

TRADE MARKS ACT 1994

**IN THE MATTER OF AN APPLICATION TO PROTECT
TRADE MARK REGISTRATION No. 727803 IN THE
UNITED KINGDOM IN THE NAME OF
KORD BETEILIGUNGSGESELLSCHAFT MBH & CO KG
IN CLASSES 5 & 30**

AND

**IN THE MATTER OF OPPOSITION THERETO UNDER
No. 70344 BY DISTRIBOURG GROUPE**

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BACKGROUND

1. On 15 January 2000, KORD BETEILIGUNGSGESELLSCHAFT mbH & Co KG of AM Sandtorkai 2, D-20457, Hamburg, Germany, sought to extend protection of International Trade Mark Registration No. 727803 in the United Kingdom of the trade mark ENERGAT for the following goods:

Class 5

Vitalising drinks on a vitamin and/or mineral and/or caffeine basis, also containing natural caffeine based vegetable products and also in instant form.

Class 30

Coffee, tea, cocoa, also in instant form, caffeine-based energy drinks in liquid or instant form.

2. The application for protection was accepted and published in the UK Trade Marks Journal. The applicant claimed an International Priority date of 12 October 1999.

3. On 31 July 2000, Distribourg Groupe filed notice of opposition accompanied by a statement of grounds for the opposition. They say they are the proprietors of UK Trade Mark Registration No. 1530862 for the mark EVERNAT for the following goods:

Class 29:

Meat, fish, poultry and game; meat extracts; preserved, dried and cooked fruits and vegetables; jellies, jams; eggs, milk and milk products; edible oils and fats; preserves; all included in Class 29.

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; salad dressings; spices; ice; all included in Class 30.

Class 32:

Beers; mineral and aerated waters and non-alcoholic drinks; fruit drinks and fruit juices; syrups and preparations for making beverages; all included in Class 32.

4. The opponents say they have acquired a considerable reputation in the goods sold under the EVERNAT mark and that:

- (a) The applicants' mark is confusingly similar to their mark as ENERGAT and EVERNAT share a common number of syllables, and are visually and phonetically similar, the prefix ENER being similar to EVER and the suffix NAT being similar to GAT. The goods are similar or identical in that the applicants' goods are vitalising drinks in Class 5 and coffee, tea, cocoa and caffeine based energy drinks in Class 30 while the opponents' goods cover drinks in Classes 29, 30 and 32, in particular coffee, tea and cocoa in Class 30. Therefore there is a likelihood of confusion between the marks of the two parties and the applicants' mark should be refused under Section 5(2)(b) of the Act.
- (b) The applicants' mark is confusingly similar to the opponents' mark, for the reasons set out above, and the opponents' registered mark has a reputation in the UK. Use of the applicants' mark would take unfair advantage or be detrimental to the distinctive character or repute of the opponents' mark in that such use would suggest to consumers that the goods offered by the applicants are of a quality comparable to or better than the goods of the opponents. Therefore, the applicants' mark should be refused under Section 5(3) of the Act.
- (c) The applicants' mark should be refused under Section 5(4)(a) of the Act, in particular because use of the applicants' mark is liable to be prevented by the law of passing off.

5. On 23 October 2000 the applicants filed a counterstatement essentially denying all grounds.

6. Both sides seek an award of costs in their favour.

7. Neither party has requested an oral hearing in these proceedings and neither party provided written submissions in lieu of a hearing. After a careful study of all the papers I give this decision.

OPPONENTS' EVIDENCE

8. This consists of a statement of truth by Jean Narc Prot dated 7 March 2001 who says he is Chairman of the Distribourg Groupe.

9. The statement provides the dates of first use in the UK by the opponents on a long list of goods ranging from 1984 (fruit juice) to September 2000. Mr Prot says that the mark has been used on the goods continually since their date of first use and that they are sold direct to retailers throughout the UK.

10. Approximate annual turnover figures are provided in respect of the goods sold under the opponents' trade mark (using retail values):

1997	£390,000
1998	£450,000
1999	£697,000

11. Figures indicating the amount spent on promoting goods sold under the opponents' trade mark are:

1994	£ 80,000
1995	£ 90,000
1996	£ 90,000
1997	£100,000
1998	£110,000
1999	£120,000
2000	£130,000

12. Mr Prot explains that the mark appears on packaging, tags, show cards, pamphlets, brochures and is advertised in exhibitions, demonstrations and in the press.

13. Exhibits are provided as Sections A to C which consist of a trade order book of Brewhurst Health Food Supplies Ltd, which is a distributor of the opponents' goods, a "new product book" from Brewhurst, and press cuttings showing the opponents' trade mark in use. All show use on a wide range of health foods and, in particular, on organic foods.

APPLICANTS' EVIDENCE

14. This consists of a Witness Statement by Mr David Jon Devons dated 20 September 2001, who says he is a partner of Marks & Clerk and is authorised by the applicants to make the witness statement on their behalf from documents and information supplied to him.

15. The witness statement contains, primarily, submissions rather than evidence.

16. Mr Devons states that the exhibits provided in Mr Prot's evidence show use as a two-part stylised mark which "immediately evokes in the mind of the customer that the mark is an obvious contraction of the two common words EVER and NATURAL or NATURE". Mr

Devons goes on to say that EVERNAT cannot, therefore, be said to be an “invented” word and that as “Organic” is used in close association with the opponents’ mark this “only goes to emphasise that the mark is such a contraction. This is a clear allusion that the goods are “EVER” (ie “ALWAYS”) “NATURAL”, ie organic. This would be readily inferred by any prospective customer.” Mr Devons concludes that EVERNAT is, therefore, a “weak” mark.

17. The applicants’ mark, according to Mr Devons alludes to ENERGY through the prefix ENERG- /ENER while the ending “-GAT” or “-AT” has no meaning so that the whole is a truly invented word and so distinguishable from the opponents’ mark.

18. Mr Devons then refers to the reputation of the opponents’ mark and says the use “is clearly limited to the two-part stylised mark as shown on the goods and in the advertisement, and is limited to organic food products.” Mr Devons then goes on to say “In view of the descriptive nature of the mark EVERNAT, particularly as used on the goods and in the advertisements, use of the holder’s mark ENERGAT would not take unfair advantage of, or be detrimental to, the distinctive character (if any) or any repute of the mark EVERNAT. Furthermore, there would be little risk of passing off by use of the mark ENERGAT in relation to the goods of the Holder’s International Registration, particularly in relation to vitalising drinks and caffeine-based energy drinks. Therefore, the registration of ENERGAT could not be prevented under Section 5(3) or 5(4)(a) of the Trade Marks Act 1994.”

19. In conclusion, Mr Devons comments on the similarity of goods claimed by the opponent. He says that the fact different goods appear in the same catalogue (I assume Mr Devons is referring to the Exhibits at “Section A to C” of Mr Prot’s statement of truth) does not indicate they are “similar” to satisfy the requirements of Section 5(2)(b) as this is analogous to selling different goods in the same supermarket. The goods are shown in different sections of the catalogue and this, says Mr Devons, “is an indication that the goods are not similar, in an analogous way that goods displayed in different parts of a supermarket are not normally similar.”

OPPONENTS’ EVIDENCE IN REPLY

20. This consists of a Witness Statement by Mr J McDonough of Urquhart-Dykes & Lord, dated 21 December 2001, who says he is authorised by the opponents to make the statement from documents and information provided to him.

21. Mr McDonough refers to Mr Devons’ witness statement, paragraph 6, which referred to the reputation of the opponents’ mark in the UK. In response, Mr McDonough provides additional evidence showing use of the opponents’ mark on milk, fruit juice, almond drinks, cookies, mustard, crisps, chocolate and milk. Exhibit JMD shows examples of use of the mark on the goods.

22. That concludes my review of the evidence.

DECISION

Section 5(2)(b)

23. The first ground under which this opposition is based is under Section 5(2)(b) which reads as follows:

“5(2) 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.”

24. An earlier trade mark is defined in Section 6(1) 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,”

25. I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel BV v. Puma AG* [1998] E.T.M.R. 1, *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc* [1999] E.T.M.R. 1, *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v. Adidas AG* [2000] E.T.M.R. 723.

It is clear from these cases that:

- (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*, paragraph 23, 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; *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V.* paragraph 27;
- (c) the average consumer normally perceives 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 26;
- (h) further, 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; *Marca Mode CV v. Adidas AG*, paragraph 41;
- (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

26. The respective specifications are set out earlier in the decision. I must compare the goods that each party is claiming in those specifications as opposed to those on which the marks are used, as this is a notional test. It is clear, on that basis, that the applicants' specification contains goods included in the opponents' specifications which are identical, as well as others which may be considered similar and dissimilar. In particular, both specifications include "coffee", "tea" and "cocoa" in Class 30.

Evidence of Use of the Opponents' Mark

27. The opponents have filed evidence to show use of their mark. The reputation of a trade mark is an element to which importance may be attached in Section 5(2) considerations in that it may enhance the distinctive character of the mark at issue and widen the penumbra of protection afforded to such a mark. In my view the evidence does not support an enhanced level of distinctiveness. Turnover of between £390,000 to £697,000 in the years immediately prior to the relevant date of 12 October 1999 are not particularly significant for the food industry, whose turnover must run into £ billions per annum. Looking through the 48 items listed in the opponents' statement of truth, paragraph 2, the goods most similar to those in the application, ie other drinks, appear to be "fruit juice" (first used in May 1984), "powdered skimmed milk" (May 1994), "carrot juice" (May 1994) and "vegetable juice" (May 1994). There is no indication of what proportion of the turnover such goods represent but, in my

view, this further diminishes the evidence in that such goods represent only a percentage, and possibly a small percentage of an already relatively small figure. Further exhibits filed by Mr McDonough under cover of his later witness statement provides additional exhibits in respect of milk, fruit juice, almond drinks and chocolate milk as well as other less similar or dissimilar products such as mustard and crisps. No date of first use or turnover figures are provided and therefore I take no account of this further evidence.

28. The evidence shows the use is overwhelmingly in a stylised format where the word EVER is picked out on a white rectangular background and the word NAT is shown against a background of the shape of a leaf. In my view this serves to distance the marks and does not assist the opponents' case. Many of the products listed show they were first used in the UK after the relevant date or for only a few years prior to that date. I can find no reference in the opponents' evidence to the identical goods described above, ie coffee, tea and cocoa. Therefore, the evidence does not enhance the opponents' reputation in relation to identical goods.

Comparison of the Marks

29. It is clear that the marks are not identical. However, I am required to consider the matter from the point of view of visual, aural and conceptual similarities, and to judge the matter through the eyes of the average consumer who is deemed to possess the characteristics indicated in the Lloyd case.

30. Visually, there are clearly points of similarity, as set out in some detail by the opponents and summarised earlier in the decision - I note that the marks share the same number of syllables.

31. In my view the public are unlikely to dissect the marks. Each mark will be seen as a whole and as an invented word, although the beginnings of words may be considered to be a distinctive or dominant component which may be remembered by the average consumer. (See comments below on aural and conceptual comparisons.) I do not agree with the applicants' contention that the opponents' mark is "weak". Nevertheless, I find that the overall appearance of the words can be distinguished visually.

32. Aurally, I consider the points of similarity are outweighed by the differences resulting from the different consonants in each word. It is commonly acknowledged that the beginnings of words tend to be emphasised and carry greater weight than the endings, which tend to get lost or slurred in use. Therefore the hard letter "N" is unlikely to be misheard as the soft letter "V" and consequently the "ENER" and "EVER" elements are unlikely to be confused in use. Again, the overall impression of each mark is, in my view, distinguishable.

33. Conceptually, neither word has an obvious meaning. The opponents' mark alludes to ALWAYS if the well known dictionary word EVER is picked out, while the applicants' mark as a whole alludes to ENERGY. Clearly, each is an invented word but otherwise I cannot identify obvious conceptual similarities and insofar as each word alludes to a different idea,

when considered as a whole I take the view that conceptual confusion by the average consumer is unlikely.

Likelihood of Confusion

34. I bear in mind that the Act requires a likelihood of confusion. A mere possibility of confusion is not sufficient. (See eg *REACT Trade Mark* [2000] RPC 285 at page 290.) Taking the best view I can of the matter it seems to me that this is a case where identity of goods and some points of similarity between the marks do not combine to create an overall likelihood of confusion. In coming to this view I bear in mind the effect of imperfect recollection which would appear to be of particular importance where invented words are concerned. However, the aural, visual and, to some extent, the conceptual differences combine to create a different impression so that the average consumer, even of such everyday products, is in my view unlikely to confuse the marks, even in respect of identical goods.

35. If that is the case where identical goods are concerned the opponent's case cannot be any stronger where merely similar goods are at issue. In conclusion, therefore, the opposition fails under Section 5(2)(b).

Section 5(3)

36. This Section of the Act reads as follows:

“5.-(3) A trade mark which -

- (a) is identical with or similar to an earlier trade mark, and
- (b) is to be registered for goods or services which are not similar to those for which the earlier trade mark is protected,

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 Community trade mark, in the European Community) 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.

37. As I have found that the marks are dissimilar I consider the opponents' case does not get off the ground. However, in case I am found to be wrong in this I go on to consider whether the opponents have a case regarding a reputation in the UK. In view of my findings in this decision regarding the evidence under Section 5(2)(b), I consider the opponents' case fails under this Section of the Act and, at the very least, can have no stronger case with regard to dissimilar goods as opposed to identical or similar goods. In these circumstances, the opposition fails under Section 5(3).

Section 5(4)(a)

38. This Section of the Act reads as follows:

“5.-(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented -

- (a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or
- (b)

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an “earlier right” in relation to the trade mark.”

39. The conventional test for determining whether the opponents have succeeded under this Section has been restated many times and can be found in the decision of Mr Geoffrey Hobbs QC sitting as the Appointed Person, in *WILD CHILD Trade Mark* [1998] RPC 455. Adapted to opposition proceedings, the three elements that must be present can be summarised as follows:

- (1) that the opponents’ goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
- (2) that there is a misrepresentation by the applicants (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the applicants are goods or services of the opponents, and
- (3) that the opponents have suffered or are likely to suffer damage as a result of the erroneous belief engendered by the applicants’ misrepresentation.

40. Regarding point (1) above, I consider the opponents have no stronger case than under Section 5(2)(b) of the Act as the opponent’s common law rights are no broader than their registered rights. The opponents have filed no evidence or submissions to support points (2) and (3) and as I have found that concurrent use of the respective marks in relation to even identical goods is not likely to result in confusion amongst the public, it must, if right, inevitably mean that use of the applicants’ mark cannot amount to a misrepresentation. Therefore, the opposition fails under the final ground, Section 5(4)(a).

Conclusion and Costs

41. The opposition as a whole has failed. The applicants are, therefore, entitled to a contribution to their costs. I order the opponents to pay the applicants the sum of £1,100. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 29th day of November 2002

**R A Jones
For the Registrar
the Comptroller-General**