

O/313/22

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. 3495227

BY IBRAN YASIN

TO REGISTER THE TRADE MARK



IN CLASSES 30 AND 35

AND

IN THE MATTER OF OPPOSITION THERETO UNDER NO. 421609

BY CHOCOLADEFABRIKEN LINDT & SPRÜNGLI AG

BACKGROUND AND PLEADINGS

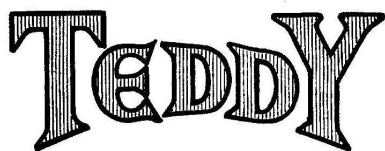
1. On 30 May 2020, Ibran Yasin (“the applicant”) applied to register the trade mark shown on the cover page of this decision in the UK. The application was published for opposition purposes on 26 June 2020 in respect of the following goods and services:

Class 30: *Chocolate desserts; Cakes; Chocolate cakes; Chocolate covered cakes; Iced cakes; Iced sponge cakes.*

Class 35: *Retail services in relation to desserts; Wholesale services in relation to desserts.*

2. On 28 September 2020, Chocoladefabriken Lindt & Sprüngli AG (“the opponent”) opposed the application on the basis of Sections 5(2)(b) and 5(3) of the Trade Marks Act 1994 (“the Act”). The opponent relies, under both Sections, upon the following trade marks:¹

EU014288047 (“the TEDDY stylised mark”)



Filing date: 23 June 2015

Registration date: 4 September 2016

Class 30: *Cocoa, chocolate, sugar confectionery, pastry and confectionery.*

EU010514578 (“the TEDDY word mark”)

TEDDY

Filing date: 21 December 2011

Registration date: 20 August 2013

Priority date: 08 July 2011

¹ Although the UK has left the EU and the transition period has now expired, EUTMs and International Marks which have designated the EU for protection, are still relevant in these proceedings given the impact of the transitional provisions of the Trade Marks (Amendment etc.) (EU Exit) Regulations 2019. Tribunal Practice Notice 2/2020 refers.

Class 30: *Cocoa and chocolate powder; Chocolate, filled and non-filled; Chocolate confectionery, namely small assorted chocolates (pralines); Hollow chocolate figures and solid chocolate figures.*

WE00001088834 (“the LINDT TEDDY mark”)

LINDT TEDDY

International registration date: 5 August 2011

Designation date: 7 November 2011

Priority date: 8 July 2011

Class 30: *Cocoa and chocolate powder; hollow and filled chocolate; chocolate cakes, namely small assorted chocolates (pralines); hollow and filled chocolate shapes.*

3. Under Section 5(2)(b) of the Act the opponent claims that the contested goods and services are identical or similar to the goods covered by the earlier marks and that the marks are similar leading to a likelihood of confusion.

4. Under Section 5(3) of the Act the opponent claims that it enjoys a reputation in the earlier marks and that use of the contested mark would result in the applicant taking unfair advantage of the opponent’s reputation and causing damage to the reputation and/or distinctive character of the earlier marks. In particular, the opponent claims that it is, through its earlier marks, portraying the image of a high quality, premium and luxurious brand to its consumers. It also claims that when consumers view the applicant’s mark, the earlier marks are brought to mind. Further, or in the alternative, consumers seeing the applicant’s mark might also believe that there is an economic connection between the applicant and the opponent. As regards damage to the reputation and/or distinctive character of the earlier marks, the opponent claims that the distinctiveness of the opponent’s mark is such that use of the applicant’s mark would have the effect of diluting the distinctiveness of the opponent’s earlier marks changing the relevant consumer’s economic behaviour. Lastly, the opponent claims that if the type or quality of the goods and services provided by the applicant is poor, the repute of the earlier marks could be tarnished and harmed.

5. Given their filing dates, the opponent's marks qualify as earlier marks in accordance with Section 6 of the Act. As the 'TEDDY' word mark and the 'LINDT TEDDY' mark had completed their registration procedure more than five years before the date the contested application was filed, they are, as a consequence, subject to the proof of use provisions contained in Section 6A of the Act.

6. The applicant filed a counterstatement denying the grounds of opposition and putting the opponent to proof of use of the earlier marks. In particular, the applicant states that:

- The applicant's business is that of takeaway desserts and dessert parlours, providing milkshakes, ice creams and cookie dough whereas the opponent is a chocolate manufacturer producing distinctive chocolate bears wrapped in a gold foil. There is no similarity between the respective goods and services;
- The applicant has been using the contested mark since 2014 and there has never been any confusion with the opponent or its business;
- Due to the differences in names, designs and businesses, the applicant does not see how there would be any possibility of confusion or unfair advantage.

7. Only the opponent filed evidence during the evidence rounds. The applicant filed written submissions dated 11 October 2021. I shall refer to the evidence to the extent I consider necessary.

8. The opponent is represented by Jan-Caspar Rebling. The applicant represents itself. A hearing took place on 9 February 2022 with the opponent represented by Mr Rebling. The applicant elected not to attend but Mr Chris Martin, who is related to the applicant, appeared on his behalf. Only the opponent filed a skeleton argument in advance of the hearing.

9. Although the UK has left the EU, Section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Trade Marks

Act relied on in these proceedings are derived from an EU Directive. This is why this decision continues to make reference to the trade mark case law of EU courts.

THE EVIDENCE

10. The opponent filed evidence in the form of a witness statement of Charlotte Allancon dated 10 June 2021 together with 17 exhibits (CA1-CA17). Ms Allancon is the brand manager of Lindt & Sprüngli (UK) Ltd, the UK arm of the opponent's business. Certain parts of Ms Allancon's evidence, namely the sales figures contained in exhibit CA4, will be redacted from the published version of this decision on the grounds they are covered by confidentiality.

DECISION

Proof of use

11. The relevant statutory provisions are set out in Section 6A of the Act which reads:

“(1) This section applies where

- (a) an application for registration of a trade mark has been published,
- (b) there is an earlier trade mark of a kind falling within section 6(1)(a), (b) or (ba) in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and
- (c) the registration procedure for the earlier trade mark was completed before the start of the relevant period.

(1A) In this section “the relevant period” means the period of 5 years ending with the date of the application for registration mentioned in subsection (1)(a) or (where applicable) the date of the priority claimed for that application.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if –

(a) within the relevant period 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) the earlier trade mark has not been so used, but there are proper reasons for non- use.

(4) For these purposes –

(a) use of a trade mark includes use in a form (the “variant form”) differing in elements which do not alter the distinctive character of the mark in the form in which it was registered (regardless of whether or not the trade mark in the variant form is also registered in the name of the proprietor), 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.

(5) In relation to a European Union trade mark or international trade mark (EC), any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Community.

(5A) In relation to an international trade mark (EC) the reference in subsection (1)(c) to the completion of the registration procedure is to be construed as a reference to the publication by the European Union Intellectual Property Office of the matters referred to in Article 190(2) of the European Union Trade Mark Regulation.

(6) 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.”

12. Section 100 of the Act states that:

“100. If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

13. Pursuant to Section 6A of the Act, the relevant period for assessing whether there has been genuine use of the earlier marks is the five-year period ending with the date of application of the applied for mark, namely 31 May 2015 to 30 May 2020.

14. In *Walton International Ltd & Anor v Verweij Fashion BV* [2018] EWHC 1608 (Ch) Arnold J summarised the law relating to genuine use as follows:

“114.....The CJEU has considered what amounts to “genuine use” of a trade mark in a series of cases: Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, *La Mer* (cited above), Case C-416/04 P *Sunrider Corp v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [2006] ECR I-4237, Case C-442/07 *Verein Radetsky-Order v Bunderversammlung Kameradschaft ‘Feldmarschall Radetsky’* [2008] ECR I-9223, Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759, Case C-149/11 *Leno Marken BV v Hagelkruis Beheer BV* [EU:C:2012:816], [2013] ETMR 16, Case C-609/11 P *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR, Case C-141/13 P *Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [EU:C:2014:2089] and Case C-689/15 *W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse* [EU:C:2017:434], [2017] Bus LR 1795.

115. The principles established by these cases may be summarised as follows:

(1) Genuine use means actual use of the trade mark by the proprietor or by a third party with authority to use the mark: *Ansul* at [35] and [37].

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Leno* at [29]; *Centrotherm* at [71]; *Reber* at [29].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Leno* at [29]; *Centrotherm* at [71]. Accordingly, affixing of a trade mark on goods as a label of quality is not genuine use unless it guarantees, additionally and simultaneously, to consumers that those goods come from a single undertaking under the control of which the goods are manufactured and which is responsible for their quality: *Gözze* at [43]-[51].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14] and [22]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to

create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71]; *Reber* at [29].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Leno* at [29]-[30], [56]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72] and [76]-[77]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32].”

15. As the two earlier marks subject to proof of use are a EUTM and a IR designating the EU for protection, I must consider the EU as the market in which the opponent is

required to show genuine use: see *Leno Merken BV v Hagelkruis Beheer BV*, Case C-149/11, paragraph 36.

Form of the mark

16. The opponent is the famous Swiss-based chocolatier and confectionary company known as Lindt. In 2018 the opponent was ranked number 28 in the list of “Britain’s Biggest Brands” by the UK magazine ‘The Grocer’² with a total sale of over £235million.

17. Ms Allancon says that ‘TEDDY’ is one of the opponent’s key brands. The mark is used in relation to a range of Christmas teddy products³ including a 3D gold-coloured chocolate teddy, in a sitting position, wearing a red ribbon with the words 'Lindt TEDDY' in brown lettering, as shown below:



18. The “teddy range” also includes multi-pack hollow teddy figures and an advent calendar containing, inter alia, teddy-shaped chocolates. The words 'Lindt TEDDY' are always displayed on the packaging as shown below:

² CA1

³ CA2



19. The marks which are subject to proof of use are the 'TEDDY' word mark and the 'LINDT TEDDY' mark. The mark used on the products, i.e. on the teddy-shaped chocolates, consists of the word 'Lindt' written in an italic script and placed above the word 'TEDDY' written in standard capital letters. The two words are presented in gold, are separated by a straight line, and are used in conjunction with what appears to be a coat of arms placed next to the word 'LINDT':



20. In addition, when the marks are used on packaging, they are incorporated in an oval background:



21. The evidence also includes examples of the plain words 'Lindt Teddy' written in title case and being used on social media⁴ and in online descriptions of products,⁵ e.g. 'Lindt Teddy' Advent Calendar', during the relevant period. Such use is always in relation to Christmas products consisting of 3D teddy-shaped chocolates described as "festive figures". Although the earlier 'LINDT TEDDY' mark is registered in capital letters, as a matter of law the registration of a word mark does not prevent its use in different scripts (fonts or typefaces). Consequently, use of 'Lindt Teddy' in title case fall within use of the earlier 'LINDT TEDDY' mark upon which the opponent can rely.

22. As regards the earlier 'TEDDY' word mark, there is no evidence of 'TEDDY' being used on its own. Certainly, that is not, in itself, fatal to the opponent's case because "use" of a mark, in its literal sense, generally encompasses both its independent use and its use as part of another mark taken as a whole or in conjunction with that other mark. However, where a registered trade mark is used only as part of a composite mark or in conjunction with another mark, it must continue to be perceived as indicative of the origin of the product at issue for that use to be covered by the term "genuine use".⁶

23. In my view, the addition of the word 'LINDT' in the use shown means that the use of the opponent's earlier 'TEDDY' word mark is as part of a composite mark. However, I consider that while used as part of a composite mark, the word 'TEDDY' will not be perceived independently and will not continue to be viewed as indicative of the primary origin of the goods at issue. This is because the word 'TEDDY' is used in a descriptive manner to designate the kind of goods - i.e. the shape of hollow chocolates shaped like a teddy (teddy bear) - and not to denote trade origin. Consequently, I consider that the mark 'TEDDY' will be perceived by consumers as denoting the shape of the goods

⁴ CA5-6

⁵ CA9 page 3, CA11 page 3, CA12 page 5, CA13 page 6

⁶ *Colloseum Holdings AG v Levi Strauss & Co.*, Case C-12/12

(rather than their origin). I also consider that consumers will rely on the mark 'LINDT' as indicating the origin of the goods and that 'LINDT' is the element that carries the earlier 'LINDT TEDDY' mark in the assessment of genuine use.

24. In accordance with *Colloseum*, I therefore conclude that the use shown cannot count toward genuine use of the earlier 'TEDDY' word mark.

Genuine use

25. The evidence shows that the goods are sold through retail outlets including all major supermarkets, such as Tesco, Sainsbury's, Waitrose, Mark and Spenser, Morrison, Asda, Co-op and Aldi, and the opponent's website www.lindt.co.uk.

26. Gross sales of 'TEDDY' products in the UK were over ██████ in 2015 and 2016, over ██████ in 2017, over ██████ in 2018 and over ██████ in 2019, for a total of ██████.

27. Although there is no indication of how much the opponent has spent in terms of marketing and promotion, there is plenty of evidence about the types of marketing activities carried out within the relevant period. This includes online and social media advertising,⁷ point of sale advertising,⁸ partnership with the NSPCC,⁹ television advertising,¹⁰ and press coverage.¹¹ As a result of those activities, I am satisfied that the 'LINDT TEDDY' mark is likely to have received significant exposure in the UK but only as a seasonal product. This is indirectly confirmed by a report¹² published in April 2021 headed "Chocolate market – Growth, Trends, COVID-10 Impact, and Forecast (2021-2026)" which states:

"Furthermore, seasonal demand plays an important role in the sale of premium chocolates. Various companies launch a wide range of chocolate varieties during occasions like Easter and Christmas. For instance, Lindt Teddy, wearing

⁷ CA5-7

⁸ CA8

⁹ CA9

¹⁰ CA10

¹¹ CA11-16

¹² CA17

a traditional English Christmas pullover, is still a seasonal top seller in the United Kingdom” (emphasis added)

28. Taking all of the above into account, I conclude that the evidence establishes genuine use of the earlier ‘LINDT TEDDY’ mark.

Fair specification

29. I must now consider whether, or the extent to which, the evidence shows use of the ‘LINDT TEDDY’ mark in relation to the goods relied upon. In *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited*, BL O/345/10, Mr Geoffrey Hobbs Q.C. as the Appointed Person summed up the law as being:

“In the present state of the law, fair protection is to be achieved by identifying and defining not the particular examples of goods or services for which there has been genuine use but the particular categories of goods or services they should realistically be taken to exemplify. For that purpose the terminology of the resulting specification should accord with the perceptions of the average consumer of the goods or services concerned.”

30. In *Property Renaissance Ltd (t/a Titanic Spa) v Stanley Dock Hotel Ltd (t/a Titanic Hotel Liverpool) & Ors* [2016] EWHC 3103 (Ch), Mr Justice Carr summed up the law relating to partial revocation as follows (at [47]):

“iii) Where the trade mark proprietor has made genuine use of the mark in respect of some goods or services covered by the general wording of the specification, and not others, it is necessary for the court to arrive at a fair specification in the circumstance, which may require amendment; *Thomas Pink Ltd v Victoria's Secret UK Ltd* [2014] EWHC 2631 (Ch) (“Thomas Pink”) at [52].

iv) In cases of partial revocation, pursuant to section 46(5) of the Trade Marks Act 1994, the question is how would the average consumer fairly describe the services in relation to which the trade mark has been used; *Thomas Pink* at [53].

v) It is not the task of the court to describe the use made by the trade mark proprietor in the narrowest possible terms unless that is what the average consumer would do. For example, in *Pan World Brands v Tripp Ltd* (Extreme Trade Mark) [2008] RPC 2 it was held that use in relation to holdalls justified a registration for luggage generally; *Thomas Pink* at [53].

vi) A trade mark proprietor should not be allowed to monopolise the use of a trade mark in relation to a general category of goods or services simply because he has used it in relation to a few. Conversely, a proprietor cannot reasonably be expected to use a mark in relation to all possible variations of the particular goods or services covered by the registration. *Maier v Asos Plc* [2015] EWCA Civ 220 ("Asos") at [56] and [60].

vii) In some cases, it may be possible to identify subcategories of goods or services within a general term which are capable of being viewed independently. In such cases, use in relation to only one subcategory will not constitute use in relation to all other subcategories. On the other hand, protection must not be cut down to those precise goods or services in relation to which the mark has been used. This would be to strip the proprietor of protection for all goods or services which the average consumer would consider to belong to the same group or category as those for which the mark has been used and which are not in substance different from them; *Mundipharma AG v OHIM* (Case T-256/04) ECR II-449; EU:T:2007:46."

31. The earlier 'LINDT TEDDY' mark is registered for *Cocoa and chocolate powder; hollow and filled chocolate; chocolate cakes, namely small assorted chocolates (pralines); hollow and filled chocolate shapes* in class 30.

32. The opponent has only shown use in relation to chocolate Christmas teddies. I consider that the goods in relation to which the mark has been used fall within the registered term *hollow and filled chocolate shapes*. I do not consider that the specification should be narrowed further to identify the specific shape of the goods

sold. Taking all of the above into account, I consider a fair specification for the earlier 'LINDT TEDDY' mark to be:

Class 30: *hollow and filled chocolate shapes*

Section 5(2)(b)

33. Section 5(2)(b) of the Act is as follows:

“A trade mark shall not be registered if because-

[...]

(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”.

34. Section 5A of the Act is as follows:

“5A Where grounds for refusal of an application for registration of a trade mark exist in respect of only some of the goods or services in respect of which the trade mark is applied for, the application is to be refused in relation to those goods and services only.”

35. The following principles are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

(a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors;

(b) the matter must be judged through the eyes of the average consumer of the goods or 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, and whose attention varies according to the category of goods or services in question;

(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 normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;

(f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

(i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;

(j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

(k) if the association between the marks creates a risk that the public might believe that the respective goods or services come from the same or economically linked undertakings, there is a likelihood of confusion.

Comparison of goods and services

36. In light of my findings above, the competing goods and services are as follows:

The applicant's goods and services	The opponent's goods
Class 30: <i>Chocolate desserts; Cakes; Chocolate cakes; Chocolate covered cakes; Iced cakes; Iced sponge cakes.</i>	The earlier 'LINDT TEDDY' mark Class 30: <i>hollow and filled chocolate shapes</i>
Class 35: <i>Retail services in relation to desserts; Wholesale services in relation to desserts.</i>	The earlier 'TEDDY' stylised mark Class 30: <i>Cocoa, chocolate, sugar confectionery, pastry and confectionery.</i>

37. In the judgment of the Court of Justice of the European Union (CJEU) in *Canon*, Case C-39/97, the court stated at paragraph 23 of its judgment that:

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary”.

38. The relevant factors identified by Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, for assessing similarity were:

- (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.

39. In *Kurt Hesse v OHIM*, Case C-50/15 P, the CJEU stated that complementarity is an autonomous criterion capable of being the sole basis for the existence of similarity between goods. In *Boston Scientific Ltd v OHIM*, Case T-325/06, the General Court (“GC”) stated that “complementary” means:

“...there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking”.

40. In *Gérard Meric v OHIM*, Case T- 133/05, the General Court (“GC”) stated that:

“29. In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 *Institut fur Lernsysteme v OHIM- Educational Services* (ELS) [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark”.

41. In *Oakley, Inc v OHIM*, Case T-116/06, at paragraphs 46-57, the GC held that although retail services are different in nature, purpose and method of use to goods, retail services for particular goods may be complementary to those goods, and distributed through the same trade channels, and therefore similar to a degree.

42. In *Tony Van Gulck v Wasabi Frog Ltd*, Case BL O/391/14, Mr Geoffrey Hobbs Q.C. as the Appointed Person reviewed the law concerning retail services v goods. He said (at paragraph 9 of his judgment) that:

“9. The position with regard to the question of conflict between use of **BOO!** for handbags in Class 18 and shoes for women in Class 25 and use of **MissBoo** for the Listed Services is considerably more complex. There are four main reasons for that: (i) selling and offering to sell goods does not, in itself, amount to providing retail services in Class 35; (ii) an application for registration of a trade mark for retail services in Class 35 can validly describe the retail services for which protection is requested in general terms; (iii) for the purpose of determining whether such an application is objectionable under Section 5(2)(b), it is necessary to ascertain whether there is a likelihood of confusion with the opponent’s earlier trade mark in all the circumstances in which the trade mark applied for might be used if it were to be registered; (iv) the criteria for determining whether, when and to what degree services are ‘*similar*’ to goods are not clear cut.”

43. However, on the basis of the European courts' judgments in *Sanco SA v OHIM*¹³, and *Assembled Investments (Proprietary) Ltd v. OHIM*¹⁴, upheld on appeal in *Waterford Wedgwood Plc v. Assembled Investments (Proprietary) Ltd*¹⁵, Mr Hobbs concluded that:

i) Goods and services are not similar on the basis that they are complementary if the complementarity between them is insufficiently pronounced that, from the consumer's point of view, they are unlikely to be offered by one and the same undertaking;

ii) In making a comparison involving a mark registered for goods and a mark proposed to be registered for retail services (or vice versa), it is necessary to envisage the retail services normally associated with the opponent's goods and then to compare the opponent's goods with the retail services covered by the applicant's trade mark;

iii) It is not permissible to treat a mark registered for 'retail services for goods X' as though the mark was registered for goods X;

iv) The General Court's findings in *Oakley* did not mean that goods could only be regarded as similar to retail services where the retail services related to exactly the same goods as those for which the other party's trade mark was registered (or proposed to be registered).

44. I shall begin by comparing the contested goods and services with the specification of the 'TEDDY' stylised mark.

45. The contested *chocolate desserts; cakes; chocolate cakes; chocolate covered cakes; iced cakes; iced sponge cakes* in class 30 fall within the opponent's *confectionery*. These goods are identical on the principle outlined in *Meric*.

¹³ Case C-411/13P

¹⁴ Case T-105/05, at paragraphs [30] to [35] of the judgment

¹⁵ Case C-398/07P

46. The contested *retail services in relation to desserts; wholesale services in relation to desserts* include the sale of the opponent's *confectionary*. The GC has explained that although retail services are different in nature, purpose and method of use to goods, retail services for particular goods may be complementary to those goods, and distributed through the same trade channels, and therefore similar to a degree.¹⁶ This creates a complementary relationship between the opponent's goods and the applicant's retail and wholesale services of such goods. These goods are similar to low to medium degree.

47. Turning to the 'LINDT TEDDY' mark, I find that the contested *chocolate desserts; cakes; chocolate cakes; chocolate covered cakes; iced cakes; iced sponge cakes* are similar to a low degree to the opponent's *hollow and filled chocolate shapes*. Although the goods are all sweet goods, they have different nature, as shown by the dictionary definition of the word 'dessert' which is defined as "*something sweet, such as fruit or a pudding, that you eat at the end of a meal*" and the word 'cake' which is defined as "*a sweet food made by baking a mixture of flour, eggs, sugar, and fat in an oven*". The goods have also a different purpose and method of use and are not complementary, although there might be a degree of competition insofar as someone looking for something sweet to eat could prefer *hollow and filled chocolate shapes* to a cake or a dessert.

48. The contested *retail services in relation to desserts; wholesale services in relation to desserts* do not include the sale of the opponent's *hollow and filled chocolate shapes* and are, in my view, one step removed from the opponent's goods. I find these services to be dissimilar.

Average consumer

49. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary

¹⁶ *Oakley, Inc v OHIM*, Case T-116/06. See also *Tony Van Gulck v Wasabi Frog Ltd*, Case BL O/391/14

according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer*, Case C-342/97.

50. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

“60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median.”

51. The average consumer for the goods and services will be a member of the general public. The opponent states that the goods and *services “are every-day fast moving consumer goods and services which would be purchased frequently by the general public”*, are “*low-cost*” and are “*available at every day retail channels like supermarkets and bakeries*”. It also states that the purchasing process will be aural as well as visual.

52. Whilst I do not discount that there may be an aural component to the purchase given that word-of-mouth recommendations may be made or discussions with sale assistants may take place, the goods are most likely to be self-selected from the shelves of retail premises, such as supermarkets and bakeries, and from their online equivalents. The purchase is, therefore, predominantly visual. The same goes for the services which will be selected from signage, catalogues and/or websites.

53. As regard the level of attention, although the goods are purchased relatively frequently and are relatively inexpensive, I consider that the average consumer would take into consideration several aspects when selecting the goods, including personal preferences, ingredients, suitability and appeal of the product. They would therefore pay a medium degree of attention. Similar considerations apply to the selection of the services given the nature of the products sold.



Comparison of marks

54. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

“.....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

55. It would be wrong, therefore, to artificially dissect the trade marks, although, it is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.

56. The respective marks are shown below:

Applicant's mark	Opponent's marks
	

Overall impression

The applicant's mark

57. The applicant's mark is a figurative mark consisting of the word 'Teddylicious' presented in a stylised font, with the letters 'Teddy' in pink and the letters 'licious' in white. The word is incorporated within a black rectangular background.

58. The word 'Teddylicious' does not exist as such in the English language. At the hearing Mr Rebling attempted to draw a distinction between two different groups of consumers, by saying that one group will perceive 'Teddylicious' as one word and another group will perceive it as a combination of 'Teddy' and '-licious'. Nevertheless, it was Mr Rebling's submission that even those consumers who perceive 'Teddylicious' as one word will identify the word 'TEDDY' in the beginning of the mark.

59. I do not think that it is necessary to split the average consumer into two categories, neither do I think that the distinction Mr Rebling attempted to draw makes any difference. Indeed, the Court already held that although the average consumers perceive a mark as a whole and do not proceed to analyse its various details, the fact remains that, when perceiving a word sign, they will break it down into elements which, for them, suggest a specific meaning or which resemble words known to them.¹⁷

60. First, in this case, 'Teddylicious' is presented in a cursive handwriting script with the letters 'y' and 'l' conjoined, so it is clearly presented as one word. Second, whilst 'Teddy' is a dictionary word, the ending '-licious' is not. Consequently, it is not simply a matter of two dictionary words being presented as conjoined. I do not think therefore that it can realistically be argued that 'Teddylicious' will not be seen as one word. Mr Rebling seems to implicitly accept this in his skeleton argument as he states: "[...] *the suffix -LICIOUS will be understood to be a play on the word DELICIOUS in line with popular and well known uses of the suffix -LICIOUS to create portmanteaus, such as BOTTYLICIOUS [...]*". In my view, 'Teddylicious' will therefore be seen as a made-up word adding a fancy ending to the word 'Teddy'. Nevertheless, I agree that 1) due to

¹⁷ T-256/04 paragraph 57

the use of different colours, it will be clear to the average consumer that 'Teddylicious' is a combination of the word 'Teddy' and the ending '-licious' and 2) when used in connection with the applicant's goods and services (all of which relate to desserts and cakes), the ending '-licious' will be understood as an abbreviation of the word 'delicious'.

61. In terms of overall impression, the word 'Teddylicious' is the most distinctive element of the mark. The stylisation and the contrasting colour contribute to the visual impact of the mark but to a much lesser degree than the word itself, whilst the rectangular background is banal and adds very little distinctiveness to the mark.

The opponent's marks

62. The opponent's 'TEDDY' stylised mark consists of the word 'TEDDY' written in a slightly stylised, striped and curved typeface. The most dominant and distinctive element of the mark is the word 'TEDDY' whilst the stylisation plays a lesser role.

63. The opponent's 'LINDT TEDDY' mark comprises the words 'LINDT' and 'TEDDY' presented in standard capital letters. Given that the word 'LINDT' is invented and is placed at the beginning of the mark, I consider that it plays a slightly greater role in the overall impression of the mark, with the word 'TEDDY' playing a slightly lesser role.

Visual similarity

64. At the hearing Mr Rebling submitted as follows:

"The earlier rights of pure word marks or nearly pure word marks [...] could be represented in any font, including in a version corresponding to that of the applied-for mark. In relation to the earlier word mark, the stylisation of the applied-for mark is irrelevant for the purposes of the visual comparison. To me the same applies to the earlier right as well, meaning that the slight font of the one 'TEDDY' mark is irrelevant. I will refer to a case called *You-Q*; this is General Court decision T-369 [...]"

65. The Court of Appeal has stated that registration of a trade mark in black and white covers use of the mark in colour. This is because colour is an implicit component of a trade mark registered in black and white (as opposed to extraneous matter).¹⁸ However, the principle set out in *Specsavers* is not intended to cover unlikely situations such as the opponent using its marks in the same colour combination present in the applicant's mark. Such use is not normal and fair use.

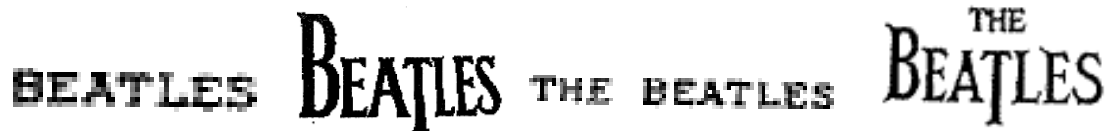
66. In the case referred by Mr Rebling, Case T-369/10, the GC held the view that a word mark may be used in any typeface. The relevant part of that decision is as follows:

“42. [...] Moreover, the Court considers that, even if the mark applied for is of a figurative nature, the figurative element, in so far as it is limited to a simple font, which is moreover very commonplace, does not make it possible to differentiate that font from the font of the earlier word marks. In addition, the Court would point out that word marks, such as some of the earlier marks, are marks consisting entirely of letters, of words or of associations of words, written in printed characters in normal font, without any specific graphic element. The protection which results from registration of a word mark concerns the word mentioned in the application for registration and not the specific graphic or stylistic elements accompanying that mark (see judgment of 7 October 2010 in Case T-244/09 *Accenture Global Services v OHIM – Silver Creek Properties* (acsensa), not published in the ECR, paragraph 28 and the case-law cited). The font of the earlier word marks could therefore be identical to that used by the mark applied for. [...]”.

67. The signs at issue in that case were the contested mark 'BEATLE' and the earlier marks 'BEATLES' and 'THE BEATLES' written as follows:

The image shows the word "BEATLE" in a bold, black, sans-serif typeface. The letters are evenly spaced and the font is consistent throughout the word.

¹⁸ See paragraph 5 of the judgment of the Court of Appeal in *Specsavers* [2014] EWCA Civ 1294 and *J.W. Spear & Sons Ltd v Zynga, Inc.* [2015] EWCA Civ 290, at paragraph 47



68. The GC considered that although the contested mark and some of the earlier marks were of a figurative nature, because the figurative elements were limited to a simple typeface, the marks would effectively be treated as word marks. However, in this case the earlier 'TEDDY' stylised mark contains specific graphic elements, namely the vertical stripes and the curvature at the bottom of the letters, and cannot be treated as a word mark; this means that notional and fair use of the mark does not cover use in the same typeface as that used for the applicant's mark.

69. However, since *"a word mark may be used in any form, in any colour or font type"*,¹⁹ I accept that notional use of the opponent's word mark 'LINDT TEDDY' cover use of the same mark presented in pink and in a cursive typeface similar to that of the applicant's mark.

70. I now turn to the visual comparison of the marks.

Comparison between the 'TEDDY' stylised mark and the applicant's mark

71. The marks coincide in the presence of the 5-letter sequence 'Teddy' in the beginning of the applicant's mark, which is identical to the only verbal element of the opponent's mark. The marks differ in the presence of the 7-letter ending '-licious' in the applicant's mark (which makes the mark look significantly longer) and in the respective get-up, namely, the individual typefaces and the complex colour combination of the applicant's mark.

72. I also note that Mr Rebling relied upon the importance of the similarity of the beginning of the marks. I was referred in this connection to a number of decisions of the GC where word marks which had identical beginnings were found to be similar,

¹⁹ T-24/17 *La Superquimica v EUIPO*, at paragraph 39

giving rise to a likelihood of confusion.²⁰ Firstly, the cases to which Mr Rebling referred relate to completely different marks – which means that any factual analogy is of limited assistance. Further, the principle that beginnings of marks are, generally, more focused upon cannot overshadow the impact of the whole mark and the perception that the average consumer will have of it. It is the full construction and overall impression of the verbal element ‘Teddylicious’ as a made-up word that the average consumer will find striking and that will be appreciated and focused upon. I therefore reject Mr Rebling’s argument because it goes against the principle that the relevant public compares the signs as a whole and does not artificially dissect them. I am of the view that the marks are visually similar to a low degree.

Comparison between the ‘LINDT TEDDY’ mark and the applicant’s mark

73. Turning to the opponent’s ‘LINDT TEDDY’ mark, the shared element ‘TEDDY’ is placed at the end of the opponent’s mark and is preceded by the word ‘LINDT’. Even considering that the opponent’s ‘LINDT TEDDY’ mark might be presented in pink and in a cursive typeface similar to that of the applicant’s mark, the additional elements in the respective marks - i.e. the word ‘LINDT’ in the opponent’s mark, the ending ‘-licious’, the colour contrast and the black rectangular background in the applicant’s mark - create different overall impressions. The marks are visually similar to a very low degree.

Aural similarity

74. The aural similarity between the marks is slightly higher than the visual similarity because the impact created by the colour and the stylisation of the letters will be discounted. Looking only at the verbal elements of the marks, I find that the word

²⁰ T-256/04- *Mundipahrma v OHIM* at paragraph 54 where the GC found that there was a similarity between the mark applied for RESPICUR and the earlier mark RESPICORT; T-41/19 *MSI Svetovanje v OHIM*, where the GC found that there was a similarity between the applied for figurative mark NUME with the element NU positioned above the element NE and earlier mark numederm; T-179/11 *Sport Eybl & Sports Experts GmbH v OHIM* where the GC found that there was a similarity between the applied for figurative mark SEVEN SUMMIT and the earlier figurative mark Seven; T-356/10 *Nike International Ltd v OHIM* where the GC found that there was a similarity between the applied for VICTORY RED and the earlier mark Victory; C-655/11 P - *Seven for all mankind v Seven* where the CJEU found that there was a similarity between the mark applied for SEVEN FOR ALL MANKIND and the earlier figurative marks incorporating the word SEVEN.

'Teddylicious' is aurally similar to the word 'TEDDY' to a low to medium degree and aurally similar to the words 'LINDT TEDDY' to a low degree.

Conceptual similarity

75. Conceptually, the mark 'Teddylicious' conveys two concepts, namely, that of a 'Teddy', intended as a teddy bear or soft toy bear, and that of something delicious. Mr Rebling referred me to another dictionary definition of 'Teddy' as "*a woman's one-piece undergarment, incorporating a chemise top and panties*", however, he seemed to concede that he was not particularly familiar with it; he also added that the public is likely to perceive 'teddy' as a toy when seeing the opponent's mark.²¹ I have never heard the word 'teddy' used in connection with women's underwear and I do not think a significant number of average consumers would have heard of it either. In addition, the Oxford English dictionary contains this:

“teddy

1. Short for teddy bear n. 1. Frequently as a proper name for a teddy bear.

[...]

3. Originally and chiefly North American. [perhaps transferred use of sense 1] A woman's undergarment combining chemise and panties. Also in plural teddies.

76. This confirms my impression that the example of usage of the word 'teddy' in relation to women's underwear relates to America not the UK. In any event, even if a significant number of average consumers would know that 'TEDDY' is an item of underwear (which I doubt), the meaning of 'teddy' as a teddy bear is much more common in the UK, and I think that the immediate image that the word would convey in the context of chocolate goods is that of a teddy bear.

77. In addition to these two concepts, the word 'Teddylicious' conveys a third concept, namely that of an invented word that incorporates the word 'teddy' and the last part of the word 'delicious'.

²¹ Page 21 line 9 of the transcript.

78. Insofar as the opponent's marks convey the concept of a teddy, the marks share a common concept. However, even if the concept of a teddy is relevantly recognisable within the applicant's mark, it is merged with the ending '-licious'. The word 'Teddylicious' as a whole conveys a quite different concept from the word 'TEDDY' alone, namely that of a made-up word which incorporates the word 'teddy' and is allusive of the fact that the goods are delicious. It follows in my view that the average consumer will not understand the word 'TEDDY' as having independent trade mark significance when subsumed into the made-up word 'Teddylicious' in the applicant's mark. I consider the marks to be conceptually similar to a low to medium degree.

Distinctive character of earlier mark

79. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

80. Registered trade marks possess various degrees of inherent distinctive character, ranging from the very low, because they are suggestive or allusive of a characteristic of the goods or services, to those with high inherent distinctive character, such as invented words which have no allusive qualities. The distinctiveness of a mark can be enhanced by virtue of the use made of it.

81. The opponent submits that the earlier marks benefit from a high level of enhanced distinctiveness in relation to chocolate and confectionary goods as a result of the use made.

82. There is no use of the 'TEDDY' stylised mark and I do not consider that use of the 'TEDDY' word mark would have increased the distinctiveness of the 'TEDDY' stylised mark because 1) the marks are different and 2) the opponent has used the 'TEDDY' word mark in a descriptive manner to designate the shape of chocolate Christmas teddies. Since the average consumer would have not perceived the sign 'TEDDY' as an identification of commercial origin, but rather as a reference to the decorative configuration of the goods, the use shown could not have enhanced the distinctiveness of the word 'TEDDY'.

83. Further, given that the word 'TEDDY' has been attached to the three-dimensional shape of a chocolate teddies (and has been used to designate the shape of the goods rather than as a trade mark to identify and represent the source of the goods), if any distinctiveness has been enhanced through use, it must be that the three-dimensional shape. For example, if consumers were to acknowledge the characteristic three-dimensional shape used as being connected to the opponent's business to such an extent that it had become sufficiently well-known to enable it to be distinguished from the shape of similar goods.

84. As regards the mark 'LINDT TEDDY', similar considerations apply. Since the mark has been used only in relation to chocolate teddies, the opponent's use could only have enhanced the distinctiveness of the word 'LINDT', which do not assist the opponent.

85. Inherently, Mr Rebling submitted that the earlier marks are not descriptive in relation to the registered goods and that they would be distinctive *“to an average degree, if not a high degree considering it would be unusual to refer to chocolate, cocoa, or confectionary goods as a toy (teddy bear) or as an item of women’s underwear”*. I have already dismissed the argument that the word ‘TEDDY’ will be perceived as referring to a piece of women’s underwear.

86. As regards the ‘LINDT TEDDY’ mark, I have restricted the specification to hollow and filled chocolate shapes. This would include chocolate teddies, in relation to which the word ‘TEDDY’ has no distinctiveness, as well as chocolate shapes which do not represent a teddy, in relation to which the word ‘TEDDY’ would be distinctive to a medium degree. The word ‘LINDT’ being an invented word has inherently a high degree of distinctiveness, however, it is the distinctiveness of the common element that is the key.²²

87. The ‘TEDDY’ stylised mark is registered *for Cocoa, chocolate, sugar confectionery, pastry and confectionery*, which covers goods in relation to which the word ‘TEDDY’ would be distinctive to a medium degree.

Likelihood of confusion

88. There is no scientific formula to apply in determining whether there is a likelihood of confusion; rather, it is a global assessment where a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective marks may be offset by a greater degree of similarity between the respective goods and services and vice versa. As I mentioned above, it is necessary for me to keep in mind the distinctive character of the earlier mark, the average consumer for goods and services and the nature of the purchasing process. In doing so, I must be alive to the fact that the average consumer rarely has the opportunity to make direct comparisons between marks and must instead rely upon the imperfect picture of them that they have retained in their mind.

²² *Kurt Geiger v A-List Corporate Limited*, BL O-075-13

89. Confusion can be direct or indirect. The difference between these two types of confusion was explained in *L.A. Sugar Trade Mark*, BL O/375/10, where Iain Purvis Q.C. as the Appointed Person explained that:

“16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: “The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.

17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:

(a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right (“26 RED TESCO” would no doubt be such a case).

(b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as “LITE”, “EXPRESS”, “WORLDWIDE”, “MINI” etc.).

(c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension (“FAT FACE” to “BRAT FACE” for example).”

90. Earlier in this decision I have concluded that:

- the goods and services at issue range from identical to similar to a low degree;
- the average consumer of the parties’ goods and services is a member of the general public, who will select them predominantly by visual means. The level of attention will be medium;
- the applicant’s mark is visually similar to a low degree and aurally similar to a low to medium degree to the ‘TEDDY’ stylised mark;
- the applicant’s mark is visually similar to a very low degree and aurally similar to a low degree to the ‘LINDT TEDDY’ mark;
- the applicant’s mark and the opponent’s earlier marks are conceptually similar to a low to medium degree;
- the ‘TEDDY’ part of the earlier marks is, at best, distinctive to a medium degree. The opponent has used the word ‘TEDDY’ and the mark ‘LINDT TEDDY’ only in relation to chocolate Christmas teddies. Such use is descriptive and does not count toward genuine use of the ‘TEDDY’ word mark. Also, it is not apt to enhance the distinctiveness of the ‘TEDDY’ stylised mark and/or of the element ‘TEDDY’ of the ‘LINDT TEDDY’ mark.

91. Mr Rebling’s primary position at the hearing was that there is a likelihood of direct confusion. In the alternative, he contended that there is a likelihood of indirect confusion of the type set out at the categories (a) and (b) by Mr Purvis. For example, he said that *“food products and services often are developed and marketed in ranges, such as with different flavours or sizes (e.g. white and dark versions of a chocolate product, mini and giant size, with and without nuts)”* and that the average consumer is likely to assume that the contested mark ‘TEDDYLICIOUS’, wherein the ‘TEDDY’ element is highlighted through the use of colour, is an extension of the opponent’s ‘TEDDY’ brand.

92. In respect of a likelihood of direct confusion, I think that the opponent's argument is much too far-fetched. Given the visual differences between the marks, I do not think that consumers are likely to mistake the contested mark for the earlier trade marks.

93. Turning now to indirect confusion, in *Liverpool Gin Distillery Ltd & Ors v Sazerac Brands, LLC & Ors* [2021] EWCA Civ 1207, Arnold LJ referred to the comments of James Mellor QC (as he then was), sitting as the Appointed Person in *Cheeky Italian Ltd v Sutaria* (O/219/16), where he said at [16] that “a finding of a likelihood of indirect confusion is not a consolation prize for those who fail to establish a likelihood of direct confusion”. Arnold LJ agreed, pointing out that there must be a “proper basis” for concluding that there is a likelihood of indirect confusion where there is no likelihood of direct confusion.

94. In the current case, the common element is the word ‘Teddy’, however, contrary to Mr Rebling’s submission, it does not retain an independent distinctive character in the contested mark. The addition of the ending –‘licious’ alters the connotation of the contested mark and creates an overall commercial impression inconsistent with the shared term appearing on its own, or as independent verbal element, as in the opponent’s trade marks. In my view, the average consumer will take the applicant’s mark for what it is, namely a new made-up word indicating different trade origin rather than as brand extension of the earlier marks.

95. At the hearing Mr Rebling quoted the case *Decon Laboratories v Fred Baker Scientific Ltd*²³ for the proposition that the addition of descriptive suffixes is not sufficient to avoid the likelihood of confusion and contended that the ending ‘licious’ does not play a dominant role or distinctive role in the perception of the mark ‘Teddylicious’. I reject the submission. In the case mentioned by Rebling the High Court found that:

“There seems to me to be no serious doubt that the signs used by the defendants have two parts, a prefix consisting of the word “Decon” accompanied by a part somewhat more descriptive of the particular product.

²³ *Decon Laboratories v Fred Baker Scientific, Ltd*, [2000] EWHC Ch 57

The claimant actually uses its mark in the same way, and this use, as a prefix accompanied by a more descriptive suffix, seems to me to be well within the scope of the ordinary and fair use of the claimant's mark. The suffixes (-ahol, -clean, -phene and -phase) do not change the nature of the principal sign: they are all "Decon plus a suffix" marks, and not different signs differing essentially from each other. The suffixes cannot distinguish the goods from those of the registered proprietor, since their principal function is to refer to the nature and quality of the goods themselves. It seems to me to be very clear that this is an example of the use of an identical sign upon goods in respect of which the claimant's mark is registered and that there is accordingly infringement under section 10(1). The fair manner of use of the claimants mark undoubtedly includes its use as a mark for a range of products and the defendants use is precisely the same".

96. In that case the defendant's marks were 'Decon-Ahol', 'Decon-Phene', 'Decon-Phase' and 'Decon-Clean'; the signs were clearly split into two components and shared a common structure, i.e. the word Decon plus the hyphen and a descriptive word. In the present case, even if the 'ending 'licious' is likely to evoke the word 'delicious' and will be understood as meaning that the goods are delicious, it is part of the word 'Teddylicious' which is a coined word with the result that it cannot be artificially dissected. Secondly, there is no evidence that it is particularly common for brand owners in the food sector to add the suffix '-licious' to their brand to create sub-brands and I am not persuaded that the average consumer will see 'Teddylicious' a brand extension of the mark 'LINDT TEDDY' or even of the 'TEDDY' stylised mark. There is no likelihood of confusion.

97. The opposition under Section 5(2)(b) fails.

Section 5(3)

98. Section 5(3) states:

“(3) A trade mark which-

(a) is identical with or similar to an earlier trade mark, 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 European Union trade mark or international trade mark (EC), in the European Union) 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.

99. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, Case 252/07, *Intel*, Case C-408/01, *Adidas-Salomon*, Case C-487/07, *L'Oreal v Bellure* and Case C-323/09, *Marks and Spencer v Interflora* and Case C383/12P, *Environmental Manufacturing LLP v OHIM*. The law appears to be as follows.

a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors*, paragraph 24.

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors*, paragraph 26.

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Salomon*, paragraph 29 and *Intel*, paragraph 63.

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel*, paragraph 42.

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel, paragraph 68*; whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel, paragraph 79*.

(f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel, paragraphs 76 and 77* and *Environmental Manufacturing, paragraph 34*.

(g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel, paragraph 74*.

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark; *L'Oreal v Bellure NV, paragraph 40*.

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of

a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora*, paragraph 74 and the court's answer to question 1 in *L'Oreal v Bellure*).

100. The relevant date for establishing if the opponent held a reputation in the earlier marks relied upon for the purpose of this decision is the filing date of the contested registration, namely 30 May 2020.

Reputation

101. In *General Motors*, Case C-375/97, the CJEU held that:

“25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.

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.

28. Territorially, the condition is fulfilled when, in the terms of Article 5(2) of the Directive, the trade mark has a reputation ‘in the Member State’. In the absence of any definition of the Community provision in this respect, a trade mark cannot be required to have a reputation ‘throughout’ the territory of the Member State. It is sufficient for it to exist in a substantial part of it.”

102. I have already concluded that 1) the earlier 'TEDDY' word mark has been used descriptively in relation to chocolate teddies; as such it cannot be relied upon 2) the earlier 'TEDDY' stylised mark has not been used at all.

103. As the 'TEDDY' word mark has been used only as a reference to the decorative configuration of the goods and not as a trade mark, the opponent cannot have built a reputation under the mark. Likewise, as the 'TEDDY' stylised mark has not been used at all, the opponent cannot have built a reputation under this mark. The opposition under Section 5(3) based on these two marks fails at the first hurdle. Without (proof of use and) a reputation, the opponent cannot succeed under those marks.

104. As regard the 'LINDT TEDDY' mark, I have already concluded that since the mark has been used only in relation to chocolate Christmas teddies, the opponent's use could only have enhanced the distinctiveness of the word 'LINDT' (or that of the three-dimensional shape). If I am wrong, I consider that based on the following:

- 1) the evidence of [REDACTED] worth of sale in the 5 year-period preceding the relevant date, which is significant, especially if one takes into account the nature of the goods and the fact that they are relatively inexpensive and seasonal;
- 2) the evidence of marketing and promotion, including a report which confirms that 'LINDT TEDDY' is a seasonal top seller in the United Kingdom,

I am satisfied that the 'LINDT TEDDY' mark had a moderate reputation in the UK at the relevant date for chocolate Christmas teddies.

Link and damage

105. In order to determine if a link will be established between the marks, I must consider the position globally, taking into account all the factors as set out in the case law, including the degree of similarity between the marks and the goods and services, the extent of the overlap between the relevant consumers, the strength of the reputation and distinctiveness of the earlier mark, and whether there is a likelihood of confusion.

106. I remind myself that I found no likelihood of confusion between the earlier mark and the contested mark under Section 5(2)(b). I also found the earlier mark to be inherently distinctive to a high degree however, the distinctiveness of the mark is carried by the word 'LINDT' whilst the word 'TEDDY' is descriptive in relation to the goods for which the mark has a reputation. I also bear in mind that the contested goods in class 30, namely *Chocolate desserts; Cakes; Chocolate cakes; Chocolate covered cakes; Iced cakes; Iced sponge cakes* are similar only to a low degree and that the contested services in class 35, namely *Retail services in relation to desserts; Wholesale services in relation to desserts* are dissimilar. Considering all of these factors, it is my view that the average consumer will not make a link made between the earlier mark and the contested mark. But, even if a link was made, it would be so fleeting not to cause any damage.

107. The opposition under Section 5(3) also fails.

Outcome

108. The opposition fails. The mark will proceed to registration.

Costs

109. The applicant has been successful and is entitled to a contribution towards his costs. As the applicant is an unrepresented party, the tribunal wrote to the applicant and asked him to complete and return a costs pro-forma if he intended to seek an award of costs. The applicant did not respond so I make no award of costs.

110. However, the costs pro-forma was sent to the applicant before the opponent requested a hearing and Mr Martin attended the hearing on behalf of the applicant. I am of the view that the applicant should be allowed to request the costs of the hearing if he wishes to do so, so the tribunal will now write to the applicant separately asking complete and return a costs pro-forma. Once this has been received, I will issue a decision on costs.

111. The appeal period will commence when the costs decision is issued.

Dated this 8th day of April 2022

**Teresa Perks
For the Registrar**