

O-493-12

THE TRADE MARKS (INTERNATIONAL REGISTRATION) ORDER 2008 AND
THE TRADE MARKS ACT 1994

IN THE MATTER OF INTERNATIONAL REGISTRATION NO. 1056057
IN THE NAME OF

CLOSED JOINT STOCK COMPANY "INDUSTRIAL ASSOCIATION "KONTI"
TO REGISTER THE TRADE MARK

AND THE APPLICATION TO EXTEND PROTECTION IN THE UK TO



IN CLASS 30

AND

IN THE MATTER OF OPPOSITION THERETO
UNDER NO 72299
BY

LI'S HOLDING B.V.

TRADE MARKS ACT 1994

IN THE MATTER OF International Registration No.1056057

In the name of

CLOSED JOINT STOCK COMPANY "INDUSTRIAL ASSOCIATION "KONTI"

And the application to extend protection in the UK to the trade mark:



In class 30

AND IN THE MATTER OF opposition thereto

Under no. 72299

By Li's Holding B.V.

1. On 20 July 2010, CLOSED JOINT STOCK COMPANY "INDUSTRIAL ASSOCIATION "KONTI" (hereafter the applicant), requested protection in the United Kingdom of the international registration ("IR") shown on the cover page of this decision (which was based upon a Ukrainian application). The request included the following description of the trade mark:

"The mark represents yellow square divided by white horizontal wide line into two equal parts; The square has three white circles put horizontally in the middle of the square onto the white line; Verbal element "Golden Lily" is put inside of each white circle."

2. The request was considered to satisfy the requirements for protection and particulars of the IR were published in the Trade Marks Journal on 18 March 2011, for the following specification of goods in class 30 of the Nice Classification System¹:

'Candies; toffee candies; none of the aforesaid goods consisting wholly or principally of Chinese foodstuffs.'

3. Following acceptance and publication of the designation, Li's Holding B.V. (the opponent) filed a notice of opposition against the application.

4. The ground of opposition was brought under section 5(2)(b) of the Trade Marks Act 1994 (the Act).

5. The opponent relies on the mark and goods shown below:

¹ International classification of Goods and Services for the Purposes of the Registration of Marks under the Nice Agreement (15 June 1957, as revised and amended).

MARK DETAILS AND RELEVANT DATES	GOODS RELIED UPON
<p data-bbox="189 266 331 293">IR 792009</p>  <p data-bbox="189 819 659 887">Date of International registration: 20 September 2002</p> <p data-bbox="189 920 373 987">Priority date: 4 April 2002</p>	<p data-bbox="791 266 1299 360">Class 29 preserved, dried and cooked fruits and vegetables</p> <p data-bbox="791 398 1267 492">Class 30 preparations made from cereals and confectionery</p>

6. In its statement of grounds the opponent submits:

“Having regard to the similarity of the respective trade marks and the fact that the respective goods are identical and similar, there is clearly a likelihood of confusion arising under Section 5(2)(b) of the Act.

7. On 29 July 2011, the applicant filed a counter statement which was subsequently amended and re-filed on 16 August 2011. It denies the grounds on which the opposition is based and requests the opponent provide proof of use of its mark.

8. Both parties filed evidence and submissions in lieu of attendance at a hearing. Neither party requested a hearing, both content for a decision to be made from the papers on file. I will refer to the parties’ submissions as necessary below.

EVIDENCE

The opponent’s evidence

9. The opponent’s evidence consists of a witness statement from Paul Michalski, dated 16 December 2011, accompanied by 2 exhibits. Mr Michalski is the Director of Liroy B.V., whom he describes as *‘the operating company of Li’s Holding B.V.’ (the opponent)*. He has held this position since 1 September 2011.

10. Exhibit PM1 consists of 43 invoices which cover the period 21 March 2006 to 8 March 2011. Mr Michalski states that products on the invoices which begin with the

letters GL are products sold under the Golden Lily trade mark. The invoices contain extensive lists of a wide range of products which I will refer to in more detail where necessary below.

11. Exhibit PM2 is described as „examples printed from the website of the packaging of the majority of these products’. The 102 pages were printed on 5, 6 and 7 December 2011 with each page featuring one product sold under the „Golden Lily’ trade mark. In each case the mark is shown on the top left corner of the packaging for each product.

Applicant’s evidence

12. The applicant’s evidence consists of a witness statement from Taryn Byrne, a senior associate at Page, White & Farrer. The statement is dated 15 February 2012 and is accompanied by 8 exhibits. Ms Byrne states:

“I conducted an on-line search of well known UK supermarkets using the description of various products sold under the Golden Lily trade mark in Exhibits PM1 and PM2, namely “Tung Sum Lotus Seeds”, “Dried Chrysanthemum”, “Lily Flower”, “Disocorea”, “Mut-Cho Date” and “Barley San-Yi-Mite”.”

13. The results of these searches are provided at exhibits TB1 - TB5.

14. TB1 shows the six products mentioned above searched for on the website www.sainsburys.co.uk. In each case the searches are dated 3, 8 and 9 February 2012, and returned a screen which states „sorry, there are no results for this search’.

15. TB2 shows the six products mentioned above searched for on the website www.tesco.com. In each case the search is dated 3, 8 and 9 February 2012 and returned a screen which, I believe, states „we did not find any products to match’. The exhibit is a very poor quality copy.

16. TB3 shows the six products mentioned above searched for on ASDA’s website. In each case the search is dated 3, 8 and 9 February 2012. I am unable to read the search results on the submitted pages.

17. TB4 shows the six products mentioned above searched for on the website www.waitrose.com. The first two pages are dated 3, 8 and 9 February 2012 and returned a number of results, though none of these appear to be the term searched for.

18. TB5 shows the same searches carried out on the website www.marksandspencer.com. In each case the searches are dated 3, 8 and 9 February 2012. Each result shows that there are no results within the food and wine category in which the request was made.

19. Ms Byrne concludes that these results, exhibited at TB1-TB5, show none of the searched for products are commonly sold in UK supermarkets.

20. Exhibit TB6 consists of prints from various searches, dated 15 February 2012, conducted on the website www.sainsburys.co.uk in its kosher and halal food sections. The results show a range of meat products, as well as inter alia, olives, falafel and cucumber.

21. Exhibit TB7 shows a search conducted on the website www.tesco.com on 15 February 2012, for „world food’. The results include a wide range of products including coconut milk, mango juice, popcorn and chick peas.

22. Exhibit TB8 consists of a search carried out on the ASDA website, dated 15 February 2012. I cannot read the results page as the copy provided is of very poor quality.

23. Ms Byrne concludes from exhibits 6,7 and 8 that “specialist” items are typically sold in specifically designated sections of the above UK supermarkets.

Opponent’s evidence in reply

24. The opponent’s evidence in reply consists of a witness statement from Philip Towler, a partner of Dehns, the trade marks attorneys representing the opponent in these proceedings. Attached to the witness statement are 10 exhibits. Mr Towler states that the applicant, in its submissions, queried the nature/purpose of some of the opponent’s goods to the extent that it was not possible to clarify if the items fell within classes 29 and 30. Consequently, Mr Towler provides definitions for those queried goods. Namely:

25. Exhibit PT1 shows a definition of Lily Flower taken from Wikipedia on 13 April 2012. It shows that fresh and dried lily flowers are used particularly in soups.

26. Exhibit PT2 shows the results of a google search, conducted on 13 April 2012, for „dried chrysanthemum’, which shows it is typically used to make a tea.

27. Exhibit PT3 shows Lily bulbs used in a recipe for red bean soup with lotus seed from the website www.crizfood.com. The exhibit was printed on 12 April 2012.

28. Exhibit PT4 is also taken from Wikipedia on 13 April 2012 and shows dioscorea to be a type of yam which can be eaten raw.

29. Exhibit PT5, dated 12 April 2012, is taken from www.about-chinesefood.com and shows a recipe for natural white fungus soup with lotus seeds.

30. Exhibit PT6, dated 12 April 2012, consists of extracts from www.wisageek.com, which defines lotus root as an Asian vegetable and www.justhungry.com which shows how to prepare it.

31. Exhibit PT7 shows a definition of Cassia taken from Wikipedia on 13 April 2012 which describes it as another name for cinnamon.

32. Exhibit PT8 shows a definition of Prunella from Wikipedia on 13 April 2012 which shows that it can be used dry to make a herbal drink or that its leaves can be used

as salad greens.

33. Exhibit PT9 shows the results of a google search carried out on 13 April 2012 for the term Barley San-Yi Mite. It is shown to be a dried vegetable.

34. Exhibit PT10 shows a recipe taken from ritasbasket.blogspot.co.uk for Yuk Chuk soup. The extract is dated 13 April 2012.

35. Mr Towler also notes that a query was raised in relation to the term Kwat-Cho Roots but does not provide a definition for it.

DECISION

36. Section 5(2)(b) of the Act reads as follows:

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

37. An earlier trade mark is defined in section 6 of the Act, the relevant parts of which state:

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

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

(2) References in this Act to an earlier trade mark include a trade mark in respect of which an application for registration has been made and which, if registered, would be an earlier trade mark by virtue of subsection (1)(a) or (b), subject to its being so registered.”

38. In these proceedings the opponent is relying upon the trade mark shown in paragraph 5 above, which constitutes an earlier trade mark under the above provisions. The application was published on 18 March 2011. The opponent's earlier mark completed its registration procedure on 20 September 2002. Consequently, the opponent's registration is subject to proof of use, as per The Trade Marks (Proof of Use, etc) Regulations 2004. As I mentioned above, the applicant has asked the opponent to provide proof of use in respect of all of the goods on which it relies. The relevant sections of the Proof of Use Regulations read as follows:

“6A Raising of relative grounds in opposition proceedings in case of non-use

(1) This section applies where –

(a) an application for registration of a trade mark has been published,

(b) there is an earlier trade mark 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 period of five years ending with the date of publication.

(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 period of five years ending with the date of publication of the application 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 differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and

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

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

(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.

(7) Nothing in this section affects –

(a) the refusal of registration on the grounds mentioned in section 3 (absolute grounds for refusal) or section 5(4) (relative grounds of refusal on the basis of an earlier right), or

(b) the making of an application for a declaration of invalidity under section 47(2)(application on relative grounds where no consent to registration).”

39. Section 100 of the Act reads as follows:

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.

Consequently, the onus is on the opponent to show genuine use of its mark during the relevant period, which is the five year period ending on the date of publication of the application, namely 19 March 2006 to 18 March 2011, or to show that there are proper reasons for non-use of the mark during this period.

Proof of use

40. In reaching a conclusion on this point, I must apply the same factors as I would if I were determining an application for revocation based on grounds of non-use.

The requirements for “genuine use” have been set out by the Court of Justice of the European Union (CJEU) in its judgments in *Ansul BV v Ajax Brandbeveiliging BV*, Case C-40/01 [2003] RPC 40 and *Silberquelle GmbH v Maselli-Strickmode GmbH* Case C495/07, [2009] ETMR 28 and by the Court of Appeal in the UK in *LABORATOIRE DE LA MER Trade Mark* [2006] FSR 5. The principles established in these judgments have been conveniently summarised by Ms Anna Carboni, sitting as the Appointed Person in O-371-09 *SANT AMBROEUS*:

“42. The hearing officer set out most of the key extracts from *Ansul* and *La Mer* in his decision, so I shall not reproduce them here. Instead, I try to summarise the “legal learning” that flows from them, adding in references to *Silberquelle* where relevant:

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

(2) The use must be more than merely “token”, which means in this context that it must not serve solely to preserve the rights conferred by the registration: *Ansul*, [36].

(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, without any possibility of confusion, to distinguish the goods or services from others which have another origin: *Ansul*, [36]; *Silberquelle*, [17].

(4) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, i.e. exploitation that is aimed at maintaining or creating an outlet for the goods or services or a share in that market: *Ansul*, [37]-[38]; *Silberquelle*, [18].

(a) Example that meets this criterion: preparations to put goods or services on the market, such as advertising campaigns: *Ansul*, [37].

(b) Examples that do not meet this criterion: (i) internal use by the proprietor: *Ansul*, [37]; (ii) the distribution of promotional

items as a reward for the purchase of other goods and to encourage the sale of the latter: Silberquelle, [20]-[21].

(5) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including in particular, the nature of the goods or services at issue, the characteristics of the market concerned, the scale and frequency of use of the mark, whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them, and the evidence that the proprietor is able to provide: Ansul, [38] and [39]; La Mer, [22] - [23].

(6) Use of the mark need not always be quantitatively significant for it to be deemed genuine. There is no de minimis rule. Even minimal use may qualify as genuine use if it is the sort of use that is appropriate in the economic sector concerned for preserving or creating 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: Ansul, [39]; La Mer, [21], [24] and [25].”

41. In addition, I will keep in mind the guidance in *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32 in relation to determining what constitutes a fair specification, namely:

“29. I have no doubt that Pumfrey J. was correct to reject the approach advocated in the Premier Brands case. His reasoning in paras [22] and [24] of his judgment is correct. Because of s.10(2), fairness to the proprietor does not require a wide specification of goods or services nor the incentive to apply for a general description of goods and services. As Mr Bloch pointed out, to continue to allow a wide specification can impinge unfairly upon the rights of the public. Take, for instance, a registration for "motor vehicles" only used by the proprietor for motor cars. The registration would provide a right against a user of the trade mark for motor bikes under s.10(1). That might be understandable having regard to the similarity of goods. However, the vice of allowing such a wide specification becomes apparent when it is envisaged that the proprietor seeks to enforce his trade mark against use in relation to pedal cycles. His chances of success under s.10(2) would be considerably increased if the specification of goods included both motor cars and motor bicycles. That would be unfair when the only use was in relation to motor cars. In my view the court is required in the words of Jacob J. to "dig deeper". But the crucial question is--how deep?

30. Pumfrey J. was, I believe, correct that the starting point must be for the court to find as a fact what use has been made of the trade mark. The next task is to decide how the goods or services should be described. For example, if the trade mark has only been used in relation to a specific variety

of apples, say Cox's Orange Pippins, should the registration be for fruit, apples, eating apples, or Cox's Orange Pippins?

31. Pumfrey J. in *Decon* suggested that the court's task was to arrive at a fair specification of goods having regard to the use made. I agree, but the court still has the difficult task of deciding what is fair. In my view that task should be carried out so as to limit the specification so that it reflects the circumstances of the particular trade and the way that the public would perceive the use. The court, when deciding whether there is confusion under s.10(2), adopts the attitude of the average reasonably informed consumer of the products. If the test of infringement is to be applied by the court having adopted the attitude of such a person, then I believe it appropriate that the court should do the same when deciding what is the fair way to describe the use that a proprietor has made of his mark. Thus, the court should inform itself of the nature of trade and then decide how the notional consumer would describe such use."

42. The comments of Mr Justice Jacob in *Animal Trade Mark* [2004] FSR 19 are also relevant and read:

"20. The reason for bringing the public perception in this way is because it is the public which uses and relies upon trade marks. I do not think there is anything technical about this: the consumer is not expected to think in a picky way because the average consumer does not do so. In coming to a fair description the notional average consumer must, I think, be taken to know the purpose of the description. Otherwise they might choose something too narrow or too wide. Thus, for instance, if there has only been use for threeholed razor blades imported from Venezuela (Mr T.A. Blanco White's brilliant and memorable example of a narrow specification) "three-holed razor blades imported from Venezuela" is an accurate description of the goods. But it is not one which an average consumer would pick for trade mark purposes. He would surely say "razor blades" or just "razors". Thus the "fair description" is one which would be given in the context of trade mark protection. So one must assume that the average consumer is told that the mark will get absolute protection ("the umbra") for use of the identical mark for any goods coming within his description and protection depending on confusability for a similar mark or the same mark on similar goods ("the penumbra"). A lot depends on the nature of the goods--are they specialist or of a more general, everyday nature? Has there been use for just one specific item or for a range of goods? Are the goods on the High Street? And so on. The whole exercise consists in the end of forming a value judgment as to the appropriate specification having regard to the use which has been made."

43. The comments of the Court of First Instance (now the General Court) in *Reckitt Benckiser (Espana), SL v OHIM*, Case T- 126/03 are also relevant where it held that:

"45. It follows from the provisions cited above that, if a trade mark has been registered for a category of goods or services which is sufficiently broad for it to be possible to identify within it a number of sub-categories capable of being viewed independently, proof that the mark has been put to genuine use in

relation to a part of those goods or services affords protection, in opposition proceedings, only for the sub-category or subcategories to which the goods or services for which the trade mark has actually been used belong. However, if a trade mark has been registered for goods or services defined so precisely and narrowly that it is not possible to make any significant sub- divisions within the category concerned, then the proof of genuine use of the mark for the goods or services necessarily covers the entire category for the purposes of the opposition.

46. Although the principle of partial use operates to ensure that trade marks which have not been used for a given category of goods are not rendered unavailable, it must not, however, result in the proprietor of the earlier trade mark being stripped of all protection for goods which, although not strictly identical to those in respect of which he has succeeded in proving genuine use, are not in essence different from them and belong to a single group which cannot be divided other than in an arbitrary manner. The Court observes in that regard that in practice it is impossible for the proprietor of a trade mark to prove that the mark has been used for all conceivable variations of the goods concerned by the registration. Consequently, the concept of „part of the goods or services’ cannot be taken to mean all the commercial variations of similar goods or services but merely goods or services which are sufficiently distinct to constitute coherent categories or sub-categories.”

44. First, I have to identify, as a matter of fact, whether the trade mark relied on by the opponent has actually been used and if so, in respect of which goods. Having reached a conclusion on that point, I must then go on to decide, from the perspective of the average consumer of the goods, what constitutes a fair specification.

45. In these proceedings the opponent relies upon the following goods in classes 29 and 30:

„Preserved, dried and cooked fruits and vegetables’

„Preparations made from cereals and confectionery’.

46. The opponent’s evidence provided by Paul Michalski at exhibit PM2 shows examples of packaging used for the opponent’s products itemised in the invoices submitted as exhibit PM1. The evidence shows use of the mark as registered on all of the 102 examples provided at exhibit PM2. The invoices which list goods sold under the mark (in the manner shown at PM2) include, in respect of confectionery, plum candy, walnut and date pastilles (at, but not limited to page 3), melon bar and nu kit candy (at, but not limited to pages 6 and 61), wine cake and corn candy. Preserved, dried and cooked fruits and vegetables include, inter alia, dried prune, dried fig, seedless and seeded dates, apricot seed, dried orange peel, potato slices, red beans, broad beans, blackeye beans, dried green beans and peeled and split mung beans. Prepared cereals include prepared pearl barley, dried barley, rice vermicelli and red rice.

47. In its submissions for the opponent Mr Towler states at paragraph 23:

“...the criteria laid down for genuine use of a trade mark are that such use must be genuine use in the course of trade, on the market for the goods and services for which it was registered’ [Ansul and La Mer]. Further „even minimal use can therefore be justified, in the economic sector concerned, for the purpose of preserving or creating [a] market share for the goods or services protected by the mark.’ The Opponent’s evidence included invoices showing sales of examples of all the relevant goods to third parties. The Opponent has satisfied the requirement to show genuine use.”

48. Mr Michalski has not provided any turnover figures for any of the goods sold which means that I am unable to determine the opponent’s share of the market or to identify the quantity of any or particular goods being sold during the relevant period. Despite this tThe evidence is sufficient to show that, throughout the relevant period, (repeated?) sales have been made under the opponent’s earlier mark, in respect of a range of goods within classes 29 and 30 and which are sufficient for me to be satisfied that there has been genuine use of the mark in the relevant period. Having reached such a conclusion, I must now go on to consider what constitutes a fair specification.

49. In *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited* BL O/345/10 Mr Geoffrey Hobbs QC, sitting as the appointed person, stated:

“However, that does not appear to me to alter the basic nature of the required approach. As to that, I adhere to the view that I have expressed in a number of previous decisions. 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.”

50. In its submissions, dated 15 February 2012, the applicant states:

“7. The Opponent has provided evidence of use in relation to specialist food items consisting wholly or principally of Chinese foodstuffs. These goods are not general, everyday items, nor would these items be considered as alternatives for items corresponding to the descriptions “preserved, dried and cooked fruits and vegetables” and “preparations made from cereals, confectionary”.... These items are not commonly found in well known UK supermarkets. It is submitted that such items are more likely to be sold through specialist retail outlets... If some of these items are sold through well known UK supermarkets, it is submitted that such products will be found in separate sections of the supermarket. These items are unlikely to be found in the same aisles or shelves as comparable products meeting the descriptions “preserved, dried and cooked fruits and vegetables” and “preparations made from cereals, confectionery”.”(If this is a direct quote then use the (sic)

fallback)

51. In response, the opponent submits that:

“25..this argument is non-sensical. The goods in question would not be considered as alternatives for the goods for which the mark is registered because they are the goods for which the mark is registered. Each is an example of a foodstuff falling within the scope of the terms set out in the specification.”

52. I note that in its evidence in reply the applicant has conducted internet searches in relation to highly specialised ingredients listed in the invoices provided by the opponent. I agree that in the case of such goods their retail is likely to take place in specialist outlets or particular areas of the supermarket. However, some of the goods in the opponent’s invoices, such as, inter alia, sago, dates, dried prunes, black beans, mung beans, cinnamon and ginger, will, in my experience, be found in many UK supermarkets and high street grocers’.

53. The applicant further submits that:

“9...the relevant public would describe the Opponent’s goods as consisting “wholly or principally of Chinese foods and foodstuffs”.

54. The opponent submits:

“26...There is no generally accepted definition of ‘Chinese foodstuffs’. We have not found any example of a UK Registered Trade Mark including such a limitation in its specification of goods. The quoted expression is inherently vague in that it could relate to, for example, food produced only in China, food which is only eaten by Chinese people, or food used exclusively in Chinese cuisine. None of these definitions would be fair or accurate for the goods in question. All of the items sold by the Opponent are available to be purchased, cooked and eaten by all consumers. They are correctly described as ‘preserved, dried and cooked fruits and vegetables’ and ‘preparations made from cereals, confectionery.’

55. I agree. There is no distinct category of Chinese foodstuffs such that can be defined in order to provide a clear and accurate limitation in this case. Foodstuffs of the type I have listed above at paragraph x may be commonly used in order to make Chinese food but can also be used in many other types of cuisine. Even if such a limitation could be considered to provide a clearly defined set of goods, the products provided by the opponent include a far broader range of goods than such a limitation would indicate and includes goods in each category of those goods as specified.

56. Consequently, I find that the use shown by the opponent is sufficient to show use in respect of the specification as registered in classes 29 and 30. It is neither too broad nor too picky and it is on that basis on which I will proceed.

Section 5(2)(b) case law

57. In his decision in *La Chemise Lacoste SA v Baker Street clothing Ltd* - BL O/330/10 (approved by Arnold J in *Och-Ziff Management Europe Ltd v Och Capital LLP* [2011] FSR 11), the Appointed Person, Mr Geoffrey Hobbs QC, expressed the

test under this section (by reference to the CJEU cases mentioned) on the basis indicated below:

The CJEU cases

58. *Sabel BV v Puma AG* [1998] RPC 199; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117; *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77; *Marca Mode CV v Adidas AG & Adidas Benelux BV* [2000] E.T.M.R. 723; *Matratzen Concord GmbH v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-6/01; *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH* C-120/04; *Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* C-334/05 P.

The principles

(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, in certain circumstances, be dominated by one or more of its components;

(f) and beyond the usual case, where the overall impression created by a mark depends heavily on the dominant features of the mark, it is quite 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 causes the public to 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 act

59. In accordance with the above cited case law, I must determine who the average consumer is and consider the nature of the purchasing process. The average consumer is reasonably well informed and reasonably circumspect and observant, but with a level of attention likely to vary according to the category of goods at issue. The attention paid is likely to vary depending on price and, to some extent, the nature of the goods and the frequency of the purchase.

60. The respective goods are foodstuffs. The average consumer of these goods will be a member of the general public. The purchase is likely to be primarily visual as it is likely to be made from a website or directly from a shelf. These are relatively low value fairly frequent purchases though, in my view the average consumer will pay a reasonable degree of attention, to the extent that they will consider, inter alia, ingredients, nutritional value and taste.

Comparison of goods

61. The goods to be compared are as follows:

Opponent's goods	Applicant's goods
Class 29 preserved, dried and cooked fruits and vegetables Class 30 preparations made from cereals and confectionery	Class 30 'Candies; toffee candies; none of the aforesaid goods consisting wholly or principally of Chinese foodstuffs.'

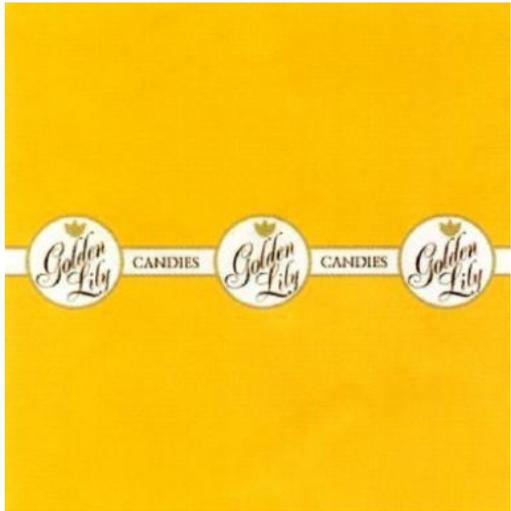
62. In comparing the goods, I bear in mind the following guidance provided by the General Court (GC) in *Gérard Meric v OHIM*, Case T-133/05:

“29. ...goods can be considered identical when the goods designated by the earlier mark are included in a more general category, designated by the trade mark application or when the goods designated by the trade mark application are included in a more general category designated by the earlier mark.”

63. The goods „Candies’ and „toffee candies’ in the application clearly fall within the broader category „confectionery’ contained in the opponent’s specification. In accordance with *Meric* they are identical goods.

Comparison of marks

64. The marks to be compared are as follows:

The opponent’s mark	The applicant’s mark
	

Dominant and distinctive components

65. In its submissions dated 15 February 2012 the applicant states:

“11. Whilst the above marks share the “GOLDEN LILY” element, both marks contain other features which will be remembered by consumers. The Applicant’s mark contains a distinctive yellow square which is divided by a white horizontal wide line. Three white circles feature horizontally on the white line. In contrast the Opponent’s mark appears in a circle. “Golden Lily” and a representation of a Lily Flower feature prominently in the middle of this circle. Whilst the meaning of the Chinese characters featuring beneath the Lily Flower in the Opponent’s mark will be unknown to most UK consumers, these characters do give an indication of the nature of the products bearing the mark i.e. of Oriental origin”

66. In its submissions dated 12 July 2012 the opponent states:

“13. The Earlier trade mark consists of the words Golden Lily with a representation of a lily flower and three Chinese characters surrounded by a simple circle. The Opposed Trade Mark consists of a yellow square with a white band across the centre. At intervals across the white band are roundels in the form of three simple white circles which enclose the words Golden Lily and a small golden calyx device. The white band includes the word „CANDIES’.

14. *The dominant feature of the Earlier Trade Mark is the words „Golden Lily’. The lily flower device is illustrative of those words. The Chinese characters would be seen as a decorative element by most UK consumers.*

15. *The dominant feature of the Opposed Trade Mark is also the words „Golden Lily’. The word „candy’ is entirely without distinctiveness in the context of the goods in question. The yellow background, resembling as it does a chocolate (candy) box, does not add significantly to the distinctiveness of the mark.”*

67. The applicant’s mark consists of the words „Golden Lily Candies’. I have no hesitation in concluding that the word „Candies’ is not distinctive in the context of goods described as „candies and toffee candies’ as it merely describes the nature of the goods being provided. Consequently, it is likely to receive little or no attention from the average consumer.

68. The words „Golden Lily’ within the three circles are a dominant and distinctive element of the applicant’s mark. There is a small device presented above the words which on closer inspection is a representation of a lily. However, it is small within the overall mark and is unlikely to be paid particular attention.

69. The opponent’s mark consists of a circle in which the words „Golden Lily’ are presented above a substantial device of a lily. Underneath the lily are three Chinese characters which are not likely to be understood by the average consumer and will be seen as purely decorative. The dominant and distinctive elements of the opponent’s mark are the words „Golden Lily’ and the device of a lily. Whilst the evidence shows that the opponent sells lily bulbs for use in cooking, I have no evidence that golden lilies are a type of lily or that, if they do exist, they can be used as a foodstuff.

70. The words „Golden Lily’ hang together and are neither descriptive nor non-distinctive for the applicant’s goods in class 30. They are the distinctive and dominant elements of the application, by virtue of their size and positioning and because the remaining elements are descriptive or de minimus,

Visual similarities

71. Although the applicant’s trade mark is presented in colour, as the opponent’s trade mark is presented in black and white this does not, for the reasons given by Mann J in *Specsavers International Healthcare Ltd v Asda Stores Ltd (No. 2)* [2011] FSR 1, assist in distinguishing the competing trade marks. When one compares the distinctive and dominant components of the applicant’s trade mark with the distinctive and dominant elements of the application, one notes that the word components of both are the words „Golden Lily’. The application contains the addition of the descriptive word „CANDIES’. In both cases the word elements of the marks are presented in a circular device. The additional matter in the opponent’s mark is clearly a lily, while the additional device element in the applicant’s mark is, as

described by the opponent, a calyx², which is smaller within the mark as a whole than the lily device in the opponent's mark. Whatever the semantic niceties, both will be seen as floral devices. Taking all of these factors into account I consider there to be a reasonable degree of visual similarity between the marks.

Aural similarities

72. The opponent submits:

“17. The verbal elements of the marks are respectively „Golden Lily’ and „Golden Lily Candies’. The marks are phonetically highly similar. Both would be referred to as „Golden Lily’ marks.”

73. It is well established that where words appear in a composite trade mark, the average consumer will refer to the trade mark by the word elements. In my view, the applicant's mark will be referred to as „Golden Lily’. The word „Candies’ is not presented in the circle with the words „Golden Lily’ and describes the goods so it is likely that the average consumer will not articulate it at all. However, even where the average consumer does sound the word „candies’ the mark is highly similar to the opponent's mark which will be articulated as „Golden lily’.

Conceptual similarities

74. For a conceptual message to be relevant it must be capable of immediate grasp by the average consumer.³

75. The opponent submits:

“18. The verbal elements of the marks consist of the words ‘Golden Lily’ and ‘Golden Lily (Candies)’. These words have [sic] clear conceptual meaning in the English language. The lily flower device and the calyx device respectively simply reinforce the concept embodied in those words. The word ‘Candies’ adds nothing to the distinctiveness of the Opposed mark in the context of the relevant goods. The conceptual meanings of the marks are highly similar.”

76. In my view the conceptual message of both marks is that of a golden lily. Consequently, the marks are conceptually identical.

Distinctive character of the earlier mark

77. I must now assess the distinctive character of the opponent's earlier trade mark. The distinctive character of the opponent's earlier trade mark must be appraised first, by reference to the goods and goods upon which I have found it has been used and, secondly by reference to the way it is perceived by the relevant public – *Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91. In determining the distinctive character of a trade mark and, accordingly, in assessing whether it is highly distinctive, it is

² Defined as “the sepals of a flower collectively, forming the outer floral envelope that protects the developing flower bud”, *Collins English Dictionary*, © HarperCollins Publishers 2000.

³ This is highlighted in numerous judgments of the GC and the CJEU including *Ruiz Picasso v OHIM* [2006] e.c.r.-I-643; [2006] E.T.M.R. 29.

necessary to make an overall assessment of the greater or lesser capacity of the trade mark to identify the goods for which it has been used as coming from a particular undertaking and thus to distinguish those goods and services from those of other undertakings - *Windsurfing Chiemsee v Huber and Attenberger* Joined Cases C-108/97 and C-109/97 [1999] ETMR 585.

78. The opponent's mark consists of the words „Golden Lily' with a prominent device of a lily. The additional Chinese characters will be considered decorative by the average consumer. The mark in its totality possesses a reasonably high level of inherent distinctive character.

79. For reasons I have already discussed above, whilst I was able to conclude from the evidence provided that the opponent had sufficient use of its mark to satisfy the proof of use criteria, that evidence is insufficient to show that the character of its mark has been enhanced through that use. I do not have the necessary figures to determine the opponent's turnover in any of the goods or the share of the relevant market that such sales may represent. Consequently, I cannot find that the opponent's use of its mark has enhanced its distinctive character.

Likelihood of confusion

80. In assessing the likelihood of confusion, I must adopt the global approach advocated by case law and take into account the fact that marks are rarely recalled perfectly, the consumer relying instead on the imperfect picture of them he has kept in his mind.⁴ I must also keep in mind the average consumer for the goods, the nature of the purchasing process and have regard to 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.

81. I have found that the marks share a reasonable degree of visual similarity, a high degree of aural similarity and are conceptually identical. I have found a reasonably high level of inherent distinctive character in the earlier mark and have found identical goods to be involved. I have identified the average consumer, namely a member of the general public and have concluded that a reasonable degree of attention will be paid to the purchase of such goods.

82. Taking all of these factors into account the similarity of the marks are such that in the context of identical goods there will, in my view, be direct confusion (where one mark is mistaken for the other). Even if I am wrong in this, there will be indirect confusion (where the average consumer believes the respective goods originate from the same or a linked undertaking).

Conclusion

83. The opposition succeeds.

Costs

⁴ *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V* paragraph 27.

84. The opposition having succeeded, the opponent, is entitled to a contribution towards its costs. I have taken into account that no hearing has taken place, but that the opponent filed evidence and written submissions in lieu of a hearing. I make the award on the following basis:

Preparing a statement and considering the other side's statement:	£300
Preparing evidence and considering the other side's evidence:	£500
Written submissions:	£200
Official fee:	£200
Total	£1200

85. I order CLOSED JOINT STOCK COMPANY "INDUSTRIAL ASSOCIATION "KONTI" to pay Li's Holding B.V. the sum of £1200. 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 10th day of December 2012

**Ms Al Skilton
For the Registrar,
The Comptroller General**