

O-335-06

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO 2390456
BY YOUKI FOOD COMPANY LTD TO REGISTER A
TRADE MARK IN CLASSES 29, 30 & 32**

AND

**IN THE MATTER OF OPPOSITION NO 93837
BY SOCIETE DES PRODUITS NESTLE SA**

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a Trade Mark in Classes 29, 30 and 32**

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BACKGROUND

1. On 26 April 2005 Youki Food Company Ltd applied to register the following mark:



for a specification of goods that reads:

Class 29:

Meat, fish, poultry and game; meat extracts; preserved, dried and cooked fruits and vegetables; jellies, jams, fruit sauces; eggs, milk and milk products; edible oils and fats.

Class 30:

Coffee, tea, cocoa, sugar, rice, tapioca, sago, artificial coffee; flour and preparations made from cereals, bread, pastry and confectionery, ices; honey, treacle; yeast, baking-powder; salt, mustard; vinegar, sauces (condiments); spices; ice.

Class 32:

Beers; mineral and aerated waters and other non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparations for making beverages.

The application is numbered 2390456.

2. On 24 October 2005 Société des Produits Nestlé SA (Nestlé) filed notice of opposition. Nestlé is the proprietor of the following registrations which are earlier trade marks within the meaning of Section 6(1)(a) of the Act.

NO	MARK	CLASS	SPECIFICATION
1061501	YORKIE	30	Chocolate, chocolates, non-medicated confectionery and biscuits (other than biscuits for animals)
1322399	YORKIE	30	Chocolate, chocolates, chocolate products (for food), drinking chocolate; non-medicated confectionery, candy (for food); cocoa, tea,

			coffee, coffee essences and coffee extracts; coffee substitutes; milk beverages, and preparations for making such beverages; preparations made from cereals for food for human consumption; bread, biscuits (other than biscuits for animals), cookies, cakes, pastry and pastries; ice cream, water ices, frozen confections, and preparations for making ice cream, water ices and frozen confections; snack foods; all included in Class 30.
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3. The notice of opposition identifies the following goods as being identical or similar to those covered by Nestlé’s earlier trade marks:

- pastry and confectionery, ices and ice (in relation to No 1061501).
- coffee, tea, cocoa, artificial coffee, flour, preparations made from cereals, pastry, confectionery, ices and ice (in relation to 1322399).

4. That forms the basis of an objection under Section 5(2)(b) of the Act. The opponent was also required to make a statement of use pursuant to the requirements of the Trade Marks (Proof of Use, etc) Regulations 2004. In relation to No 1061501 it claimed use on chocolate, chocolates and non-medicated confectionery. In relation to No 1322399 it claimed use on chocolate, chocolates, non-medicated confectionery and ice cream. It also claimed licensed use on biscuits and cookies.

5. The applicant filed a counterstatement requesting that the opposition be dismissed in its entirety and offering a number of submissions on the respective marks. It also asks for an award of costs in its favour.

6. Only the opponent has filed evidence. Neither side has asked to be heard. Written submissions have been filed on behalf of the applicant under cover of a letter dated 30 October 2006 by Withers & Rogers, its professional advisers in this matter. The opponent has not filed written submissions. Acting on behalf of the Registrar I give this decision.

Opponent’s evidence

7. This consists of a witness statement by Rachel Delamere, the Regional Intellectual Property Adviser in Nestlé UK Limited’s Legal Department. Nestlé UK Limited is a member of the Nestlé SA group of companies and the licensee of the opponent company.

8. I note that paragraph 2 of her witness statement sets out the applicant’s Class 30 goods and indicates that the opposition is directed against the goods “pastry and confectionery, ices; ice”. That is consistent with the goods that are said in the statement of grounds to be the subject of objection arising from No 1061501. Reference is also made to No 1322399 but not the goods which are said to be identical or similar. The concluding paragraph of the witness statement is expressed in terms of a likelihood of confusion arising if the applicant’s mark is used on “confectionery

ice cream and cakes”. That does not marry up with the claim referred to in paragraph 3 above. There is thus some inconsistency in the opponent’s position which leaves me in some doubt as to the true extent of its objection. For reasons that will become apparent I have not found it necessary to resolve this point.

9. In terms of use of the YORKIE brand Ms Delamere says that confectionery was first launched under the mark in 1976 and has been used continuously in the UK ever since. Within two years of its launch sales of YORKIE topped 13 thousand tonnes. Macho imagery appears to have been a consistent theme of the promotion of the product. Thus, it is strongly associated with football and a ‘Not for girls’ advertising strapline.

10. Sales figures for confectionery in the early years are no longer available but the following information is given for more recent years.

Year	Sales (£ms)
2000	37.6
2001	34.7
2002	38.2
2003	37.8
2004	34.3
2005	38.0

Advertising expenditure is said to have been:

Year	Expenditure
2001	597,115
2002	5,228,342
2003	2,099,040
2004	957,115
2005	514,222

11. Two points need to be made about the above figures. Ms Delamere’s table for advertising shows “Expenditure (£000’s)”. I have taken that to be a typographical error. Secondly, the advertising figures are said to cover confectionery and ice cream sold by reference to the mark. The sales figures on the other hand appear to relate solely to confectionery.

12. In support of this Ms Delamere exhibits the following:

- RD1- recommended retail price lists dating from 1983 to 1999 with references to YORKIE highlighted.
- RD2- a DVD of the numerous television advertisements for YORKIE confectionery.
- RD3- advertisements in national and local newspapers and magazines.

- RD4- a number of extracts from corporate reports and magazines etc featuring the mark.
- RD5- print-outs of YORKIE product launches from 1997 onwards. Attention is drawn in particular to
- a chilled dessert variant (December 1998)
 - a biscuit variant (February 2000)
 - chocolate muffins (September 2001)
 - an ice cream product (September 2002)
 - ice cream chunks in a box (May 2004 but relaunched in April 2005)
- RD6- a Christmas catalogue aimed at retailers from 2003 showing use of YORKIE on cans, a sports anthem compact disc, football socks and a selection box of confectionery.
- RD7- copies of a Nestlé UK Order card dated 2004; an article from the Grocer magazine dated November 2005; Nestlé UK “out of home” vending promotional leaflet dated 2004; a Nestlé Rowntree World Cup promotion advertisement dated 2006 and an overview from Nestlé’s advertising agency JWT which summaries some of the advertising of YORKIE that has taken place between the years 2000 to 2005. I note that the goods referred to in the latter are always chocolate bars.

13. That completes my review of the evidence.

DECISION

Section 5(2)(b)

14. The relevant part of the statute reads as follows:

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

- (a)
- (b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

15. As noted above, the Proof of Use Regulations apply to the earlier trade marks relied on by the opponent in this case. However, the applicant has not challenged the opponent’s claim nor put it to proof of its claim. I, therefore, approach the matter on the basis that the mark YORKIE has been used in relation to chocolate, chocolates, non-medicated confectionery, ice cream, biscuits and cookies (per the claim in the statement of grounds).

Guidance from the leading authorities

16. I take account of the guidance from the following well known cases from the European Court of Justice - *Sabel BV v Puma AG* [1998] ETMR 1 *Canon Kabushiki Kaisha v Metro-Goldwyn- Mayer Inc.* [1999] RPC 117 *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.*[2000] FSR 77 and *Marca Mode CV v Adidas AG and Adidas Benelux BV* [2000] ETMR 72:

- (a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors; *Sabel BV v Puma AG*, paragraph 22;
- (b) the matter must be judged through the eyes of the average consumer of the goods/services in question; *Sabel BV v Puma AG*, who is deemed responsible 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; *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V.* paragraph 27;
- (c) the average consumer normally perceive a mark as a whole and does not proceed to analyse its various details; *Sabel BV v Puma AG*, paragraph 23;
- (d) the visual, aural and conceptual similarities of the marks must therefore be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components; *Sabel BV v Puma AG*, paragraph 23;
- (e) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods and vice versa; *Canon Kabushiki Kaisha v Metro Goldwyn Mayer Inc*, paragraph 17;
- (f) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either per se or because of the use that has been made of it; *Sabel BV v Puma AG*, paragraph 24;
- (g) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Section 5(2); *Sabel BV v Puma AG*, paragraph 24;
- (h) further, the reputation of a mark does not give grounds for presuming a likelihood of association in the strict sense; *Marca Mode CV v Adidas AG and Adidas Benelux BV*, paragraph 26;
- (i) but if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section; *Canon Kabushiki Kaisha v Metro Goldwyn Mayer Inc*, paragraph 29.

Comparison of Goods

17. The applicant's specification covers goods in three classes. There is no objection to the goods in Classes 29 and 32 and only a partial attack on the Class 30 goods. Based on the goods on which the opponent claims use the comparison is as follows:

Applicant's goods

- (i) Pastry, confectionery, ices, ice
- (ii) coffee, tea, cocoa, artificial coffee, flour and preparations made from cereals.

Opponent's goods

Chocolate chocolates non-medicated confectionery ice cream, biscuits and cookies.

18. The first set of goods ((i) above) are those which are clearly intended to be the subject of objection. The second set of goods ((ii) above) are those referred to in the statement of grounds but not expressly mentioned in paragraphs 2 and 13 of Ms Delamere's evidence. Cakes are specifically referred to in paragraph 13 of Ms Delamere's evidence but are not an independently named item in the applicant's specification. Cakes would, however, fall within the broad term confectionery.

19. The standard test in determining whether goods are similar is to be found in the *Canon* case and requires me to have regard to all relevant factors bearing on the goods including their nature, intended purpose, method of use and whether they are in competition with each other or are complementary.

20. Applying this guidance to the first set of the applicant's goods I find that 'pastry' may be either a dough or an individual item such as a cake made from pastry (a Danish pastry for instance). In this latter form a pastry item is likely to be either the same as or similar to non-medicated confectionery or a cookie. 'Confectionery' overlaps directly with non-medicated confectionery. The term 'ices' is usually taken to mean or include ice cream. 'Ice', in one of its meanings, is 'a portion of ice cream' (Collins English Dictionary) and hence is also identical to ice cream.

21. Turning to the second set of the applicant's goods I find that there is some similarity between 'coffee, tea, cocoa, and artificial coffee' on the one hand and chocolate to the extent that the latter term can be held to be a drink (again see Collins English Dictionary). On that basis they represent alternative hot beverage products. I find that 'flour' is dissimilar to all the goods on which the opponent claims use even though some of them may include flour as an ingredient. Finally, 'preparations made from cereals' might be or include a cereal bar and thus be identical or closely similar to the opponent's goods.

Comparison of marks

22. The marks are YOUKI and YORKIE. The applicant's written submissions refer to the distinctive stylisation of the applied for mark. I agree that it is presented in an out of the ordinary way. The manner of presentation thus makes a slight visual impact but it would not be enough to save the applicant if it were the only point of difference.

23. Visually, the marks are of five and six letters respectively. They have shared characteristics to the extent that both have YO as the first two letters and KI as the fourth and fifth letters. The applicant's counterstatement suggests that YOUKI is a Japanese word with no English equivalent. Consumers are unlikely to be aware that YOUKI is a transliteration (assuming that that is what the applicant means) but I accept that it has a Japanese look and feel to it. It is certainly visually unlike any English word.

24. YORKIE on the other hand does have the appearance of an English word. It also has conceptual significance as being another name for a Yorkshire terrier (though perhaps, historically, the choice of mark had more to do with the opponent's predecessor in title having its base in York). The applicant also submits that it is strongly suggestive of the name of the city though I am not aware that the word is used to indicate either the city itself or an inhabitant of the city.

25. Different conceptual considerations can play an important part in serving to distinguish between marks (see paragraph 54 of the CFI's judgment in *Phillips-Van Heusen Corp v Pash Textilvertrieb und Einzelhandel GmbH*, Case T-292/01). The ECJ has also held that where conceptual dissimilarities are being relied on to counteract visual and/or aural similarities, it is necessary for one of the signs to have a clear and specific meaning so that the public is capable of grasping it immediately, Case C-361/04P *Ruiz Picasso and Others v OHIM* [2006] ECR I-0000, paragraph 20. I take the view that the combined effect of the relatively well known meaning of YORKIE and the different linguistic feel of the marks puts distance between them from a conceptual standpoint.

26. From a phonetic point of view both marks are two syllable words with the stress likely to be placed on the first syllable in each case. The ending of YORKIE is normally pronounced so as to rhyme with gypsy. The applicant's written submissions suggest that YOUKI may either be pronounced YOU-KEY or YO-OO-KEY. If that is intended to suggest that the letter U will be articulated independently of the first two letters and so turn the word into three syllables I can only say that there is no evidence to that effect and on the whole it seems unlikely. On the other hand I accept that the final vowel may be susceptible to a range of pronunciations so as to give a -KEY, -KEYE or -KI (short i) sound. The first of these (which I regard as the most likely) would undoubtedly produce an ending which is the same as, or barely distinguishable from, the termination of the word YORKIE. Nevertheless, I find that there is only a small degree of oral/aural similarity and that this is largely attributable to the points of oral similarity being offset by having a vowel as opposed to a consonant as the third letter. Allied to this is the fact that YORK- is a strong and dominant element.

27. I regard visual considerations to be rather more important than oral/aural ones in the context of the normal purchasing process for the goods at issue though oral ordering and word of mouth recommendation cannot be ruled out. Weighing all these competing considerations in the balance I find that there is a low to moderate degree of similarity between the marks.

Distinctive character of YORKIE

28. The opponent has filed evidence to demonstrate the high distinctive character enjoyed by the YORKIE brand. The applicant has not disputed the evidence or the claim that it gives rise to. YORKIE is a long established brand. The sales figures recorded above seem to me to speak of a highly (and consistently) successful product range. The figures must also be seen in the context that chocolate is a relatively low priced item. The supporting exhibits show that the basic chocolate bar has been produced in a variety of formats over the years. Exhibits RD5 and 6 also suggest that there have been a number of attempts at extending the brand into related areas such as ice cream products, biscuits, chilled desserts etc. The trading information is not sufficiently disaggregated to be able to judge the success (or otherwise) of these brand extension items. None of this, however, detracts from the reputation attaching to the core chocolate products. In short YORKIE is a highly distinctive mark within the context of the guidance set down in *Steelco Trade Mark, O/268/04*.

The average consumer

29. The goods at the heart of this dispute are confectionery items. As such they may be purchased by a wide range of people. The evidence is that the opponent's YORKIE product has been determinedly targeted at a male audience albeit not exclusively so (see RD3 and the "New Yorkie Challenge – for girls!"). Nothing turns on the male bias that appears to have been part of the traditional marketing and appeal of the YORKIE brand. The applicant's goods may equally appeal to or include a male audience. As I have noted above chocolate products are low cost items and may not engage the same degree of consumer attention as other (more expensive) goods though that state of affairs may be partially counter-balanced by the fact that the consumer is usually having to select his or her desired product from a wide selection available at the point of sale.

Likelihood of Confusion

30. In summary I have found that there is identity and/or close similarity between certain of the competing goods items and low to negligible similarity in others. In key visual and conceptual respects the dissimilarities between the marks outweigh the points of similarity pointing to a low to moderate overall degree of similarity. The opponent's mark enjoys a high degree of distinctiveness. Imperfect recollection may play a part particularly where, as in the case of the applicant's mark, it is a wholly invented word (to UK eyes and ears at least). On a global consideration of these factors and bearing in mind the principle of interdependency I can see no basis for finding that the average consumer will be prey to either direct confusion or indirect confusion (through association) as a result of falsely attributing a common or economically linked trade source to goods sold under the marks. The opposition fails on the only ground on which it was brought.

COSTS

31. The applicant is entitled to a contribution towards its costs. I order the opponent to pay the applicant the sum of **£900**. 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 27th day of November 2006

M REYNOLDS
For the Registrar
the Comptroller-General