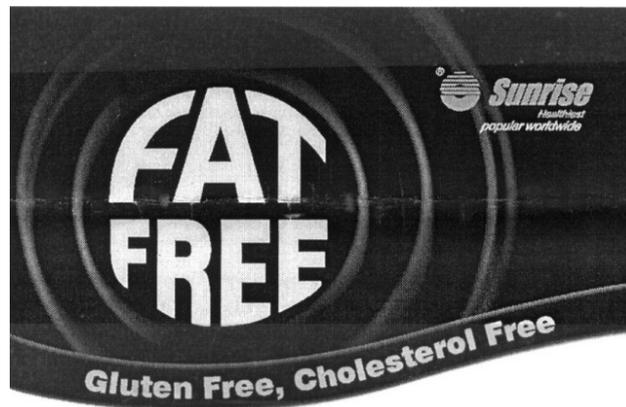


O-295-08

TRADE MARKS ACT 1994

IN THE MATTER OF INTERNATIONAL REGISTRATION NO 841653
IN THE NAME OF SUNRISE INTERNATIONAL CO PTY LTD
OF THE TRADE MARK:



IN CLASSES 29 AND 30

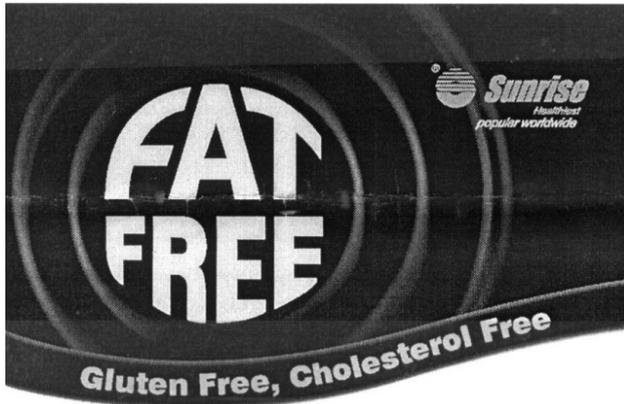
AND

THE APPLICATION FOR A DECLARATION OF INVALIDITY THERETO
UNDER NO 16084

BY
RÜBEZAHL SCHOKOLADEN GMBH

Trade Marks Act 1994

**In the matter of international registration no 841653
in the name of Sunrise International Co Pty Ltd
of the trade mark:**



**in classes 29 and 30
and the application for a declaration of invalidity
thereto under no 16084
by R ubezahl Schokoladen GmbH**

Introduction

1) On 23 September 2004 Sunrise International Co Pty Ltd, which I will refer to as International, of that state of Victoria in Australia, requested protection of the above international registration in the United Kingdom. International claims an international priority date of 30 March 2004 from Australia. The United Kingdom Trade Marks Registry considered that the request satisfied the requirements for protection in accordance with article 3 of the Trade Marks (International Registration) Order 1996 (as amended) (the Order) and particulars of the international registration were published in accordance with article 10 in the Trade Marks Journal of 2 September 2005 with the following specification:

meat, fish, poultry and game; meat extracts; preserved, dried and cooked fruits and vegetables; jellies, jams, fruit sauces (coulis); milk and milk products;

coffee, tea, cocoa, sugar, tapioca, sago, artificial coffee; flour and preparations made from cereals, bread, pastry, ices; honey, treacle; yeast, baking-powder; salt, mustard; vinegar, ice, rice crackers.

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.

2) No opposition was received to the granting of protection of the international registration, consequently, as per article 12(1A) of the Order, the international registration was protected with effect from 3 December 2005, the day after the expiry of the opposition period.

3) On 16 August 2006 Rübzahl Schokoladen GmbH, which I will refer to as Rübzahl, filed an application to invalidate the granting of protection of the international registration in respect of *cocoa, preparations made from cereals and rice crackers*. Rübzahl is the owner of Community trade mark registration no 1185826 of the trade mark "SUN RICE". The application for registration was filed on 26 May 1999 and the registration process completed on 8 July 2002. It is registered for: *puffed rice in chocolate, other than with an alcoholic filling*, these goods 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. Rübzahl relies upon section 47(2)(a) of the Trade Marks Act 1994 (the Act) under which a trade mark may be declared invalid on the ground that there is an earlier trade mark in relation to which the conditions set out in section 5(2) of the Act apply. Rübzahl claims that the provisions of section 5(2)(b) of the Act apply in that International's trade mark is similar to its trade mark and is registered for goods that are identical and/or similar to the goods encompassed by its trade mark. Consequently, there is a likelihood of confusion. Rübzahl claims that the dominant, distinctive component in the trade mark of the international registration is the word "Sunrise". Rübzahl claims that this component is similar to "SUN RICE". Rübzahl claims that all other words and matter within the scope of the international registration are subservient to the word "Sunrise", or descriptive and non-distinctive or are incapable, alone, of being trade mark material. Rübzahl seeks an award of costs.

4) International filed a counterstatement. In its counterstatement it states that "Sunrise" is a different word to "SUN RICE". International claims that its trade mark is largely dominated by the "FAT FREE" logo, not the word "Sunrise". Consequently, International claims that Rübzahl's claim that its product will be mistaken for its product is totally invalid. International states that it sells a totally different product, rice crackers, to that sold by Rübzahl, rice and rice cake.

5) Only Rübzahl filed evidence.

6) A hearing was held on 24 October 2007 when Rübzahl was represented by Mr Cornford of Stevens Hewlett & Perkins. The United Kingdom representatives of International filed written submissions.

7) The issuing of a decision was stayed pending attempts to resolve the dispute by an amendment to the specification of the international registration. On 10 October 2008 the representative of International advised that the matter had not been resolved and advised that he now expected a decision to be issued.

8) The specification of the international registration, in so far as the United Kingdom is concerned, has been amended to read:

Tea, tapioca, sago; flour and preparations made from cereals, bread, pastry, ices; yeast, baking powder; salt, mustard, vinegar, ice; salted rice crackers; Japanese style salted rice crackers.

In a letter of 30 May 2008 Mr Cornford, stated:

“With cocoa deleted and rice crackers having become “Japanese style salted rice crackers” the Applicant for Invalidity is willing to withdraw the Application insofar those goods are concerned. However, “*preparations made from cereals*” remains a contentious description of goods for the Applicant.” The letter included as an attachment a copy of the specification as rehearsed above. Consequently, the application for invalidation now only concerns *preparations made from cereals*.

Evidence

9) This consists of a witness statement by Claus Cersovsky who is a director of Rübzahl, a position that he has held since 1991.

10) Mr Cersovsky states that this case is the United Kingdom equivalent of a parallel designation in Germany in which Rübzahl was successful in opposing: *cocoa, sugar flour and preparations made from cereals, pastry, rice crackers*. Rübzahl had alleged in its opposition that the aforesaid goods are the same or similar to the goods of its Community trade mark registration. Exhibited at Exhibit 1 is a copy of the decision of the Deutsches Patent – und Markenamt. This decision states that protection of the international registration has been refused in part because International has not replied to the request to appoint a representative. Mr Cersovsky goes on to give what are submissions about the similarities of the trade marks rather than evidence of fact.

11) Mr Cersovsky states that the terms *cocoa* and *rice crackers* are readily recognisable and need no further explanation. He states that the goods of Rübzahl’s registration and all of the goods under attack are for sale to “the man in the street” and are sold in general food stores.

12) Mr Cersovsky exhibits at Exhibit 2 the result of Internet searches conducted on 27 November 2006 for the term “puffed rice”. He states that it is evident from the search that puffed rice has a variety of applications and can be used and eaten as an unprocessed ingredient in a variety of dishes which may be prepared domestically, or as an ingredient in a processed product such as a breakfast cereal or a cereal snack bar. The results of the Internet search show the following goods: puffed rice cereals, puffed rice crisps, puffed rice cakes, puffed rice, as an ingredient in a bar, spicy puffed rice, sugar coated puffed rice, as an

ingredient in aloo papdi chaat and as an ingredient of bhel puri. The majority of the hits relate to puffed rice cereals. Specific printouts are exhibited in respect of: Kallo organic puffed rice cereal, Big Oz original puffs (for breakfast) which are made of puffed millet, puffed rice and puffed buckwheat, Big Oz honey and maple rice puffs (for breakfast) which are made of puffed rice, honey, maple syrup, glucose and Demerara sugar, Clearspring puffed rice cakes, Eat Natural bars, which all include puffed rice as an ingredient. Pages from the Royal Botanic Gardens, Kew, website include the following re puffed rice:

“Parched rice, rice flakes and puffed rice are produced by heating the grains in different ways. For example, rice heated under pressure expands forming puffed rice which is popular as a breakfast cereal or in rice cakes.”

13) At Exhibit 3 an extract from the website riceassociation.org.uk is exhibited. Mr Cersovsky points out that the following should be noted from the extract:

Breakfast cereals – various cereals are made from puffed rice.

Crackers – Japanese rice crackers are a popular snack.

Cakes – Rice cakes are made from crispy puffed rice to produce a light base which can be topped with any sweet or savoury topping.

Flakes – Rice grains are rolled and flaked and then used in a similar way as porridge oats to produce porridge, flapjacks and biscuits.

Rice shapes – Used as a gluten free alternative to wheat pasta.

Mr Cersovsky states that there is a clear overlap between puffed rice, cereals and rice crackers. He states:

“Rice is a versatile foodstuff which can be and is used as a substitute for cereals, including wheat. Breakfast cereals can be wheat based or rice based. Snacks such as rice crackers interchange with crackers or biscuits made from cereals. Rice cakes can be used in place of bread or other harder cereal biscuit based crispbreads.”

14) Mr Cersovsky states that the term *preparations made from cereals* is a broad term which can include any food product based on and prepared from cereals of any kind. He states that this can mean breakfast cereals such as those made by Kellogg and Nestlé and snack bars which be coated with chocolate. He states that it could equally mean bread and bread products, rice crackers, flour, pastry and biscuits. Mr Cersovsky states that Rübzahl's *puffed rice in chocolate* extends to include chocolate covered puffed rice breakfast cereals and chocolate covered puffed rice snack bars. He goes on to state that goods so described can be produced loose for making into cake confectionary or in a prepared or processed state that can be sliced. Exhibited at Exhibit 4 are two pages from Rübzahl's website showing SUN RICE products. These are items of chocolate

confectionery made with puffed rice, Puffreis mit extra viel Schokolade (puffed rice with a lot of chocolate).

15) Mr Cersovsky goes on to state:

“Finally, I have an additional concern that if the trade mark, the subject of the registration, is such used for all the goods for which the Registration has been allowed, including for chocolate covered cereal preparations, the public might believe that such chocolate covered cereal preparations sold under the trade mark are “fat free”, “gluten free” and “cholesterol free” versions of the Applicant’s goods. These are claims which could lead to public deception and otherwise mislead the public as to the content of the prepared cereal product. Equally, such claims could unfairly damage the Applicant’s business since it would not be appropriate to make claims of this nature for the Applicant’s goods without their undergoing substantial and structural changes; a chocolate coated cereal bar cannot by definition be “fat free” (a viscous type of chocolate is needed), or “cholesterol free”.”

Decision

16) A request for invalidation of is governed by article 13 of the Order and section 47 of the Act¹. This case is based upon section 5(2)(b) of the Act. According to section 5(2)(b) of the Act a trade mark shall not be registered if because:

¹ Article 13 of the Order states;

“(1) The provisions of section 46 (revocation of registration) and section 47 (grounds for invalidity of registration) shall apply, subject to the adaptations set out below, so as to permit the protection of a protected international trade mark (UK) to be revoked, or declared invalid.

(1A) An address for service in the United Kingdom shall be filed by -
(a) every applicant applying to the registrar for an international trade mark (UK) to be revoked or to be declared invalid; and
(b) the holder of a protected international trade mark (UK) which is subject to such proceedings.

(2) The reference in section 46(1) to the date of completion of the registration procedure shall be construed as a reference to the date of the protected international trade mark (UK) becoming protected; the reference in section 46(2) to the form in which a trade mark was registered shall be construed as reference to the form in which it is protected; and the references in section 46(5) and section 47(5) to goods or services for which the trade mark is registered shall be construed as references to those in respect of which it is protected.

(3)The references in section 46 to the registration of a trade mark being revoked and the references in section 47 to the registration of a trade mark being declared invalid shall be construed as references to the protection of a protected international trade mark (UK) being revoked or declared invalid, as the case may be.

(4) The provisions of -

(a) rules 31 to 31B apply in relation to the procedure on application for revocation on grounds of non-use;
(b) rules 32 to 32B apply in relation to the procedure on application for revocation on grounds other than non-use; and
(c) rules 33 to 33B apply in relation to the procedure on application for a declaration of invalidity;
save that any reference to the proprietor shall be construed to be a reference to the holder.

(4A) The provisions of rule 35 (intervention), rule 36 (case management) and rule 37 (pre-hearing review) apply in relation to a procedure on application for revocation (on grounds of non-use), revocation (on grounds other than non-use) and declaration of invalidity of protection of a protected international trade mark (UK).

(5) Where the protection of a protected international trade mark (UK) is revoked or declared invalid to any extent, the registrar shall notify the International Bureau, and
(a) in the case of a revocation, the rights of the proprietor shall be deemed to have ceased to exist to that extent as from the date on which the revocation is recorded in the International Register;

(b) in the case of a declaration of invalidity, the trade mark shall to that extent be deemed never to have been a protected international trade mark (UK):

Provided that this shall not affect transactions past and closed as at the date when the invalidity is recorded in the International Register.”

Section 47 of the Act states:

“47.-(1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3 or any of the provisions referred to in that section (absolute grounds for refusal of registration).

Where the trade mark was registered in breach of subsection (1)(b), (c) or (d) of that section, it shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered.

(2) The registration of a trade mark may be declared invalid on the ground -

- (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,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

(2A) But the registration of a trade mark may not be declared invalid on the ground that there is an earlier trade mark unless -

- (a) the registration procedure for the earlier trade mark was completed within the period of five years ending with the date of the application for the declaration,

“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

(b) the registration procedure for the earlier trade mark was not completed before that date, or

(c) the use conditions are met.

(2B) The use conditions are met if -

(a) within the period of five years ending with the date of the application for the declaration the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

(b) it has not been so used, but there are proper reasons for non-use.

(2C) For these purposes -

(a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(2D) In relation to a Community trade mark, any reference in subsection (2B) or (2C) to the United Kingdom shall be construed as a reference to the European Community.

(2E) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.

(3) An application for a declaration of invalidity may be made by any person, and may be made either to the registrar or to the court, except that -

(a) if proceedings concerning the trade mark in question are pending in the court, the application must be made to the court; and

(b) if in any other case the application is made to the registrar, he may at any stage of the proceedings refer the application to the court.

(4) In the case of bad faith in the registration of a trade mark, the registrar himself may apply to the court for a declaration of the invalidity of the registration.

(5) Where the grounds of invalidity exist in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made:

Provided that this shall not affect transactions past and closed.”

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 trade mark the subject of registration no 1185826 is an earlier trade mark as per section 6(1)(a) of the Act². The use provisions of Section 47(2A) do not apply as the earlier trade mark had not been registered for five years at the time of the application for invalidation.

Material date

17) In my decision BL O/214/06³ I dealt with the issue of material dates in invalidation cases. In that decision I decided that there in an invalidation action

² Section 6(1)(a) of the Act defines an earlier trade mark as:

“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”.

³ “9) Having received the skeleton arguments, I notified counsel that I considered that it would be helpful to receive submissions in relation to what the material date(s) was. I drew their attention to the comments of Professor Annand, sitting as the appointed person, in BL O/227/05:

“My own view is that the starting point for assessing relative invalidity under section 47(2) is the date of the application for registration of the attacked mark. This is because Article 4 of the Directive: (i) defines “earlier trade marks” for the purposes of relative invalidity as trade marks with a date of application for registration which is earlier than the date of application for registration of the attacked mark; and (ii) requires other earlier rights to have been acquired before the date of the application for registration of the attacked mark. However, I believe the wording of Article 4 (section 47(2)) may allow the tribunal to take into account at the date when invalidation is sought, matters subsequently affecting the earlier trade mark or other earlier right, such as, revocation for some or all of the goods or services, or loss of distinctiveness or reputation. I do not find the fact that the Directive specifically provides for defences to invalidation of non-use, consent and acquiescence indicative either way. A further question concerns the cut-off date for taking into account subsequent events. Is this the date of the application for a declaration of invalidity or the date when the invalidity action or any appeal is heard? The Opinion of Advocate General Colomer in Joined Cases C-456/01 P and C-457/01P Procter & Gamble v. OHIM, 6 November 2003, paragraphs 43 – 44, and the Court of First Instance decision in Case T-308/01 Henkel KGaA v. OHIM (KLEENCARE), 23 September 2003, paragraph 26, although concerned with registrability and opposition respectively, indicate the latter. There are indications that timing issues under the harmonised European trade marks law are beginning to be brought to the attention of the ECJ (see, for example, the questions referred in Case C-145/05 Levi Strauss & Co. v. Casucci SPA).”

I also asked them to consider the findings of the European Court of Justice (ECJ) in *Levi Strauss & Co v Casucci SpA* Case C-145/05. In that case the ECJ stated:

“17 The proprietor’s right to protection of his mark from infringement is neither genuine nor effective if account may not be taken of the perception of the public concerned at the time when the sign, the use of which infringes the mark in question, began to be used.

18 If the likelihood of confusion were assessed at a time after the sign in question began to be used, the user of that sign might take undue advantage of his own unlawful behaviour by alleging that the product had become less renowned, a matter for which he himself was responsible or to which he himself contributed.

19 Article 12(2)(a) of Directive 89/104 provides that a trade mark is liable to revocation if, after the date on which it was registered, in consequence of acts or inactivity of the proprietor, it has become the common name in the trade for a product or service in respect of which it is registered. Thus, by balancing the interests of the proprietor against those of his competitors in the availability of signs, the legislator considered, in adopting this provision, that the loss of that mark's distinctive character can be relied on against the proprietor thereof only where that loss is due to his action or inaction. Therefore, as long as this is not the case, and particularly when the loss of the distinctive character is linked to the activity of a third party using a sign which infringes the mark, the proprietor must continue to enjoy protection.

20 In the light of all the foregoing, the answer to the first and second questions must be that Article 5(1) of Directive 89/104 must be interpreted as meaning that, in order to determine the scope of protection of a trade mark which has been lawfully acquired on the basis of its distinctive character, the national court must take into account the perception of the public concerned at the time when the sign, the use of which infringes that trade mark, began to be used.

36 Accordingly, after revocation in the particular case has been established, the competent national court cannot order cessation of the use of the sign in question, even if, at the time when that sign began to be used, there was a likelihood of confusion between the sign and the mark concerned.

37 Consequently, the answer to the fourth question must be that it is not appropriate to order cessation of the use of the sign in question if it has been established that the trade mark has lost its distinctive character, in consequence of acts or inactivity of the proprietor, so that it has become a common name within the meaning of Article 12(2) of Directive 89/104 and the trade mark has therefore been revoked."

Subsequently, counsel produced supplementary skeleton arguments and addressed this matter.

10) Under Article 4.4 (b) the rights must have been acquired prior to the date of application for registration. That right is also qualified as being a right that would confer upon the proprietor the right to prohibit the use of a subsequent trade mark. So one material date is clearly set out in the Directive. UK has to establish that by the date of application for registration, 18 December 1992, it could prevent the use of the trade mark under the law of passing-off. If it cannot do this its case is lost. It is well established that the material date for passing-off is the date of the behaviour complained of (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). Owing to Article 4.4 (b) the date for establishing the preventive right cannot be later than the date of application, but passing-off is about the behaviour complained of. So one could look to a date earlier than the date of application if the behaviour complained of arose before the date of application. In this case the behaviour complained of is the use of the trade mark in relation to the goods of the registration. There is no evidence of any such use prior to 18 December 1992. So the first material date is the date of application.

11) Article 4.4 (b) of the Directive and section 47(2)(b) of the Act use the present tense. Too much can be easily read into the use of the present tense, it is the natural tense to use in legislative texts; which are not drafted by committees of philologists. The comments of Professor Annand and the judgment of the ECJ in *Levi Strauss & Co v Casucci SpA* suggest that a later date may also need to be considered; so that an applicant will not only have to succeed in its claim at the date of application but also at a later date. This is clearly the position in relation to

grounds relating to the distinctiveness of a trade mark. The proviso to section 47(1) of the Act, derived from Article 3.3 of the Directive, states that a trade mark registered in breach of subsection (3)(1)(b), (c) or (d) of the Act shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered. So the Act recognises, at least in relation to certain grounds, that where the grounds no longer exist a trade mark shall not be declared invalid.

12) One can consider certain situations in relation to applications for invalidation on relative grounds. A registration is attacked on the basis of the law of passing-off. The registration was filed twenty years earlier. At the time that attacker could succeed, however, its goodwill has dissipated and the registered proprietor has built up its own goodwill. So the attacker would not have been able to succeed in a passing-off case for fifteen years. It would seem odd that such an attacker could succeed. A trade mark registration may have lapsed after the date of application for a registration and after it was registered. The attacker could prove use within the relevant period although it no longer had a trade mark registration. Again it would seem odd that a registration should be invalidated because of a trade mark registration that no longer existed. In *Levi Strauss & Co v Casucci SpA* the ECJ clearly considered that matters after registration of a trade mark had to be taken into account in an infringement action and will have a bearing on the remedies of the action.

13) It is difficult to see the purpose of invalidating a trade mark when the basis for the invalidation no longer exists. In these circumstances, I consider that the use of the present tense does have weight and effect; it is intrinsic to the purpose of the Directive and the Act. It is a position that is, in my view, recognised by the ECJ in *Levi Strauss & Co v Casucci SpA*. Consequently, there is a second later date that has to be considered in an invalidation action. What is that date? Ms Clark submitted:

"I think the same must apply here because otherwise you have an open-ended enquiry and it is difficult to see how you could ever complete the rounds of evidence. As a purely practical matter, I would tend towards saying that you are looking at the date of the application for a declaration of invalidity because I cannot see otherwise how you conclude your rounds of evidence or end up at a decision. Supposing you go up on appeal. Fresh evidence as to what has happened since the hearing below. Is it the case that when the rounds of evidence finish as in some cases happen in 2003 and then the parties talk for four years you get to 2007 and they say, "Oh, hang on a minute, things have moved on, Registry.""

So she adopted a pragmatic approach, which gave the second date as that of the date of application for invalidation. It is certainly a pragmatic approach that would be to the administrative convenience of the Registry. However, such an approach could be to the distinct inconvenience of a registered proprietor. The fundamental principle has to be, in my view, should the trade mark be declared invalid with all the evidence in and considered. In *Scandecor Development AB v Scandecor Marketing AB* [2002] FSR 7 Lord Nicholls stated:

"49 The claim in these proceedings is that, in consequence of the use made of the marks by Scandecor Marketing and Scandecor Ltd with the consent of Scandecor International, the marks are "liable to mislead the public". That is essentially a question of fact. That question of fact must be answered having regard to matters as they now are, not as they were at some time in the past. In deciding this issue of fact the court must have due regard, as I have been at pains to emphasise, to the message which a trade mark conveys. But since the question is whether the marks are currently liable to mislead, the message which is relevant is the message which use of the marks conveys today, not the message it would have conveyed to the public in the past."

So he was looking at the date of trial as the date at which the question had to be considered. This was a case dealing with section 46(1)(d) of the Act, revoking a trade mark registration on the

there were two material dates: the date of application for registration (in this case the date of the request for protection) and the date of the hearing; the grounds for invalidation had to exist at both material dates for an applicant for invalidation to be successful. I am not aware of any judgments since I wrote that decision which lead me to question my findings re the material dates. In fact the judgment of the CFI in *MIP METRO Group Intellectual Property GmbH & Co KG v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-191/04* strengthens my view that there are two material dates. So, Rübzahl has to establish the grounds for invalidation that it pleads apply at the date of the request for protection in the United Kingdom, 23 September 2004, and the date of the hearing, 24 October 2007. There is no evidence to suggest that the situation in the United Kingdom as of 23 September 2004 is any different to that as of 24 October 2007; nothing turns upon the material dates.

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

Average, relevant consumer and nature of purchasing decision

18) The goods of the earlier trade mark and those under attack in the international registration are bought by the public at large, young and old. They are not goods that are expensive and are unlikely to be bought as the result of a careful and educated decision, though, of course, there is a presumption that the average consumer “is deemed to be reasonably well informed and reasonably circumspect and observant”⁴. Owing to the nature of the goods and the subsequent purchasing decision, the potential effects of imperfect recollection are likely to be increased. The goods are the most likely to be bought by self-selection from a sweet counter or a supermarket shelf and so the visual impression will be of primary importance.

basis that in the consequence of the use made of it, it is liable to mislead the public. The principle seems good for an invalidation action on relative grounds. If at the date of the trial/hearing there is no longer a basis to invalidate a trade mark, should it be invalidated for administrative convenience. If one is attaching one self to the date of application for invalidation, does one ignore evidence filed in the evidence rounds dealing with matters after the date of application? The latter course of action would seem to be untenable. Taking the date of hearing as the second material date may give rise to administrative problems at times but administrative convenience should not override the purpose of the law. If late evidence is filed, there can always be compensation in costs for the other side. I consider that the second material date has to be the date of the hearing.

14) So the first material date is the date of application for registration and there is a second material date, the date of the hearing. So for UK to succeed it has to establish that it could have prevented use of the trade mark as of 18 December 1992 and that it could also have prevented use of the trade mark on 6 June 2006. It has to succeed on both dates; if it fails in relation to the first material date, its case fails.”

⁴ *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV* [2000] FSR 77.

Comparison of goods

19) In assessing the similarity of goods it is necessary to take into account, inter alia, their nature, their intended purpose⁵, their method of use and whether they are in competition with each other or are complementary⁶. In *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281, Jacob J considered that the following should be taken into account when assessing the similarity of goods and/or services:

- “(a) The respective uses of the respective goods or services;
- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or acts of service;
- (d) The respective trade channels through which the goods or services reach the market;
- (e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
- (f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.”

20) In “construing a word used in a trade mark specification, one is concerned with how the product is, as a practical matter, regarded for the purposes of trade”⁷. Words should be given their natural meaning within the context in which they are used, they cannot be given an unnaturally narrow meaning⁸. The class of the goods in which they are placed is relevant in determining the nature of the goods⁹. Consideration should be given as to how the average consumer would view the goods¹⁰. The goods to be compared are *puffed rice in chocolate, other than with an alcoholic filling and preparations made from cereals*.

⁵ The earlier incorrect translation of ‘Verwendungszweck’ in the English version of the judgment has now been corrected.

⁶ *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117.

⁷ *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281.

⁸ *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another* [2000] FSR 267.

⁹ *Altecnic Ltd's Trade Mark Application* [2002] RPC 34.

¹⁰ *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32 dealt with a non-use issue but are still pertinent to the consideration of the meaning and effect of specifications:

“In my view that task should be carried out so as to limit the specification so that it reflects the circumstances of the particular trade and the way that the public would perceive the use. The

21) The evidence of Mr Cersovsky demonstrates that puffed rice is a preparation made from cereals. Consequently, the goods of the international registration would encompass puffed rice and quite possibly puffed rise in chocolate. If one considers that the chocolate element denies the possibility of identity of goods, one is left with goods that could be snack foods, goods that are made of the same constituents and could be in the same form, goods that could be found next to one another on a supermarket shelf, as snack foods or breakfast cereals, goods that could be substituted for each other, and so are in competition. Consequently, even if the goods cannot be considered to be identical they are similar to a very high degree.

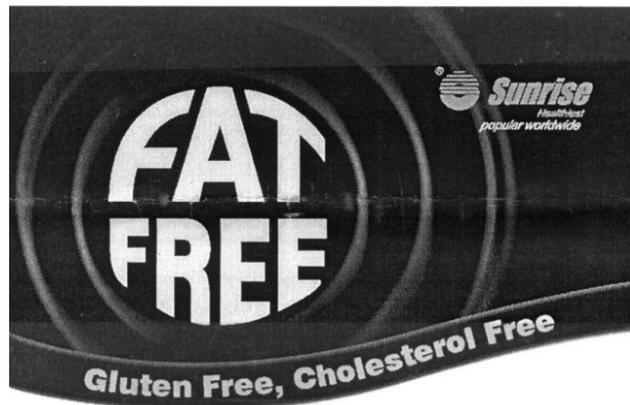
Comparison of trade marks

22) The trade marks to be compared are:

Rübezahl's trade mark:

International's trade mark:

SUN RICE



23) The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details¹¹. 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 components¹². Consequently, I must not indulge in an artificial dissection of the

court, when deciding whether there is confusion under section 10(2), adopts the attitude of the average reasonably informed consumer of the products. If the test of infringement is to be applied by the court having adopted the attitude of such a person, then I believe it appropriate that the court should do the same when deciding what is the fair way to describe the use that a proprietor has made of his mark. Thus, the court should inform itself of the nature of trade and then decide how the notional consumer would describe such use”

¹¹ *Sabel BV v Puma AG* [1998] RPC 199.

¹² *Sabel BV v Puma AG* [1998] RPC 199.

trade marks, although I need to take 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 observant¹³. The assessment of the similarity of the trade marks must be made by reference to the perception of the relevant public¹⁴.

24) The earlier registration consists of two words. Taking into account the nature of the goods, being puffed rice, the “SUN” element is the more distinctive element. However, taking into account the paradigm use that is shown in respect of the goods, a chocolate covered snack bar, I do not consider that the perception of the average, relevant consumer, will lead to the dismissal of the “RICE” element; I am of the view that the overriding perception of the trade mark will be as a complete entity. The international registration has the words FAT FREE at its centre, however, taking into account the purely descriptive nature of these words I do not consider that these words are the dominant element. Indeed, the average, relevant consumer is unlikely to give them any significance as an indicator of origin. (Although, in making an overall assessment of the similarity of the respective trade marks they still have to be considered.) The same applies for the words “Gluten Free, Cholesterol Free” and “popular worldwide”. (I am unable to decipher the word beneath “Sunrise”.) There is a graphic element of circles radiating outward. Despite their size, relative to the trade mark as a whole, I consider that the most dominant and distinctive elements of the international registration are the stylised S, in the form of a rising sun, and the word “Sunrise”. These are the elements that will bear the clearest message as to origin for the average, relevant consumer.

25) All elements of the international registration are alien to Rübzahl’s with the exception of the word “SUN RICE”. There are clear visual and phonetic similarities between “SUN RICE” and “Sunrise”. “SUN RICE” has no meaning as a whole, it consists of two dictionary words that do not create a new concept in conjunction. “Sunrise” has a clear and obvious meaning, there is a conceptual dissonance between these elements of the trade marks.

26) In considering the overall visual similarity between the trade marks I have to take into account all elements of the trade marks; an element cannot be discarded from the consideration because of its lack of distinctiveness¹⁵.

¹³ *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* [2000] FSR 77.

¹⁴ *Succession Picasso v OHIM - DaimlerChrysler (PICARO)* Case T-185/02.

¹⁵ See the judgment of the European Court of Justice in *Société des Produits Nestlé SA c Office de l’harmonisation dans le marché intérieur (marques, dessins et modèles) (OHMI)* Case C-193/06:

27) Considering the trade marks in their entireties I consider that the visual differences are such that they cannot be considered to be visually similar. There is a degree of phonetic similarity arising from the “Sunrise” and “SUN RICE” elements; however, there is also a conceptual dissonance in relation to these elements.

Likelihood of confusion – conclusion

28) In considering whether there is a likelihood of confusion various factors have to be taken into account. There is the interdependency principle – a lesser

“35 En particulier, la Cour a jugé à cet égard que, dans le cadre de l'examen de l'existence d'un risque de confusion, l'appréciation de la similitude entre deux marques ne peut se limiter à prendre en considération uniquement un composant d'une marque complexe et à le comparer avec une autre marque. Il y a lieu, au contraire, d'opérer la comparaison en examinant les marques en cause considérées chacune dans son ensemble (voir, en ce sens, ordonnance Matratzen Concord/OHMI, précitée, point 32, ainsi que arrêts précités Medion, point 29, et OHMI/Shaker, point 41).

41 Certes, au point 50 de l'arrêt attaqué, le Tribunal a examiné l'importance de l'élément figuratif propre à la marque demandée par rapport à son élément verbal. Toutefois, ayant constaté que cet élément figuratif n'est pas dominant par rapport à l'élément verbal, en ce sens que son intensité est égale ou inférieure à l'élément verbal et que ce dernier ne saurait donc être considéré comme subsidiaire ou négligeable, il a estimé pouvoir conclure à l'existence d'une similitude visuelle entre les signes en cause sur le seul fondement de la similitude des éléments verbaux, sans examiner, à ce stade ultime de son appréciation sur ce point, l'impression d'ensemble résultant, pour la marque demandée, de la combinaison d'un élément verbal et d'un élément figuratif.

42 Il est vrai que, selon la jurisprudence, l'impression d'ensemble produite dans la mémoire du public pertinent par une marque complexe peut, dans certaines circonstances, être dominée par un ou plusieurs de ses composants (voir, en ce sens, ordonnance Matratzen Concord/OHMI, précitée, point 32, et arrêts précités Medion, point 29, ainsi que OHMI/Shaker, point 41).

43 Toutefois, ainsi que la Cour l'a déjà jugé, ce n'est que si tous les autres composants de la marque sont négligeables que l'appréciation de la similitude pourra se faire sur la seule base de l'élément dominant (arrêt OHMI/Shaker, précité, point 42). Tel pourrait notamment être le cas, ainsi que le Tribunal l'a relevé au point 47 de l'arrêt attaqué, lorsqu'un composant d'une marque complexe est susceptible de dominer à lui seul l'image de cette marque que le public pertinent garde en mémoire, de telle sorte que le ou les autres composants de cette marque est ou sont négligeables dans l'impression d'ensemble produite par celle-ci.

46 Il en résulte que l'appréciation opérée par le Tribunal repose, aux points 48 à 50 de l'arrêt attaqué, sur la présomption selon laquelle, lorsqu'une marque complexe est composée à la fois d'un élément verbal et d'un élément figuratif, et que ce dernier est d'une intensité égale ou inférieure au premier, l'appréciation de la similitude visuelle des signes en cause peut être établie sur la seule base de la similitude des éléments verbaux, de sorte que, à intensité égale, ce sont uniquement ces derniers qui déterminent la similitude visuelle desdits signes.

47 Il s'ensuit que le Tribunal, en n'ayant pas apprécié la similitude visuelle des signes en cause sur la base de l'impression d'ensemble produite par ceux-ci, a méconnu l'article 8, paragraphe 1, sous b), du règlement n° 40/94 et que, partant, les points 48 à 50 de l'arrêt attaqué sont, à cet égard, entachés d'une erreur de droit.”

degree of similarity between trade marks may be offset by a greater degree of similarity between goods, and vice versa¹⁶. In this case the goods are at the very least highly similar. “[C]onceptual and visual differences between two signs may counteract aural similarities between them, provided that at least one of those signs has, from the point of view of the relevant public, a clear and specific meaning, so that the public is capable of grasping it immediately”¹⁷. In this case there are clear conceptual and visual differences between the trade marks. It is necessary to take into account the distinctive character of the earlier trade mark. The distinctive character of a trade mark can be appraised only, first, by reference to the goods or services in respect of which registration is sought and, secondly, by reference to the way it is perceived by the relevant public¹⁸. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, it is necessary to make an overall assessment of the greater or lesser capacity of the mark to identify the goods for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings¹⁹. The “SUN” element of the earlier trade mark does not allude to the goods and so must be considered to enjoy a reasonable degree of distinctive character. Taken as a whole, the earlier trade mark has a reasonable degree of distinctiveness. In *Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) v Shaker di L Laudato & C Sas* Case C-334/05 P the European Court of Justice

“41 It is important to note that, according to the case-law of the Court, in the context of consideration of the likelihood of confusion, assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark. On the contrary, the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components (see order in *Matratzen Concord v OHIM*, paragraph 32; *Medion*, paragraph 29).

42 As the Advocate General pointed out in point 21 of her Opinion, it is only if all the other components of the mark are negligible that the assessment of the similarity can be carried out solely on the basis of the dominant element.”

¹⁶ *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117.

¹⁷ *Mülhens GmbH & Co KG v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case C-206/04 P.

¹⁸ *Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91.

¹⁹ *Windsurfing Chiemsee v Huber and Attenberger* Joined Cases C-108/97 and C-109/97 [1999] ETMR 585.

In this case there are a good number of dissimilar elements and a conceptual dissonance.

29) As stated above owing to the nature of the goods the effects of imperfect recollection are increased. In his statement Mr Cersovsky refers to dangers of public deception and damage to Rübzahl's business; this is a circular argument as it is dependent upon there being a likelihood of confusion.

30) Taking into account all of the above, I consider that the visual and conceptual differences between the trade marks are such that there is not a likelihood of confusion and I dismiss the application for invalidation.

Costs

31) Sunrise International Co Pty Ltd having been successful is entitled to a contribution towards its costs. I award costs on the following basis:

Considering application:	£200
Statement of case in reply:	£100
Written submissions:	£200
 Total	 £500

I order Rübezahl Schokoladen GmbH to pay Sunrise International Co Pty Ltd the sum of £500. 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 29th day of October 2008

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