

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No 2069656
BY MATTHEWS FOODS PLC**

AND

**IN THE MATTER OF OPPOSITION No 45889 BY
UNILEVER PLC AND VAN DEN BERGH FOODS LTD**

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Unilever Plc and Van den Bergh Foods Ltd**

15 **BACKGROUND**

On 25 April 1996 Matthews Foods Plc of Healey Road, Ossett, applied to register the trade mark WHAT, NOT BUTTER! in respect of goods which fall into Class 29 namely:

20 Edible oils and fats, lard, dairy products, margarines and spreads.

The application was accepted by the Trade Marks Registry and published.

25 On 14 November 1996 Unilever Plc and Van den Bergh Foods Ltd, joint opponents, filed Notice of Opposition to this application for registration. The Grounds of Opposition were extensive. However, at the hearing these were narrowed down to the following:

30 1. Under Section 5(2)(b) - because the applicants' trade mark was similar to the opponents registered trade mark, which is registered for identical and similar goods to those covered by the applicants specification. Details of the registered trade mark in question are as follows:-

	Trade Mark	Class	Goods
35	I CAN'T BELIEVE IT'S NOT BUTTER!	29	Margarine; edible oils and fats; all included in Class 29.

40 2. Under Section 3(3)(b) - because the trade mark applied for is of such a nature as to deceive the public if used upon lard, one of the items in the applicants' specification of goods

45 3. Under Section 3(6) - because there is no intention to use the trade mark in relation to all of the goods covered by the application, ie in relation to lard.

The applicants for registration in their counterstatement simply denied all of the Grounds of Opposition alleged by the opponents. Both sides filed evidence and the matter came to be

heard on 17 May 2000 when the applicants were represented by Mr Piers Acland of Counsel, instructed by Bailey Walsh & Co and the opponents were represented by Mr Douglas Campbell of Counsel, instructed by Castle International.

5 **Opponents' evidence**

This consists of a Statutory Declaration dated 19 August 1997 by Gillian Noble, Marketing Manager for Van den Bergh Foods Ltd. She has been employed by that company since 1987 and has full access to all relevant records and information relating to their trade mark I CAN'T BELIEVE IT'S NOT BUTTER!.

Wholly owned by Unilever Plc, Van den Bergh Foods Ltd is described as a manufacturer of mass market foodstuffs with an annual turnover of £700 - £800 Million. The trade mark I CAN'T BELIEVE IT'S NOT BUTTER! was first used in the United Kingdom late in 1991 in relation to a vegetable fat spread containing buttermilk, and use of the trade mark has been continuous since then. When the product was launched the Independent Television Commission banned the associated television advertisements from being broadcast. This was because the Independent Television Commission believed that they contravened an EC Directive which prohibited the use of dairy designations on non-dairy products, such as the vegetable fat spread sold by the opponents. Though the original television advertisements did not go ahead there were, nevertheless, full page advertisements in a number of newspapers at that time which featured the story board of the banned television commercial. Copies of examples of the press coverage are exhibited. Since then the amount spent on advertising the product and the resultant sales have been significant:

Year	Advertising	Sales
1991	£2.3 Million -	-
1992	£3.8 Million -	£15.9 Million
1993	£3.1 Million -	£26.2 Million
1994	£2.4 Million -	£33.1 Million
1995	£3.9 Million -	£43.3 Million
1996	£4.1 Million -	£52.3 Million

Examples of promotional material are provided along with newspaper advertisements and articles about the product. Included in the examples is an article from a publication called 'Supermarketing', dated 28 October 1994. This deals with what is termed "the spreads market". It states that the major brands in this market were Flora, Flora Extra Lite, St Ivel Gold followed by a product called Clover with "I CAN'T BELIEVE IT'S NOT BUTTER!" having powered into fourth place in the low fat/dairy spreads league table with 11.4% of housewives using it". Elsewhere in the examples of articles exhibited by Ms Noble is another extract from 'Supermarketing', dated 19 January 1996, which states that the total margarines and spreads market accounts for £478 Million in total. This is in the context that another product had achieved a 5% share of the total market and was up against rivals such as "I CAN'T BELIEVE ITS NOT BUTTER!". The only other relevant fact I take from Ms Noble's Statutory Declaration is that the vegetable fat spread has been sold under the trade mark through all of the major retail outlets, including Tesco, Sainsbury's, Kwik Save, Safeway,

Asda and Somerfield. Also through convenience stores such as cash and carry and petrol forecourts.

Applicants' evidence

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This consists of a Statutory Declaration dated 29 May 1998 by Mr Robert Nicholas Whitehead, the Managing Director of Matthews Foods Plc, a position he has held since 1992. He states that his company is engaged in the manufacture and sale of margarines, spreads and bakery fats, with a total annual sales turnover of approximately £20 Million. The trade mark

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WHAT, NOT BUTTER! was developed by the sales and marketing team of the company in the early part of 1996 and goods were sold under that mark in July 1996.

The trade mark was devised to be used on a vegetable oil based spread which had a taste similar to that of butter. The applicants were aware that others sold similar products under brand names which suggested to the consumer that the products were of a similar quality to

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butter, or had a taste similar to butter, and Mr Whitehead lists a number of those:

Product Brands

Owner/Distributor

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I Can't Believe It's Not Butter!
Utterly Butterly
What, Not Butter!

Van den Bergh
St Ivel
Matthews Foods

Own Labels

25

Not Butter But Better
Beautifully Butterfully
Butter Me Up
You'd Butter Believe It
Don't Flutter With Butter
Butterlicious
Simply Butterly
Easily Better
Believe It Or Not

Netto
Fayrefield Foods / Aldi (Own Label)
Tesco (Own Label)
Asda (Own Label)
Safeway (Own Label)
Sainsbury (Own Label)
Kwiksave (Own Label)
LIDL (Own Label)
Somerfield (Own Label)

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Mr Whitehead goes on to state that all, or nearly all, of the products sold under these trade marks are packaged in oblong plastic containers commonly known as the "eurotub".

DECISION

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I deal first of all with the Grounds of Opposition based upon Section 3(3)(b) and Section 3(6) which state:

3.-(3)(a)

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(b) of such a nature as to deceive the public (for instance as to the nature, quality or geographical origin of the goods or service).

(c)

3.-(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith.

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The opponents are concerned that the applicants' trade mark is likely to be deceptive if used upon lard and allege that they have no intention of using the trade mark on that particular item included in the specification of goods, therefore the application was made in bad faith.

10 In relation to the ground of objection under Section 3(3)(b) the Trade Marks Registry's Work Manual at Chapter 6 paragraph 11.3 states:

15 In future, an objection under Section 3(3)(b) will only be raised if in the examiner's view there is any real potential for deception of the public. The examiner should consider whether there would be any possible advantage to **any** trader (not specifically the applicant) from using the mark on anything other than goods with the characteristics conveyed by the mark.

20 Applying this guidance, for that is what it is, it seems to me that the likelihood of deception of the public by the applicants using the trade mark WHAT, NOT BUTTER! in relation to lard is not very likely. There is nothing in the opponents' evidence, nor was there anything in the submissions of Mr Campbell, which supports the contrary view. In the circumstances, I do not consider that the opponents grounds under Section 3(3)(b) are made out.

25 In relation to the Grounds of Opposition based upon Section 3(6) as Mr Acland for the applicants pointed out, the opponents are required to show that the behaviour of the applicants in making the application fell some way short of the normal standards applied to commercial behaviour in line with the decision of Mr Justice Lindsay in GROMAX 1999 RPC 367. He was right. And I see nothing in the opponents' evidence which suggests or demonstrates in
30 any way that the applicants applied for this trade mark in bad faith. This Ground of Opposition is also dismissed.

I go on therefore to consider the substantive issue in this case which is the Ground of
35 Opposition founded upon Section 5(2)(b) of the Act. This states:

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

(a)

40 (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."

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The European Court of Justice has provided guidance for the consideration of matters under this Section of the Act in *Sabel BV v Puma AG (1998 RPC 199 at 224)*, *Canon v MGM (1999*

ETMR 1) and *Lloyd Schufabrik Meyer & Co GmbH v Klijsen Handel BV* (1999 *ETMR* 690 at 698). It is clear from these cases that:-

- 5 (a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors;
- 10 (b) the matter must be judged through the eyes of the average consumer, of the goods/services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant - but who 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;
- 15 (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;
- (d) 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;
- 20 (e) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods and services, and vice versa;
- 25 (f) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either *per se* or because of the use that has been made of it;
- (g) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purpose;
- 30 (h) but if the association between the marks causes to the public to wrongly believe that the respective goods or services come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section.

35 In applying the above guidance I take the following facts and inferences from the submissions made and the evidence filed particularly into account:

- 40 1. The number of trade marks used by other manufacturers or merchants in relation to vegetable fat or vegetable oil spreads which have as a property a taste of butter or the quality of butter and which are set out in Mr Whitehead's declaration.
- 45 2. In the light of 1, the relatively limited amount of distinctive character possessed by the opponents' trade mark (because of the descriptiveness of the word butter, or its derivatives, used in all of these trade marks) and therefore the narrow penumbra of protection available to it.

3. The very extensive use by the opponents of their trade mark I CAN'T BELIEVE IT'S NOT BUTTER! from 1992 up to and beyond the date of the application for registration in suit.

5 4. The relevant public in this case being, the population at large, most of whom would be customers for vegetable fat spreads of one sort or another.

10 5. That evidence of use of a trade mark, as submitted by Mr Acland was not evidence of its distinctiveness [BRITISH SUGAR v ROBERTSON [1996] RPC 281].

15 6. The fact that the opponents' registered trade mark is a valid registration by virtue of Section 72 of the Trade Marks Act 1994,

15 7. That I can take account of use of a registered trade mark where, through that use, there is a greater likelihood of confusion between that earlier trade mark and a later trade mark.

20 It was pointed out to me at the Hearing that the opponents had not sought to challenge the registration of at least one other trade mark which could also be said in terms to be confusingly similar to that of the opponents. I do not give that point much weight because I do not know the circumstances in which the opponents "allowed" another party to register a trade mark in circumstances where Section 5(2) of the Act may have been invoked as a Ground of Opposition. As Mr Campbell submitted, "insofar as it is suggested that we should have sued these people there are obvious commercial reasons why we did not want to do that". He also alluded to the fact that other trade marks were registered or used by some of the opponents' customers selling under their own brands, and therefore these could have been the commercial reasons for not seeking to seek to prevent use of these trade marks. But that is conjecture on my part.

30 Approaching the question of confusion, as I must do, on the basis of the average consumer, I consider that there are significant similarities between the applicants and the opponents trade marks respectively, which are set out below for ease of reference:

35 WHAT, NOT BUTTER! I CAN'T BELIEVE IT'S NOT BUTTER!

40 Visually and aurally there are differences between the two trade marks. But both contain the word butter and, more significantly, both are negative statements in relation to that word and, as stated by Mr Campbell:-

45 "The overall impression from both marks is an expression of surprise or astonishment that the product is not butter. You get that from the exclamation mark and the slogan which surrounds the words NOT BUTTER. In our case it is I CAN'T BELIEVE. In

their case it is WHAT. In any event they are both contributing to the impression of surprise being expressed."

5 It seems to me therefore that whilst each mark contains words other than the term NOT BUTTER, conceptually the additional words in each trade mark, though not the same, do in fact conjure up, the same idea. That is an expression of surprise that the product sold under the trade mark is not in fact butter. It is that concept, rather than the precise words or their graphical representation which in my view will fix itself in the mind of customers. This is especially so in relation to a mass market food product packaged in similar containers.

10 The fact that the opponents product sold under the trade mark I CAN'T BELIEVE ITS NOT BUTTER! has been the subject of such massive advertising and has achieved substantial sales such that it has a significant share of the market for such goods further adds to the likelihood of this confusion. Particularly as the applicants' product, sold under trade mark WHAT NOT BUTTER is a relatively recent addition to that market.

20 In reaching this view I have taken account of the trade marks used by other traders in relation to these vegetable fat or vegetable oil spreads which contain butter or buttermilk. In my view the opponents' trade mark has sufficient distinctive character, in particular because of the overall impression it gives of a negative statement, to set it aside from the rest. But, the applicants' trade mark, in my view, bridges the gap between the opponents' trade mark and the rest. At the hearing Mr Acland admitted that each registered trade mark had a penumbra of protection and that there was a point at which "one pushes one's toes too far over the line". Though he did not consider it had happened in this case, I do. The applicants have devised a trade mark which is too close to that of the opponents. As the respective specifications of goods cover the same or similar goods then the Ground of Opposition under Section 5(2) succeeds.

30 Having found for the opponents in this case they are entitled to a contribution towards their costs. I, therefore, order the applicants to pay to the opponents the sum of £850. This sum to be paid within 7 days of the expiry of the appeal period or within 7 days of the final determination of this case if any appeal against this decision is unsuccessful.

35 **Dated this 6 day of July 2000**

40 **M KNIGHT**
For the Registrar
the Comptroller-General