

TRADE MARKS ACT 1994

**IN THE MATTER OF Application No 2015684
by Societe des Produits Nestle S.A. to register a
trade mark in Class 30**

**AND IN THE MATTER OF Opposition thereto under
No 48305 by Asda Stores Limited**

Background

1. On the 28 March 1995 Societe des Produits Nestle SA applied to register the trade mark HAVE A BREAK in Class 30 in respect of:

“Chocolate; chocolate products; confectionery; candy; biscuits.”

2. The application was accepted on the basis that the trade mark had acquired a distinctive character through use. After publication, on 10 March 1998, Asda Stores Limited filed Notice of Opposition. The grounds of opposition are, in summary, that:

- (a) The opponent is the proprietor of the earlier trade mark ASDA TAKEABREAK , which is registered in Class 30 under No 1272191 for *“Chocolate biscuits (other than biscuits for animals); chocolates; non-medicated confectionery; cakes; snack foods in Class 30; chocolate”*;
- (b) The mark applied for is similar to the earlier trade mark and is to be registered for goods which are the same or similar to those for the earlier mark and is protected with the result that there exists a likelihood of confusion on the part of the public;
- (c) Registration would therefore be contrary to section 5(2)(b) of the Trade Marks Act 1994;
- (d) The application for registration was accepted under section 7 of the Act on the basis of honest concurrent use of the mark applied for, but in fact there has been no such use;
- (d) The opponent has made substantial use of the registered trade mark with the result that registration would be therefore contrary to Section 5(4)(a) of the Act (presumably, although it is not stated, because use of the applicant’s mark would amount to passing off);
- (e) The application is also objectionable under sections 3(1) and 3(3) of the Act.

The opponent provides no particularisation of this objection.

3. The applicant filed a counterstatement accepting that the opponent is the proprietor of the trade mark identified in the grounds of opposition, but otherwise denying the grounds of opposition.
4. Both sides seek an award of costs.
5. The opposition came to be heard on 4 February 2002, when the applicant was represented by Mr H Carr Q.C. The opponent was unrepresented but filed written submissions.

The Opponent's Evidence

6. The opponent's evidence consists simply of a brief statutory declaration by Anthony Paul Brierley of Appleyard Lees, the opponent's trade mark attorneys, introducing an extract from the Trade Mark Register showing details of the opponent's earlier trade mark.

Summary of the Applicant's Evidence

7. The applicant's evidence is contained in a number of declarations that are introduced under two statutory declarations by Sarah Dixon, who is a legal advisor at Nestlé UK Limited. This evidence consists of details of use of the mark HAVE A BREAK (generally as part of the promotional statement "Have a Break, Have a Kit Kat"), a supporting declaration from a major retailer (Safeway), and evidence of the results of a public survey intended to test the public reaction to the use of HAVE A BREAK as a new brand name for confectionery. The last category of evidence includes 30 statutory declarations from members of the public who took part in the survey elaborating on their reaction to the mark HAVE A BREAK.

8. The applicant's evidence of use of HAVE A BREAK is mainly set out in a statutory declaration dated 16 June 1997 by Paula Miriam Nelson. Ms Nelson is the Company Secretary of Nestlé UK Limited. According to Ms Nelson, the mark HAVE A BREAK has been used since 1957 in advertising the milk chocolate wafer biscuit branded as KIT KAT. Apart from a period between 1965 and 1975, such use has been continuous. Use was originally by Rowntree and Company Limited, but has transferred through a series of assignments to the present applicant in 1990.

9. The applicant has expended considerable sums promoting the KIT KAT product by reference to the mark applied for. In 1994, the last full year before the relevant date, the applicant spent over £5m. Most of this was spent on TV advertising. Representative examples of the TV adverts are exhibited in a video at PMN2, together with a list of dates when these adverts were first broadcast (at PMN3).

10. Apart from those adverts from the period 1965-75 (when other strap lines playing on the

word “break” were used), the TV adverts include the spoken words “Have a Break, Have a Kit Kat,” usually as the punch line of the advert. The words “Have a Break” also appear on screen in some of the later adverts, although with one exception, this is always in association with the words “Have a Kit Kat” or the KIT KAT logo, and accompanied by the spoken slogan described above. The one exception is an advert first broadcast in 1995 wherein the words “Have a Break” appear at the top of the screen with the Kit Kat logo appearing at the bottom of the screen. However, the spoken words “Have a Break, Have a Kit Kat” are used in conjunction with the visual messages effectively linking the separate signs together. Further, as the relevant date is in March 1995, it is not clear whether this advert was broadcast before or after the relevant date.

11. Exhibit PMN4 to Ms Nelson’s declaration consists of a small selection of other advertisements for KIT KAT. Most are copies of posters. Some of these do show the words HAVE A BREAK used alone and other than as part of the phrase “Have a Break, Have a Kit Kat.” However, none of these posters are dated and there is no specific claim that they existed prior to the relevant date in 1995. Nor is there any evidence about the extent of their distribution. And in contrast to the TV adverts, there is no claim that they are representative of the applicant’s non-TV advertising.

12. The KIT KAT product is extremely successful. Sales volumes for 1994 amounted to £139m. The product comes in two and four “finger” versions. The four finger version has carried the statement “Have a Break, Have a Kit Kat” since 1966. The slogan appears on the back of the outer packaging in relatively small script. The two finger version does not carry this statement because there is insufficient space on the packaging. However, since 1983 it has appeared on the outer packaging of multi-packs of both versions of the product.

13. Ms Nelson re-introduces two pieces of research evidence that were conducted in 1982. Given the 13 year gap between the date this evidence was collected and the relevant date in these proceedings, I do not find this evidence of much assistance, particularly as there is a more recent survey in evidence (see below).

14. The applicant’s supporting trade evidence comes from a Mr Roger Partington, who is (or was in 1997) the Managing Director of Safeway Stores Plc. He says that he associates “Have a Break” with KIT KAT because of the use he has experienced.

15. The applicant’s contemporary public survey evidence is contained in a statutory declaration dated 8 December 1999 by Sue Gardiner, which is part of exhibit SD2 to Sarah Dixon’s second declaration. Ms Gardiner is the Managing Director of a research company known as Millward Brown Research Ltd. She describes how her company conducted a doorstep survey of 517 people at various locations throughout the UK between 2 and 29 November 1998. After asking a few preliminary questions about the respondents jobs and eating habits, they were shown a rough mock-up of a flattish rectangular bar of chocolate confectionery with no get-up, prominently featuring the words “Have a break”. Respondents

were told this was a rough design for a new brand of chocolate confectionery and asked what they thought about it.

16. The survey report, attached as exhibit SG5 to Ms Gardiner's declaration, records that 24% of those interviewed mentioned KIT KAT in their answer. 18% of the total are listed under a code that indicates that their answer was that they were "reminded" of KIT KAT. 2% are listed as having responded along the lines of "It's like KIT KAT advertising". 1% said "Too close to KIT KAT/similar to KIT KAT." None of the codes are directed at those who said that the design shown to them was a KIT KAT, although 4% included the slogan "Have a break have a KIT KAT" in their response.

17. Those respondents that did not mention the proposed brand name in response to the first question were then asked, more specifically, what they thought of the name shown in the mock-up design (HAVE A BREAK). After this prompt the number of respondents who mentioned KIT KAT in their reply to the first or second question increased to 50% of the total sample. Ms Gardiner points out that the percentage of the total sample who are coded as having responded along the lines of "reminds me of KIT KAT" increased to 34% after the second question. Again none are expressly recorded as having said that the product was a KIT KAT.

18. Exhibit SD2 also includes a statutory declaration by Felicity Anne Cox, who is a Trade Mark Assistant in the Legal Department of Nestle UK Ltd. She exhibits the questionnaires recording respondents verbatim answers at the time of the survey. She also describes how she followed up individual respondents and obtained thirty further declarations from respondents, which are also in evidence. Twenty six of these declarants were aware of the use of "Have a Break, Have a Kit Kat" and all made some sort of association between the mark applied for and the makers of KIT KAT.

Section 3(1) and 3(3)

19. The opponent failed to particularise its objections under sections 3(1) and 3(3) of the Act in its grounds of opposition. The evidence it filed could not support any objection under these provisions. The hearing of this case took place on the same day as another opposition by Mars UK Ltd, which raised (particularised) objections under section 3(1), one of which was successful. Nevertheless, I believe that the sections 3(1) and 3(3) objections in this case must fail for want of particularity and supporting evidence.

Section 5(4)(a)

20. Similarly, in the absence of any evidence of representation and goodwill under the mark ASDA HAVEABREAK, the section 5(4)(a) objection must also fail.

Section 5(2)

21. Section 5(2)(b) is as follows:

"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."

Honest Concurrent Use

22. The opponent points out that the application proceeded to publication on the basis of honest concurrent use with the earlier trade mark under Section 7 of the Act, which is as follows:

7.-(1) This section applies where on an application for the registration of a trade mark it appears to the registrar-

(a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or

(b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

but the applicant shows to the satisfaction of the registrar that there has been honest concurrent use of the trade mark for which registration is sought.

(2) In that case the registrar shall not refuse the application by reason of the earlier trade mark or other earlier right unless objection on that ground is raised in opposition proceedings by the proprietor of that earlier trade mark or other earlier right."

23. The opponent submits that the result of its opposition is that the later trade mark must inevitably be refused because a) it was accepted on the basis of honest concurrent use, and b) the proprietor of the earlier trade mark has opposed registration. In this regard, the opponent relies upon the judgement of Robert Walker J. (as he then was) in Road Tech Computer Systems v Unison Software [1996] F.S.R. 805.

24. In that case the judge indicated that refusal of the application is mandatory under section 7(2) of the Act if the proprietor of the earlier trade mark objects. However, in stating this I do

not believe that the judge could have meant that an applicant is debarred from challenging in the opposition proceedings whether there are proper grounds for refusal under section 5, leaving aside the non-availability of the honest concurrent use defence. That is the position the Registrar has consistently adopted since the Road Tech case. See, for example, the Hearing Officer's decision in Codas Trade Mark [2001] RPC 14. That conclusion is also consistent with the entry in Kerly's (13th Edition) at 8-114 on page 260. I turn then to consider whether there is, as the opponent contends, a *prima facie* case for refusal under section 5(2)(b) of the Act.

The Respective Goods

25. It is plain that the respective goods are identical. I note that in Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc [1999] E.T.M.R. 1, the European Court of Justice (ECJ) decided that a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa.

The Significance of the Disclaimer of "TAKEABREAK" in the Earlier Registration

25. The earlier registration contains a disclaimer to any exclusive right to the use of the word TAKEABREAK. In Paco/Paco Life in Colour Trade Marks [2000] RPC 451, I held that use of the disclaimed matter by another party, as a trade mark, cannot without other similarities, be sufficient to give rise to a likelihood of confusion with the earlier registered trade mark. The only similarity between HAVE A BREAK and ASDA TAKEABREAK resides in the disclaimed TAKEABREAK element of the earlier mark, and the same reasoning must therefore apply. I remain of the view that the presence of a disclaimer in the earlier trade mark is one of the relevant factors to be taken into account in the global appreciation required under section 5(2)(b): Sabel BV v Puma AG [1998] RPC 199, at paragraph 22. The disclaimer is a knock-out blow to the opponent's case under section 5(2)(b).

26. In this connection, I note that the point has recently been considered on appeal by the Appointed Person in the form of Mr G Hobbs Q.C. in Miguel Torres S.A. v Vina Torreblanca SL BL 0/207/02. Mr Hobbs appears to have reached a similar conclusion to myself (see paragraphs 26-29 of his decision).

27. In the light of my finding in Paco there is no need for me to consider the opposition under section 5(2)(b) any further. It must fail because of the disclaimer in the earlier mark. In any event, I doubt whether the degree of visual, aural and conceptual similarity between the marks HAVE A BREAK and ASDA TAKEABREAK is sufficient to give rise to a likelihood of confusion on the part of the reasonably circumspect average consumer of the goods concerned. In this respect it is relevant that HAVE A BREAK and TAKEABREAK have very little or no capacity to identify the undertakings responsible for snack confectionery products: Sabel BV v Puma AG at paragraph 24 and Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV [2000] FSR 77, at paragraphs 23 and 24.

The Significance of the Applicant's Prior Use of HAVE A BREAK to the Likelihood of Confusion

28. Apart from providing a legal defence to an objection under section 5 during examination, evidence of concurrent use of the marks may shed light upon the likelihood of confusion at the relevant date. It does not do so here because:

- a) The opponent has not filed evidence detailing the extent of its use of ASDA TAKEABREAK, and
- b) The applicant's evidence reveals that it has not used HAVE A BREAK as an independent trade mark but as part of the slogan mark HAVE A BREAK, HAVE A KIT KAT.

Conclusion

29. For the reasons given above, the opponent has not established that the later mark is subject to refusal under the provisions of section 5(2)(b). Consequently, it is irrelevant that the application originally proceeded under the provisions of section 7 of the Act, and that there has been opposition by the proprietor of the earlier mark. The opposition fails.

Costs

30. The applicant having succeeded is entitled to a contribution towards its costs. I order the opponent to pay the applicant the sum of £900 towards the cost of the proceedings.

Dated this 25th Day of June 2002

**Allan James
For the Registrar**