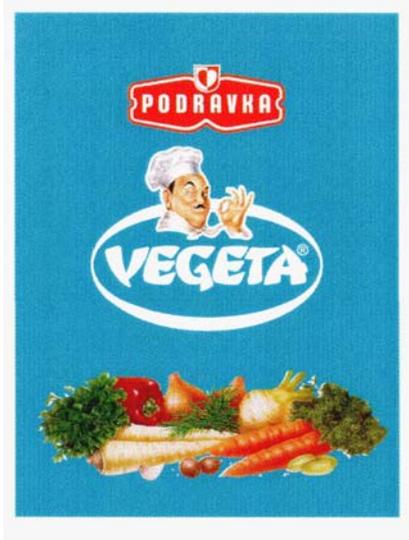
“Coffee, tea, cocoa, sugar, rice, tapioca, sago, artificial coffee; flour and preparations made from cereals; bread and bakery products; chocolate and chocolate products; biscuits, pastry and confectionery, ices; honey, treacle; yeast, baking powder; salt, mustard; vinegar, sauces (condiments); spices; ice; snack foods and prepared meals.” in class 30.

“Agricultural, horticultural and forestry products and grains not included in other classes; fresh fruits and vegetables; seeds, natural plants and flowers; foodstuffs for animals, malt.” in class 31.

“Mineral and aerated waters and other non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparations for making beverages; beers and shandy.” in class 32.

3. On 28 April 2005 Podravka Prehrambena Industrija D.D (“PPI”) filed a notice of opposition to the registration of the application. The opponent relies on the following two Community Trade Marks:

4. The first is registered under No. 2414845 for the trade mark:



5. This mark has an application date of 17 October 2001 and is registered in respect of:

“Preserved, dried and cooked vegetables, in particular salted and pickled vegetables; soups and soup preparations, including vegetable soup preparations and meat broth concentrates; meat extracts; plant protein and plant extracts for food; mushrooms and garden herbs, as preserves, dried or frozen; not being semi-prepared or prepared meals.” in class 29 and;

“Sauces, salad dressings, spices, seasoning salt, condiments, additives for improving the taste of foodstuffs; salt; herb salt and vegetable salt for cooking purposes; coffee, artificial coffee, tea, cocoa, in the form of extracts; sugar, honey, natural sweeteners; yeast, baking powder, ice-cream powder and puddings in powdered form; salt, mustard, vinegar, mayonnaise” in class 30.

6. The registration has the following claim to colours “Red, white, blue, black, green, orange, beige, brown.”

7. The second mark relied on is No. 3477734 for the trade mark:



8. The mark has an application date of 30 October 2003 and is registered in respect of:

“Preserved, dried and cooked vegetables, in particular salted and pickled vegetables; soups and soup preparations, including vegetable soup preparations and meat broth concentrates; meat extracts; plant protein and plant extracts for food; mushrooms and garden herbs, as preserves, dried or frozen” in class 29 and;

“Sauces, salad dressings, spices, seasoning salt, condiments, additives for improving the taste of foodstuffs; salt; herb salt and vegetable salt for cooking purposes; coffee, artificial coffee, tea, cocoa, in the form of extracts; sugar, honey, natural sweeteners; yeast, baking powder, ice-cream powder and puddings in powdered form; salt, mustard, vinegar, mayonnaise” in class 30.

9. The registration has the following claim to colours: “Red, white, blue, black, light pink, beige, green, orange, light green, light brown.”

10. PPI claims that the respective trade marks are similar, that the respective goods are either identical or similar and that consequently, there is a likelihood of confusion such that registration of the application would be contrary to section 5(2)(b) of the Act. PPI also claims that registration would be contrary to section 5(3) and 5(4)(a), the marks relied on having been in use since at least 1995.

11. National filed a counter-statement essentially denying each of the grounds of opposition.

12. Both parties filed evidence. The parties were advised that they had a right to be heard and that if neither requested a hearing, a decision could be made from the papers on file and any written submissions. Neither party requested a hearing. Only PPI filed written submissions.

Opponent's evidence

13. This takes the form of a witness statement of Zdravko Sestak and is dated 20 December 2005. Mr Sestak confirms that he is a Croatian citizen and is fully conversant with the English language. He confirms that his statement is made from facts and matters within his own knowledge, from his company's records and from public documents.

14. Mr Sestak is a member of the Board of Directors of PPI, has been employed by them since 25 January 1993 and is authorised to make the statement of behalf of the company.

15. Mr Sestak says that PPI has been known by that name for over fifty years though the company has carried on business since 1934. At ZS1 he exhibits a profile of his company. The profile appears to be an extract from a publication but neither the name or distribution details of the publication nor its publication date is identified. It provides a history of PPI's business and repeats Mr Sestak's claim that PPI is the largest manufacturer of branded food products in Croatia and one of the five largest food manufacturers in central and eastern Europe.

16. Mr Sestak states that one of PPI's most important products is that sold under the VEGETA trade mark. Products were launched under this mark in 1959 and it has been used in relation to a seasoning used as a flavour enhancer. At ZS2, Mr Sestak exhibits a sample of packaging which has been used in the UK since 1995 and at ZS3, he exhibits a history of earlier packaging dating back to 1959.

17. Mr Sestak states that PPI first used what he calls the Chef Device on the VEGETA product in 1959 and that the device has been used continuously since then on all VEGETA products. In 1978, a circular device was first used with the Chef Device and in April 1994 that circle device was elongated to form an ellipse. Exhibit ZS4 comprises the design proof for this packaging along with an example of the mark as "currently" in use. It also includes copies of the registration details of the marks PPI rely on in these proceedings.

18. Mr Sestak says that the Chef and Ellipse device has been used on all VEGETA products since it was first adopted. He goes on to provide the following details of sales made under the VEGETA mark:

Year	Annual sales turnover (Approx) (euros)	Annual Volume sold (Approx) (Kg)
1995	25,348	7,832
1996	12,325	3,593
1997	12,279	3,717
1998	18,844	6,206
1999	9,476	3,487
2000	51,195	19,113
2001	64,672	23,289
2002	67,873	24,679
2003	186,493	61,992
2004	244,844	82,128

19. Figures are also given for 2005 but as these are all after the relevant date I have not included them. Furthermore, it is not explained how much of the 2004 figures relate to the period before the relevant date. No explanation is given as to whether the above figures relate to total sales under the trade mark or sales in the UK only. Neither is it clear whether these sales relate to any, both or only one (and if so which) earlier mark. At ZS5 Mr Sestak exhibits a number of copy invoices relating to sales made in the UK over the period 1994 to 2005. Whilst these invoices show the word VEGETA, they do not show either of the earlier marks relied on by PPI.

20. Mr Sestak states that PPI's trade marks are promoted in the UK through a variety of means including point of sale, promotional material and other leaflets as well as advertisements in various media. These amount to an approximate annual spend of €7,200. Mr Sestak states that the majority of PPI's customers in the UK are people "who come from Croatia, Bosnia and Herzegovina, Slovenia, Serbia and Monte Negro, Macedonia, Turkey and other eastern European countries". At ZS6 he exhibits copies of advertisements from the magazine HABER which, he says, is targeted to the Turkish ethno segment in the UK and is printed in Turkish. These copies bear three dates, all in May 2005, and therefore post date the relevant date in these proceedings.

21. The remainder of Mr Sestak's witness statement is given to commentary and opinion which I do not intend to summarise though I do, of course, take it into account in reaching my decision.

Applicant's evidence

22. This takes the form of a witness statement by Vernon Law dated 10 April 2006. Mr Law is a registered trade mark attorney acting for National and is authorised to make the statement of its behalf.

23. Mr Law states that National was established on 30 December 1987 in Saudi Arabia and has an active export business to various countries within the European Union though he does not state which countries. At VL1 he exhibits a print-out of National's website.

24. Mr Law goes on to provide details of the application and the earlier marks relied on by PPI and exhibits copies of these at VL2, VL3 and VL4. He notes that PPI's earlier marks are registered in colour.

25. At VL5, Mr Law exhibits the results of a search of registered trade marks containing the device of a chef as registered on the UK trade marks register. The search is said to have been carried out sometime around November of 2004. Mr Law states that the exhibit shows that a "great many" registered trade marks contain a chef and similar devices. Mr Law suggests that there has been use of these devices over some years because some of them are owned by very large and well-established undertakings. He accepts, however, that the results of the search do not prove any use of any of these marks in the marketplace and I think he is right to do so.

26. Mr Law says that in his experience it is common for food products to "contain" chef devices and similar. At VL6 he exhibits examples of products bearing such

devices which, he says were obtained from branches of a number of supermarkets a week before he made his statement. Commenting on the content of Mr Sestak's witness statement, Mr Law disputes PPI's claim to have a reputation in its marks. He says he visited a number of supermarkets (and their website equivalents) and could find no trace of PPI's products on sale. He accepts that this does not equate to an exhaustive survey but says it is indicative that PPI's products do not appear on supermarket shelves and that this could have a bearing on any use and reputation in the UK. Again, the visits he made to the supermarkets and their websites took place well after the relevant date in these proceedings.

27. At VL9 Mr Law exhibits a print-out from the website of Haber magazine which he says is also in Turkish and says he has been unable to find any details of the circulation of the magazine.

Opponent's evidence in reply

28. This takes the form of a second witness statement of Zdravko Sestak. Mr Sestak provides name and address details of various outlets in the London area which offer his company's products for sale. No evidence is provided to show what the position might have been at the relevant date. Mr Sestak also clarifies that consumers of his company's products are not limited to readers of Haber magazine.

Decision

29. The first ground of opposition is under section 5(2)(b) which reads:

“5. -(2) A trade mark shall not be registered if because-

- (a)
- (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 .”

30. An “earlier trade mark” is defined in section 6 which states:

“6. -(1) In this Act an “earlier trade mark” means –

- (a) a registered trade mark, international trade mark (UK), Community trade mark or International trade mark (EC) 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.”

31. Both of the trade marks relied on by PPI are earlier trade marks within the meaning of Act. Clearly, both marks have certain similarities but they also have clear dissimilarities in that whilst one consists purely of a number of device elements, the other also contains words.

32. In its evidence, PPI refers to use of what it calls the VEGETA mark but does not explain what is meant by this, i.e. whether this is a generic term intended to relate to one or both of the earlier marks it relies on. Turnover figures (in euros) for a number of years are provided but again, as I indicated above, no indication is given as to whether this relates to one (and if so which) or both earlier marks nor is there any explanation of whether or not the figures relate solely to sales in the UK. Even if they do, PPI has not provided any evidence of the market share they enjoy within the UK and, given the size of the foodstuffs market, the sales figures are unlikely to be significant. Whilst the copy invoices provided refer to VEGETA there is no specific reference to either of the earlier trade marks relied on by PPI. Marketing expenditure within the UK is provided, again in euros, which indicates that such expenditure is modest but again there is nothing to explain to which mark (if any) the expenditure relates. Whilst both marks have a degree of inherent distinctiveness, given the inclusion of the word elements, 2414845 is of a greater distinctiveness. But in my opinion, the evidence before me does not enable the opponent to rely on any enhanced protection on the basis of reputation in respect of either of the earlier marks relied on.

Comparison of goods

33. For ease of reference, I set out the respective specifications of goods below:

Applicant's specification	Opponent's specifications
<p>Class 29 Meat, fish, poultry and game, meat extracts, preserved, dried and cooked fruits and vegetables, jellies, jams, fruit sauces; eggs, milk and milk products, yoghurt; snack foods; prepared meals; products made from meat, fish, poultry and game; nuts and nut products; edible oils and fats.</p> <p>Class 30 Coffee, tea, cocoa, sugar, rice, tapioca, sago, artificial coffee; flour and preparations made from cereals; bread and bakery products; chocolate and chocolate products; biscuits, pastry and confectionery, ices; honey, treacle; yeast, baking powder; salt, mustard; vinegar, sauces (condiments); spices; ice; snack foods and prepared meals.</p> <p>Class 31 Agricultural, horticultural and forestry products and grains not included in other classes; fresh fruits and vegetables; seeds, natural plants and flowers; foodstuffs for animals, malt.</p>	<p>2414845 Class 29 Preserved, dried and cooked vegetables, in particular salted and pickled vegetables; soups and soup preparations, including vegetable soup preparations and meat broth concentrates; meat extracts; plant protein and plant extracts for food; mushrooms and garden herbs, as preserves, dried or frozen; not being semi-prepared or prepared meals.</p> <p>Class 30 Sauces, salad dressings, spices, seasoning salt, condiments, additives for improving the taste of foodstuffs; salt; herb salt and vegetable salt for cooking purposes; coffee, artificial coffee, tea, cocoa, in the form of extracts; sugar, honey, natural sweeteners; yeast, baking powder, ice-cream powder and puddings in powdered form; salt, mustard, vinegar, mayonnaise.</p> <p>3477734 Class 29 Preserved, dried and cooked vegetables, in particular salted and pickled</p>

<p>Class 32 Mineral and aerated waters and other non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparations for making beverages; beers and shandy.</p>	<p>vegetables; soups and soup preparations, including vegetable soup preparations and meat broth concentrates; meat extract; plant protein and plant extracts for food; mushrooms and garden herbs, as preserves, dried or frozen.</p> <p>Class 30 Sauces, salad dressings, spices, seasoning salt, condiments, additives for improving the taste of foodstuffs; salt; herb salt and vegetable salt for cooking purposes; coffee, artificial coffee, tea, cocoa, in the form of extracts; sugar, honey, natural sweeteners; yeast, baking powder, ice-cream powder and puddings in powdered form; salt, mustard, vinegar, mayonnaise.</p>
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34. A straight comparison of the respective specifications shows some goods in class 29 and 30 described in identical terms. As these provide the strongest case for the opponent, I do not intend to consider the remaining parts of the specifications.

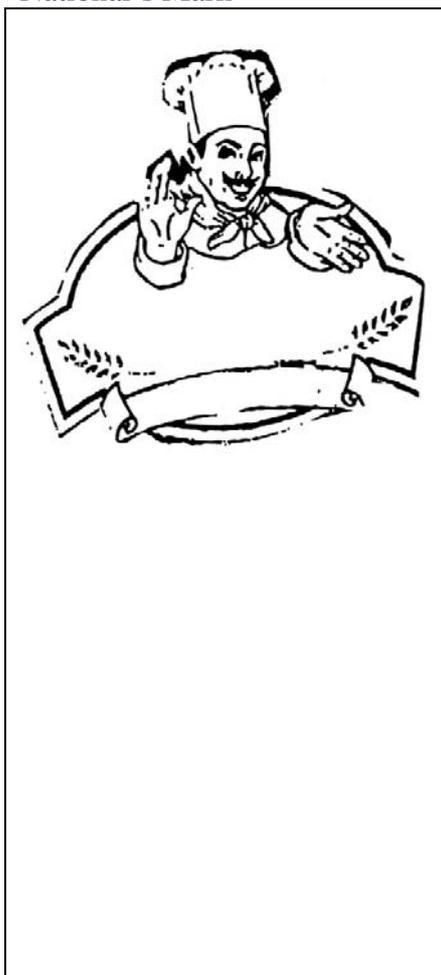
35. I remind myself that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. I have to consider the visual, aural and conceptual similarities of the marks by reference to the overall impressions created by them, bearing in mind their distinctive and dominant components. I must not indulge in an artificial dissection of the trade marks but I must take into account any distinctive and dominant components. The average consumer rarely has the opportunity to make a direct comparison between marks but is reasonably well informed and reasonably circumspect and relies instead on the imperfect picture of them he has kept in his mind.

36. In its evidence, PPI claims that the majority of its consumers are of eastern European origin. That may or may not be the case but I have to consider the respective marks as registered and applied for. They have not been limited in any way. The goods are what can be described as foodstuffs. As such, the average consumer must be the general public. Whilst they are everyday items, in my view foodstuffs are not bought without some consideration, given the individual dietary and health preferences of consumers.

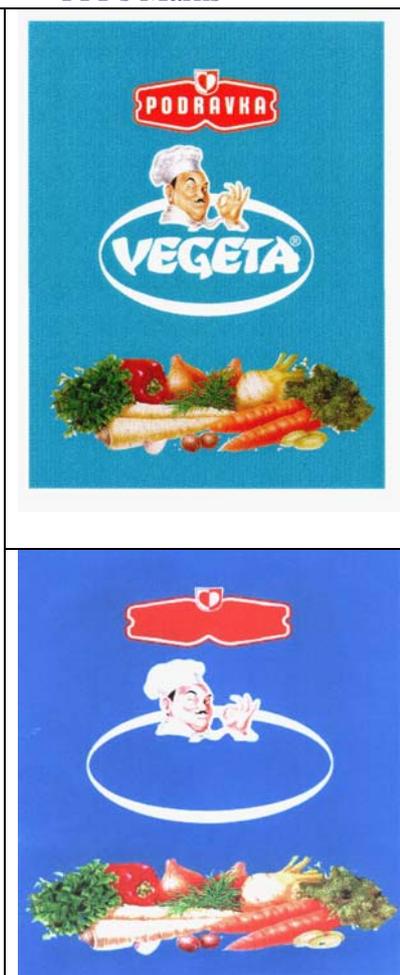
Comparison of marks

37. The trade marks to be compared are:

National's Mark



PPI's Marks



38. National's mark consists of a line drawing of a head of a smiling and moustachioed man, wearing a knotted kerchief around his neck and a tall toque on his head. The head, seen almost face on, extends from the top of a crested border. Despite PPI's submission as to the positioning of the hands, it appears to me that they are open and outspread through the border rather as if he was constrained in a set of stocks. The border also contains what appears to me to be an ear of wheat at either side, the whole surmounted on a banner-shaped pedestal.

39. PPI's first earlier mark also contains what could be described as a moustachioed chef, this time one with a rather round face and presented in something more of a portrait style. He also wears a kerchief and a toque but in this case the toque is "deflated" rather than tall and upright. One hand of the chef is visible and with it, he makes a "O" with his index finger and thumb as if signalling approval. The chef's head appears side on and placed towards the top of an elliptical border within which appear the word VEGETA and ® symbol. Above the chef and elliptical border is another shaped border containing the word PODRAVKA, this border surmounted by a shield device which itself contains what appears to be a divided heart shape. At the lower end of the mark is a collection of what appear to be primarily root vegetables.

40. The same elements appear in the second earlier mark save that it does not contain the words VEGETA and ® symbol nor the word PODRAVKA. Both marks are, as I indicated earlier, subject to differing claims for colour.

41. Clearly, each of the respective marks contain a device of a chef and to that extent there is some degree of visual similarity. But devices of chefs do not, of themselves, provide much that is distinctive in relation to foodstuffs. In any event, I have to consider the respective marks as wholes.

42. Despite the presence in each mark of the device of a chef, there are clear visual differences in their presentation in each case. Given the low distinctive nature of the chef element, I consider that the average consumer would be alert for detail which would differentiate one mark from another. Conceptually, the respective marks bring to mind the preparation of food. The mark applied for contains the crested border with ears of wheat, bringing to mind the preparation of farinaceous foodstuffs. Each of the earlier marks contains the separate but equally dominant vegetable and border elements and bring to mind the preparation of vegetable products. There is also the claim to colour in respect of each of the earlier marks. I consider there to be clear visual and conceptual differences in the respective marks. In the case of the purely graphical marks, aural considerations do not figure highly in the consideration. In the case of 2414845, the word elements are also present. Neither the words VEGETA nor PODRAVKA have any meaning as far as I have been made aware but I bear in mind the long established principle that words "speak louder" than devices. It is unlikely that a consumer would refer to this mark by describing its graphical content and thus visually, aurally and conceptually these respective marks also differ.

43. The goods at issue are foodstuffs, largely chosen from a shop or supermarket shelf by self selection with that selection being by eye. The visual impact of the respective marks are therefore of greater significance.

44. Taking account of all relevant factors, I consider that there is no likelihood of consumers being confused into believing that the goods provided by the applicant are those of the opponent or provided by some undertaking linked to them even in respect of identical goods.

45. The opposition under section 5(2)(b) therefore fails.

46. Section 5(3) of the Act in its original form reads:

"5-(3) A trade mark which -

(a) is identical with or similar to an earlier trade mark, and

(b) is to be registered for goods or services which are not similar to those for which the earlier mark is protected,

shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a Community trade mark, in the European Community) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark."

47. By virtue of regulation 7 of the Trade Mark (Proof of Use, etc) Regulations 2004,

Section 5(3)(b) has now been repealed. The equivalent provision in Section 10 of the Act dealing with infringement has also been amended. As the explanatory note indicates:

"These amendments implement the decision of the European Court of Justice in *Davidoff & Cie SA and Zino Davidoff SA v Gofkid Ltd* of 9th January 2003 (C-292/00) which was confirmed by its decision in *Adidas-Salomon AG and Adidas Benelux BV v Fitnessworld Trading Ltd* of 23rd October 2003 (C-408/01). Those decisions determined that Article 5(2) of the Directive, which on the face of it, grants a right to the proprietor of a trade mark to prevent third parties from using an identical or similar trade mark in relation to goods or services which are *not similar* where the earlier trade mark has a reputation and the use of that sign takes unfair advantage or is detrimental to the distinctive character of that earlier trade mark, also applies to goods or services which are similar or identical to those for which the earlier trade mark is registered."

48. PPI's claim here is based on the fact that the respective goods are identical or similar and would therefore take unfair advantage of, or be detrimental to, the distinctive character of the repute of its marks. I have already determined that there is no likelihood of confusion however in case I am found to be wrong, I go on to consider the ground under section 5(3).

49. The scope of the Section has been considered in a number of cases notably *General Motors Corp v Yplon SA (Chevy)* [1999] ETMR 122 and [2000] RPC 572, *Premier Brands UK Limited v Typhoon Europe Limited (Typhoon)* [2000] RPC 767, *Daimler Chrysler v Alavi (Merc)* 2001 [RPC] 42, *C.A. Sheimer (M) Sdn Bhd's TM Application (Visa)* 2000 RPC 484, *Valucci Designs Ltd v IPC Magazines (Loaded)* O/455/00, *Mastercard International Inc and Hitachi Credit (UK)Plc* [2004] EWHC 1623 (Ch) and *Electrocoin Automatics Limited and Coinworld Limited and others* [2004] EWHC 1498 (Ch).

50. In relation to reputation under Section 5(3), *General Motors Corporation v Yplon SA* [2000] RPC 572 paragraphs 26 & 27 indicate the standard that must be reached:-

"26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.

27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it."

51. The test sets a high threshold and the onus is upon PPI to prove that its trade marks enjoy a reputation or public recognition. At paragraph 32 above I determined that PPI had not shown that it has reputation in either of its marks.

52. Taking into account the strict requirements which need to be satisfied under Section 5(3) to expand the parameters of "normal" trade mark protection I cannot find

that PPI has shown reputation under Section 5(3) of the Act in respect of either of the earlier marks it relies on and the opposition under Section 5(3) must fail.

53. I now turn to consider the opposition under section 5(4)(a) which reads:

“5. (4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented -

- (a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an “earlier right” in relation to the trade mark.”

54. In *South Cone Inc. v. Jack Bessant, Dominic Greensmith, Kenwyn House, Gary Stringer (a partnership)* [2002] RPC 19 Pumrey J, in considering an appeal from a decision of the Registrar to reject an opposition under Section 5(4)(a), said:

“27. There is one major problem in assessing a passing off claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent’s reputation extends to the goods comprised in the applicant’s specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under s.11 of the 1938 Act (see *Smith Hayden & Co. Ltd’s Application (OVAX)* [1946] 63 R.P.C. 97 as qualified by *BALI Trade Mark* [1969] R.P.C. 472). Thus, the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed to the relevant date.”

55. This cannot be interpreted in a prescriptive fashion. There will be occasions when the evidence does not fall within the above parameters but still establishes goodwill for passing off purposes - see the decision of Professor Annand, sitting as the Appointed Person, in *Loaded* BL 0/191/02.

56. No evidence has been provided from the trade or the public in relation to either of the earlier marks relied on by PPI. In addition, earlier in this decision I found that use of the mark applied for would not result in confusion with PPI’s marks. That being the case, it seems to me that the necessary misrepresentation required by the tort of passing off will not occur and the opposition under Section 5(4)(a) of the Act must fail.

COSTS

57. The opposition has failed in respect of all grounds and National is entitled to a contribution towards its costs. I order PPI to pay National the sum of £1400. 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 14th day of August 2007

**ANN CORBETT
For the Registrar
The Comptroller-General**