

**O-474-17**

**TRADE MARKS ACT 1994  
IN THE MATTER OF APPLICATION No. 3171724  
BY BVI BUSINESS SERVICES LIMITED  
TO REGISTER THE TRADE MARK  
INSTINCT  
IN CLASS 31**

**AND**

**IN THE MATTER OF OPPOSITION THERETO  
UNDER No. 408085 BY  
NATURAL INSTINCT LIMITED**

## BACKGROUND

1) On 28 June 2016, BVI Business Services Limited (hereinafter the applicant) applied to register the trade mark “INSTINCT” in respect of the following goods in Class 31: Pet foods and pet treats in class 31.

2) The application was examined and accepted, and subsequently published for opposition purposes on 16 September 2016 in Trade Marks Journal No.2016/038.

3) On 16 December 2016 Natural Instinct Limited (hereinafter the opponent) filed a notice of opposition. The opponent is the proprietor of the following trade marks:

Mark	Number	Dates of filing & registration	Class	Specification relied upon
 <p>A series of two marks</p>	UK 2626609	03.07.12 07.12.12	31	Foodstuffs for dogs and cats; dog food; cat food; dog biscuits; bones and chewing bones for dogs; treats (foods) for dogs and cats; litter for dogs and cats.
	EU 011438074	19.12.12 Priority date 03.07.12 United Kingdom TM from which priority claimed 2626609	31	Foodstuffs for dogs and cats; dog food; cat food; dog biscuits; bones and chewing bones for dogs; treats (foods) for dogs and cats; litter for dogs and cats.

- a) The opponent contends that its marks and the mark applied for are very similar and that the goods applied for are identical and/or similar to the goods for which the earlier marks are registered. As such the mark in suit offends against Section 5(2)(b) of the Act.

- b) The opponent contends that it has used its marks since May 2009 and enjoys considerable reputation in its marks and that use of the mark in suit would be without due cause and would take unfair advantage of the distinctive character and repute of the opponent's mark. The applicant has had a business relationship with the opponent (selling the opponent's products) and so consumers will assume a link which will provide an advantage to the applicant and could be detrimental to the opponent. It also contends that the applicant will gain an unfair advantage and ride on the coat tails of the opponent's reputation. Use of the mark in suit would offend against Section 5(3) of the Act.
- c) The opponent also contends that it has used the unregistered mark NATURAL INSTINCT since at least May 2009 and has substantial goodwill in this mark. The applicant would gain an unfair advantage by misappropriating and misrepresenting this goodwill and reputation which would cause damage and a decrease in sales and custom for the opponent. As such the application offends against Section 5(4)(a) of the Act.

4) On 22 February 2017 the applicant filed a counterstatement basically denying that the marks are similar although it did accept that the goods are similar. Broadly, it denies that there is a likelihood of confusion, that the average consumer will make a "link" between the two parties' marks, or that there will be misrepresentation. It puts the opponent to strict proof of use.

5) Only the opponent filed evidence. Both parties seek an award of costs in their favour. Neither side wished to be heard. Only the applicant provided written submissions which I shall refer to as and when necessary in my decision.

## **OPPONENT'S EVIDENCE**

6) The opponent filed a witness statement, dated 26 April 2017, by Dr Karl H Brackhaus the Chairman of the opponent a position he has held for over seven years. He states that the opponent company was incorporated in May 2009 and that since that date they have used both the logo mark (as registered) and the unregistered mark NATURAL INSTINCT in relation to dog food, cat food, bones for dogs, and accessories and treats for dogs and cats. A website ([www.naturalinstinct.com](http://www.naturalinstinct.com)) had been created in May 1998 and products for dogs and cats sold from that date to the current time. The products have also been sold through retail outlets and he states that as of 4 April 2016 there were 383 UK stockists selling cat and dog products under the opponent's marks. He provides the following turnover and advertising/promotion figures for sales of cat and dog food under both the opponent's marks in the UK.

Year	Turnover £	Advertising and promotion £
2009	29,000	29,000
2010	563,000	69,000
2011	1, 265,000	61,000
2012	2,458,000	91,200
2013	3,800,000	125,762
2014	4,733,330	213,240
2015	6,364,478	463,408

7) Mr Brackhaus states that the UK market for pet food is approximately £1.6billion. He states that the advertising has featured in a number of magazines, newspapers as well as on-line. All those mentioned are clearly aimed at those interested in dogs and cats such as (*inter alia*) *Dogs Today, Dog World, Our Dogs, Pet Gazette, Dogs Monthly, Total Grooming, Total Boarding, K9 Magazine, All About Dog Food, Good Vet and Pet Guide* and *Pets Pyjamas*. In addition the opponent has attended public and trade fairs such as *Crufts, The London Pet Show, All about Dogs, National Pet Show* amongst a list of many others. He points out that in addition to the 160,000 people who attended Crufts show in 2014, 4.6million (2015 6.4million) viewers watched programmes on terrestrial television. In 2011 and 2012 the opponent won the Pet Industry Award for Pet Specialist Services for its NATURAL INSTINCT products. In all the advertising and on their own website great emphasis is placed on the fact that the product includes raw meat and vegetables which is in tune with the digestive systems of dogs and cats, and drawing attention to the high levels of cereals in most processed dog and cat food which the animals system is not designed to deal with and can lead to health issues. He provides the following exhibits:

- KB2: A list of the products under the NATURAL INSTINCT mark, which include various versions of cat and dog food, as well as bones and treats.
- KB3: Confirmation of the creation of a NATURAL INSTINCT website in May 1998.
- KB4: Copies of pages from the company website using the Archive Wayback website, showing items of pet food and treats for sale from 2009-2016. The products show use of both the

registered and unregistered marks, although the registered logo mark first appears in December 2010.

- KB5: A list of UK stockists dated March 2014 which shows UK wide coverage.
- KB10: Copies of advertising carried out by the opponent. These are dated between November 2013 to “Winter 2016” and feature both the registered and unregistered marks relied upon by the opponent. All relate to dog and cat food which is raw and refers to this being “as nature intended”.
- KB11: A selection of invoices which all have the logo mark upon them from the period 2010-2015 relating to pet food sold in the UK. These are addressed to premises throughout the UK.
- KB12: A list of dogs, such as search and rescue dogs, sponsored by the opponent.
- KB13: Copies of various labels for the opponent’s products. These show use of the logo mark upon dog and cat food.
- KB14/15: Reports confirming the figures provided earlier regarding attendance at and TV viewers for Crufts 2014 & 2015.
- KB16/17: Items from Crufts 2015/16 showing the participation of the opponent at the show.

8) That concludes my summary of the evidence filed, insofar as I consider it necessary.

## **DECISION**

9) The first ground of opposition is under section 5(2)(b) which reads:

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

(a) .....

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

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

10) An “earlier trade mark” is defined in section 6, the relevant part of which states:

“6.-(1) In this Act an "earlier trade mark" means -

- (a) a registered trade mark, international trade mark (UK) or Community trade mark which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks.”

11) The opponent is relying upon its trade marks listed in paragraph 3 above which are clearly earlier trade marks. The applicant requested proof of use. However, as the opponent’s earlier trade marks had not been registered for five years at the point at which the applicant’s application was published (16 September 2016), they are not subject to The Trade Marks (Proof of Use, etc.) Regulations 2004.

12) When considering the issue under section 5(2)(b) I take into account the following principles which 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 will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

## The average consumer and the nature of the purchasing decision

13) As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective parties' goods. I must then determine the manner in which these goods are likely to be selected by the average consumer in the course of trade. 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.”

14) Both parties' specifications are for food and treats for cats and dogs. Such items will be sold in, inter alia, traditional retail outlets on the high street, through catalogues and on the Internet. The average consumer of the goods at issue is a member of the general public (including businesses such as kennels and catteries) who own or look after cats and dogs. Such consumers are likely, in my opinion, to select the goods mainly by visual means, although I accept that they may seek advice from shop assistants, breeders, rescue centre workers or veterinarians amongst others.

15) Clearly, the average consumer's level of attention will vary considerably depending on the cost and nature of the item at issue, and how much their pet cost and how much they care for their welfare. However, to my mind even when selecting routine inexpensive pet food / treats **the average consumer will pay at least a medium degree of attention to precisely what they are getting as their pet may not like the food or treat and it could make them ill, which could have unfortunate consequences for the pet owner and may result in an expensive trip to the vet.**

## Comparison of goods

16) 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”.

17) In *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T- 133/05, the 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”.

18) As the opponent’s marks have identical specifications it is only necessary to use one specification for the comparison test. The goods to be compared are as follows:

Applicant’s goods	Opponent’s goods
Pet foods and pet treats in class 31.	Foodstuffs for dogs and cats; dog food; cat food; dog biscuits; bones and chewing bones for dogs; treats (foods) for dogs and cats; litter for dogs and cats.

19) In its counterstatement the applicant accepts that the goods are “similar”. Whilst the applicant specification could include food and treats for e.g. goldfish or hamsters, it must be regarded as encompassing the opponent’s specification of “Foodstuffs for dogs and cats; dog food; cat food; dog biscuits; bones and chewing bones for dogs; treats (foods) for dogs and cats;”. **Therefore, the goods are identical or at least highly similar.**

### **Comparison of trade marks**

20) 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 them, 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.”

21) It would be wrong, therefore, artificially to dissect the trade marks, although it is necessary to take into account their distinctive and dominant components and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by them. The opponent’s marks are virtually identical. There is a slight difference in the font used and a minor change to the leaf between the letters “r” and “a” in the first word, and so I shall use only the black and white version of the opponent’s mark from UK 2626609. Whilst the applicant comments upon the different shade of grey used in the EU mark I do not believe that this is marked enough to warrant comment. The trade marks to be compared are:

Opponent’s trade mark	Applicant’s trade mark
	

22) The applicant comments on the visual and aural differences in the marks and contends that:

- the only shared element is the word “Instinct”, therefore only eight of the fifty two letters of the earlier mark appear in the mark in suit;
- the opponent’s mark is highly stylised with a “strap line” below;
- the opponent’s mark has a device element in the first word “Natural” which places emphasis upon this word rather than the second word in the mark;
- consumers pay more attention to the beginning of a mark;
- the opponent’s mark consists of nine words containing “five” syllables, (actually it is fifteen), whereas the mark in suit has only two syllables;

- the rhythm of reading and length of the marks are significantly different;

23) Regarding the conceptual similarity, the applicant states:

“Conceptually, the signs express different meanings. The subject mark simply contains the word “Instinct”. In contrast the earlier mark contains the strapline “Dog and Cat food as nature intended”, which significantly alters the meaning of the mark. It is not enough to view “Natural Instinct” in isolation from the strapline, as this distorts the overall surrounding circumstances when the average consumer views the trade mark. The English definition of “Instinct” is “an innate, typically fixed pattern of behaviour in animals in response to certain stimuli” (see Oxford dictionaries online). The subject mark intends the consumer to refer to the plain, ordinary meaning of the word. In the opposition’s [sic] submission, they put forth the INSTINCT, is the dominant and distinctive component. However, the earlier mark specifically directs the consumer to the word “NATURAL” and “NATURE” element [sic] of the trade mark. The word “Instinct” merely accompanies “Natural”. Its importance is emphasised twice, in both the title and the strapline. Therefore, the focus of the earlier trade mark is centered on the concept of “nature” and less on “instinct”.

24) The opponent relies upon the comments in *MEDION*. I therefore look to the views expressed in *Whyte and Mackay Ltd v Origin Wine UK Ltd and Another* [2015] EWHC 1271 (Ch), where Arnold J. considered the impact of the CJEU’s judgment in *Bimbo*, Case C-591/12P, on the court’s earlier judgment in *Medion v Thomson*. The judge said:

“18 The judgment in *Bimbo* confirms that the principle established in *Medion v Thomson* is not confined to the situation where the composite trade mark for which registration is sought contains an element which is identical to an earlier trade mark, but extends to the situation where the composite mark contains an element which is similar to the earlier mark. More importantly for present purposes, it also confirms three other points.

19 The first is that the assessment of likelihood of confusion must be made by considering and comparing the respective marks — visually, aurally and conceptually — as a whole. In *Medion v Thomson* and subsequent case law, the Court of Justice has recognised that there are situations in which the average consumer, while perceiving a composite mark as a whole, will also perceive that it consists of two (or more) signs one (or more) of which has a distinctive

significance which is independent of the significance of the whole, and thus may be confused as a result of the identity or similarity of that sign to the earlier mark.

20 The second point is that this principle can only apply in circumstances where the average consumer would perceive the relevant part of the composite mark to have distinctive significance independently of the whole. It does not apply where the average consumer would perceive the composite mark as a unit having a different meaning to the meanings of the separate components. That includes the situation where the meaning of one of the components is qualified by another component, as with a surname and a first name (e.g. BECKER and BARBARA BECKER).

21 The third point is that, even where an element of the composite mark which is identical or similar to the earlier trade mark has an independent distinctive role, it does not automatically follow that there is a likelihood of confusion. It remains necessary for the competent authority to carry out a global assessment taking into account all relevant factors.”

25) Regarding the issue of conceptual similarity the opponent contends:

“Applying the findings of the Court in *Medion* to the present case, the contested mark, INSTINCT, is the dominant and distinctive component of the contested mark, and has a major independent and distinctive role. The dominant and distinctive components of the opponent’s marks is the term NATURAL INSTINCT, and the term INSTINCT more so given the term NATURAL is laudatory. The slight difference in the opponent’s marks compared with the contested mark do not produce any significant overall impact that assists in distinguishing the origin of the contested goods from the opponent’s goods. Rather the contested mark could easily be viewed by the relevant consumers as a shortened version of the opponent’s marks. There is therefore a high degree of similarity between the contested mark and the opponent’s marks and an undeniable risk of association.”

26) I am willing to accept that the beginnings of word tend to have more visual and aural impact than the ends (*El Corte Inglés, SA v OHIM*, Cases T-183/02 and T-184/02). Clearly, I cannot overlook the strapline which is present in the opponent’s mark, even though it is glossed over by the opponent. Having said that the strapline, to my mind, is highly descriptive and laudatory. It must be taken into account but will be given little regard by the average consumer for the purpose of identifying the trade

source of the goods as its descriptive and laudatory nature is so common of marketing or advertising lines. Clearly the initial part of the mark, which is physically much larger, will be given the greatest prominence by the average consumer. The words NATURAL INSTINCT will usually be seen as meaning the way that people or animals naturally behave or react without having to think or learn about it, such as salmon spawning, and can also be seen as meaning something which is not artificial or processed but organic. To my mind, the dominant element of the opponent's mark are the words NATURAL INSTINCT although one cannot ignore the other elements of the opponent's mark.

27) Visually there are clearly a number of differences between the marks as well as a single similarity, in that the opponent's mark appears within the opponent's mark. Aurally the same applies in that there are a number of differences with but a single similarity. Conceptually, the marks have a degree of similarity in that the dominant and distinctive elements, NATURAL INSTINCT / INSTINCT, have highly similar meanings. The additional parts of the opponent's mark are either descriptive or laudatory and merely seek to imply that the product is wholesome and "natural" in that, in the wild animals such as dogs and cats eat raw meat and vegetation. **Overall I consider the marks to have a medium to low degree of similarity.**

#### **Distinctive character of the earlier trade mark**

28) 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).”

29) The opponent’s mark is **inherently distinctive to a medium degree**. The opponent has shown use of its mark, which is reasonably extensive and it is clearly widely advertised within the more specialised world of breeders and those in the industry, but given the extent of pet ownership by average families who will not read specialist publications the **level of sales shown is just not quite sufficient, in my opinion, to warrant enhanced distinctiveness**.

### **Likelihood of confusion**

30) In determining whether there is a likelihood of confusion, 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 trade marks may be offset by a greater degree of similarity between the respective goods and vice versa. As I mentioned above, it is also necessary for me to keep in mind the distinctive character of the opponent’s trade mark as the more distinctive the trade mark is, the greater the likelihood of confusion. I must also keep in mind the average consumer for the goods, the nature of the purchasing process and the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them he has retained in his mind. Earlier in this decision, I concluded that:

- the average consumer for the goods is a member of the general public including businesses who will select the goods by predominantly visual means, although I do not discount aural considerations and that they are likely to pay a medium degree of attention to the selection of said goods.
- the marks of the two parties are similar to a medium to low degree.
- the opponent’s mark has a medium level of inherent distinctiveness but cannot benefit from an enhanced distinctiveness through use.
- the goods of the two parties are identical or highly similar.

31) In view of all of the above, and allowing for the concept of imperfect recollection there is a likelihood of consumers being confused into believing that the goods provided by the applicant are those of the opponent or provided by an undertaking linked to it. **The opposition under Section 5(2) (b) therefore succeeds in full.**

32) In case I am wrong in this I also take into account the comments in *L.A. Sugar Limited v By Back Beat Inc*, Case BL-O/375/10, by Mr Iain Purvis Q.C. acting as the Appointed Person where he noted 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).”

33) In my view, consumers who are aware of the differences between the marks of the two parties are more likely to believe that they are variant marks used by the same undertaking than that two unconnected parties are coincidentally using marks in which the distinctive and dominant element, or only element is NATURAL INSTINCT and INSTINCT respectively. **There will therefore be indirect confusion and so the ground of opposition under section 5(2)(b) is wholly successful.**

34) I next turn to the ground of opposition under Section 5(3) which reads:

“5. (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.”

35) When considering the issues under this section I take into account the relevant case law found in the following judgments of the CJEU: Case C-375/97, *General Motors*, [1999] ETMR 950, Case 252/07, *Intel*, [2009] ETMR 13, Case C-408/01, *Addidas-Salomon*, [2004] ETMR 10 and C-487/07, *L’Oreal v Bellure* [2009] ETMR 55 and Case C-323/09, *Marks and Spencer v Interflora*. 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 Saloman, 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*.

(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).*

36) I must first determine, if at the relevant date for the application (28 June 2016) the opponent had a reputation in relation to, broadly speaking, cat and dog food, under its NATURAL INSTINCT plus strapline marks. The test for 'reputation' was set out by the CJEU in General Motors. The earlier mark must be known by 'a significant part' of the relevant public. Some commentators have regarded this as setting a low threshold. I must determine whether a significant proportion of the relevant public, made up of average consumers would call to mind the opponent's earlier mark if confronted with the mark in suit (INSTINCT) on the goods in class 31 "Pet foods and pet treats" for which the mark is sought to be registered. The evidence provided by the opponent showed a company which is clearly growing its business year by year and that it had by 2015 achieved a turnover in excess of £6million. I accept that in terms of the overall UK pet food industry this does not give a market share of more than 1%, but it is clear that the company has advertised amongst those involved in the dog and cat industry extensively and that there will have been spill-over into the average domestic pet owner by dint of coverage of shows such as Crufts on the television and in various media sites. The opponent's evidence is unchallenged (*Extreme* BL/161/07).

37) The opponent has shown copies of advertising, pages from its internet site, labels from its various products, details of its participation at shows, notably Crufts, and the coverage the media grants to such shows and the audience numbers. They have also provided sales and advertising figures corroborated by samples of invoices. Although the figures show that the opponent is a small player in the UK market for pet food its sales are by no means insignificant nor are they regional but are throughout the UK. To my mind the opponent clears the first hurdle of reputation.

38) Earlier in this decision I found that the marks of the two parties are similar to a medium to low degree. I also found that the Class 31 specifications of the two parties are identical /highly similar. In deciding this issue I take into account the comments of Mr Geoffrey Hobbs Q.C. (sitting as a Deputy Judge) in *Electrocoin Automatics Limited and Coinworld Limited and Others* [2005] FSR 7:

"102. I think it is clear that in order to be productive of advantage or detriment of the kind prescribed, 'the link' established in the minds of people in the market place needs to have an effect on their economic behaviour. The presence in the market place of marks and signs which call each other to mind is not, of itself, sufficient for that purpose."

39) I also look to the case of *Intel Corporation Inc v CPM United Kingdom Ltd* [2006] EWCH 1878 where Patten J said at para 28:

“But the first step to the exploitation of the distinctive character of the earlier mark is necessarily the making of the association or link between the two marks and all that Neuberger J is, I think, saying in this passage [Premier Brands at p. 789] is that the existence of a later mark which calls to mind the earlier established mark is not sufficient to ground an objection under s.5(3) or s.10(3) unless it has one or other of the consequences specified by those provisions. It must be right that the making of the association is not necessarily to be treated as a detriment or the taking of an unfair advantage in itself and in cases of unfair advantage it is likely to be necessary to show that the making of the link between the marks had economic consequences beneficial to the user of the later mark. But in relation to detriment the position is more complicated. The association between two marks and therefore potentially between the products or services to which they relate may be detrimental to the strength and reputation of the earlier mark if it tarnishes it by association or makes it less distinctive. This is likely to take place as a consequence of the same mental process which links the two marks in the minds of consumers and is essentially a negative reaction and effect.”

40) The opponent has a reputation for its goods. Consumers who know of and purchase from the opponent will bring the opponent to mind if they see the applicant’s pet food on sale or advertised.

## **UNFAIR ADVANTAGE AND DUE CAUSE**

41) I now have to consider whether such a link gives an unfair advantage to the mark in suit or whether it is detrimental to the reputation of the opponent’s mark, and whether the applicant had due cause to use its mark. In considering these issues I take into account the comments of Arnold J. in *Jack Wills Limited v House of Fraser (Stores) Limited* [2014] EWHC 110 (Ch) where he considered the earlier case law and concluded that:

“80. The arguments in the present case give rise to two questions with regard to taking unfair advantage. The first concerns the relevance of the defendant's intention. It is clear both from the wording of Article 5(2) of the Directive and Article 9(1)(c) of the Regulation and from the case law of the Court of Justice interpreting these provisions that this aspect of the legislation is directed at

a particular form of unfair competition. It is also clear from the case law both of the Court of Justice and of the Court of Appeal that the defendant's conduct is most likely to be regarded as unfair where he intends to benefit from the reputation and goodwill of the trade mark. In my judgment, however, there is nothing in the case law to preclude the court from concluding in an appropriate case that the use of a sign the objective effect of which is to enable the defendant to benefit from the reputation and goodwill of the trade mark amounts to unfair advantage even if it is not proved that the defendant subjectively intended to exploit that reputation and goodwill.

81. The second question is whether there is a requirement for evidence of a change in the economic behaviour of consumers or a serious likelihood of such a change. As counsel for House of Fraser pointed out, the CJEU has held that proof that the use of the sign is or would be detrimental to the distinctive character of the trade mark requires evidence of a change in the economic behaviour of the average consumer of the goods or services for which the trade mark is registered or a serious likelihood that such change will occur in the future: see *Intel* at [77], [81] and Case C-383/12 *Environmental Manufacturing LLP v Office for Harmonisation in the Internal Market* (unreported, 14 November 2013) at [34]-[43]. As counsel for House of Fraser accepted, there is no requirement for evidence of a change in the economic behaviour of consumers of the *trade mark proprietor's* goods or services in order to establish the taking of unfair advantage of the distinctive character or repute of the trade mark. He submitted, however, that it was necessary that there should be evidence of a change in the economic behaviour of the consumers of the *defendant's* goods or services.

82. Counsel for Jack Wills did not dispute that, in order for advantage to be taken of the trade mark's distinctive character or repute, it was necessary for there to be some change in the behaviour of the defendant's consumers as a result of the use of the allegedly infringing sign, or a serious likelihood of such a change. Nor did he dispute that what was required was a change in the behaviour of the consumers as consumers of the relevant goods and services, and in that sense in their economic behaviour. He submitted, however, that the trade mark proprietor could not be expected to adduce positive evidence that consumers had changed their behaviour as a result of the use of the sign.

83. In my judgment the correct way to approach this question is to proceed by analogy with the approach laid down by the Court of Justice in *Environmental Manufacturing* in the following passage:

“42. Admittedly, Regulation No 207/2009 and the Court's case-law do not require evidence to be adduced of actual detriment, but also admit the serious risk of such detriment, allowing the use of logical deductions.

43. None the less, such deductions must not be the result of mere suppositions but, as the General Court itself noted at paragraph 52 of the judgment under appeal, in citing an earlier judgment of the General Court, must be founded on ‘an analysis of the probabilities and by taking account of the normal practice in the relevant commercial sector as well as all the other circumstances of the case’.”

42) In *Leidseplein Beheer BV v Red Bull*, Case C-65/12, the CJEU held that:

“43. In a system for the protection of marks such as that adopted, on the basis of Directive 89/104, by the Benelux Convention, however, the interests of a third party in using, in the course of trade, a sign similar to a mark with a reputation must be considered, in the context of Article 5(2) of that directive, in the light of the possibility for the user of that sign to claim ‘due cause’.

44. Where the proprietor of the mark with a reputation has demonstrated the existence of one of the forms of injury referred to in Article 5(2) of Directive 89/104 and, in particular, has shown that unfair advantage has been taken of the distinctive character or the repute of that mark, the onus is on the third party using a sign similar to the mark with a reputation to establish that he has due cause for using such a sign (see, by analogy, Case C-252/07 *Intel Corporation* [2008] ECR I-8823, paragraph 39).

45. It follows that the concept of ‘due cause’ may not only include objectively overriding reasons but may also relate to the subjective interests of a third party using a sign which is identical or similar to the mark with a reputation.

46. Thus, the concept of ‘due cause’ is intended, not to resolve a conflict between a mark with a reputation and a similar sign which was being used before that trade mark was filed or to restrict the rights which the proprietor of that mark is recognised as having, but to strike a balance between the interests in question by taking account, in the specific context of Article 5(2) of Directive 89/104 and in the light of the enhanced protection enjoyed by that mark, of the interests of the third party using that sign. In so doing, the claim by a third party that there is due cause for using a sign which is similar to a mark with a reputation cannot lead to the recognition, for the benefit of that third

party, of the rights connected with a registered mark, but rather obliges the proprietor of the mark with a reputation to tolerate the use of the similar sign.

47. The Court thus held in paragraph 91 of the judgment in *Interflora and Interflora British Unit* (a case concerning the use of keywords for internet referencing) that where the advertisement displayed on the internet on the basis of a keyword corresponding to a trade mark with a reputation puts forward – without offering a mere imitation of the goods or services of the proprietor of that trade mark, without being detrimental to the repute or the distinctive character of that mark and without, moreover, adversely affecting the functions of the trade mark concerned – an alternative to the goods or services of the proprietor of the trade mark with a reputation, it must be concluded that such a use falls, as a rule, within the ambit of fair competition in the sector for the goods or services concerned and is thus not without ‘due cause’.

48. Consequently, the concept of ‘due cause’ cannot be interpreted as being restricted to objectively overriding reasons.

43) I must therefore consider whether, when the link is made, it would be likely to affect the economic behaviour of the applicant’s customers or potential customers and as a result of the link the applicant will sell more of its goods as a result. It is clear that, prior to the relevant date (28 June 2016) the opponent had a substantial reputation in, broadly speaking, cat and dog food. The opponent’s mark appears to be associated with high quality pet food with a high meat/fish content, which is reputed to provide a more natural diet for pets compared to some other alternatives. To my mind, there appears to be a real non-hypothetical risk of this aspect of the reputation of the opponent’s mark transferring to the applicant’s mark as a result of the link between them. Thus the applicant would be free riding upon the marketing of the opponent’s senior mark. Therefore, use of the mark in suit by the applicant in respect of any of its class 31 goods will take unfair advantage of the repute of the opponent’s mark. In its counterstatement the applicant did not address the issue of due cause. **The ground of opposition under section 5(3) succeeds in respect of all the goods for which registration is sought.**

44) In the light of the above finding I decline to consider the ground of opposition under section 5(4)(a).

## CONCLUSION

45) The opposition in relation to all the goods applied for succeeded under Sections 5(2)(b) and 5(3).

## COSTS

46) As the opponent has been successful it is entitled to a contribution towards its costs.

Preparing a statement and considering the other side's statement	£300
Expenses	£200
Provision of evidence	£600
<b>TOTAL</b>	<b>£1,100</b>

47) I order BVI Business Services Limited to pay Natural Instinct Limited the sum of £1,100. This sum to be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 04<sup>th</sup> day of October 2017**

**George W Salthouse**  
**For the Registrar,**  
**the Comptroller-General**