

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK APPLICATION No. 2526352
IN THE NAME OF VITASOY INTERNATIONAL HOLDINGS LIMITED**

**AND IN THE MATTER OF OPPOSITION THERETO UNDER No. 100119
BY DAIRY CREST LIMITED**

**AND IN THE MATTER OF AN APPEAL TO THE APPOINTED PERSON
BY THE OPPONENT
AGAINST A DECISION OF MR. G. W. SALTHOUSE
DATED 29 OCTOBER 2012**

DECISION

Background

1. This is an appeal against a decision of Mr. G. W. Salthouse, acting for the Registrar, dated 29 October 2012, BL O/426/12, in which he partially allowed and partially refused an opposition brought by Dairy Crest Limited (“the Opponent”) against UK Trade Mark Application number 2526352 in the name of Vitasoy International Holdings Limited (“the Applicant”).
2. Application number 2526352 was filed by the Applicant on 16 September 2009 requesting registration of the figurative designation shown below for use as a trade mark in the UK in relation to a variety of goods in Classes 29 and 30:



3. The Application was published in the Trade Marks Journal on 6 November 2009.
4. On 8 February 2010, the Opponent filed Notice of opposition and statement of grounds against the Application but only to the extent of: “milk and other dairy products; edible oils and fats; milk, milk drinks” in Class 29.
5. The opposition was brought under Section 5(2)(b) and 5(4)(a) of the Trade Marks Act 1994. In support of the Section 5(2)(b) ground, the Opponent relied on two earlier trade marks in its ownership registered relevantly in Class 29 both for the word VITALITE.

O-514-13

6. The first of these earlier trade marks was UK Registration number 1588865, which was entered on the Register on 29 December 2000 and subject to the proof of use requirements in Section 6A of the Act. The Applicant put the Opponent to proof of use of UK Registration number 1588865 in respect of the Class 29 goods relied on by the Opponent, in the Applicant's Notice of defence and counterstatement, filed on 15 August 2011.
7. UK Registration number 1588865 had been part surrendered since registration, so that at the filing date of the Application the specification in Class 29 in so far as relied upon by the Opponent read:

Dairy products; milk and milk products; spreads; edible oils and edible fats; (which edible oils, spreads and fats contain at least one of hydrogenated fats or oils, animal fats or oils, or synthetic ingredients); butter; but not including foodstuffs or beverages containing at least 5% herbal products, acidophilus or like cultures and bacteria which are present other than as a naturally occurring part of animal products which are used as ingredients in foodstuffs, and nutritional supplements such as tablets, tonics, capsules, lozenges and the like and not including milk, cream cheese (plain, flavoured or with seasoning and other cheese spreads), yoghurt and cream (fresh, plain or with seasoning).
8. The Hearing Officer noted that as a result of the part surrender, milk was specifically excluded from the Opponent's Class 29 specification.
9. The second earlier registration of VITALITE claimed by the Opponent in support of the opposition under Section 5(2)(b) was Community Trade Mark ("CTM") number 001228766 for the following goods in Class 29:

Yellow fat spreads; spreads; edible oils and edible fats; (which edible oils, spreads and fats contain at least one of hydrogenated fats or oils animal fats or oils or synthetic ingredients); but not including foodstuffs or beverages containing at least 5% herbal products, acidophilus or like cultures and bacteria which are present other than as a naturally occurring part of animal products which are used as ingredients in foodstuffs, and nutritional supplements such as tablets, tonics, capsules, lozenges and the like.
10. CTM 001228766 was registered on 5 January 2005. It was not more than five years old at the date of publication of the Application (6 November 2009) and not subject to proof of use. The Opponent could therefore rely on CTM 001228766 to the full extent of its goods in Class 29.
11. For the purposes of Section 5(4)(a), the Opponent relied on earlier unregistered rights in VITALITE, which the Opponent claimed to have used since 1983 in relation to: "A sunflower oil spread which is an alternative to butter, suitable for vegetarians and those who are lactose intolerant."

The Hearing Officer's decision

12. The Hearing Officer allowed the opposition under Section 5(2)(b) and 5(4)(a) in respect of: "other dairy products; edible oils and fats". However, he refused the opposition on both heads in relation to: "milk, milk drinks".
13. With regard to proof of use of UK 1588865, the Hearing Officer accepted that this had been shown in respect of a sunflower oil based spread (para. 23). A fair specification of UK 1588865 for the purposes of the opposition was to his mind: "edible oils; oil based spreads".

The appeal

14. On 27 November 2012, the Opponent filed Notice of appeal to the Appointed Person under Section 76 of the Act. The Opponent challenged the Hearing Officer's rejection of the opposition in respect of "milk, milk drinks" under Section 5(2)(b) and 5(4)(a), and also the Hearing Officer's findings on proof of use of UK 1588865. There was no cross appeal or respondent's notice.
15. At the hearing of the appeal, the Opponent was represented by Ms. Amanda Michaels of Counsel, instructed by Cleveland. The Applicant neither appeared nor was represented but submitted a skeleton argument through its agents, Field Fisher Waterhouse LLP.
16. As for the standard of review, I should be reluctant to interfere in the absence of a distinct and material error of principle on the part of the Hearing Officer (*REEF Trade Mark* [2003] RPC 5). Ms. Michaels referred me to a recent summary of this approach by Mr. Daniel Alexander QC sitting as the Appointed Person in *PETMEDS Trade Mark*, BL O/471/11.
17. I intend to deal first with the appeal arising under Section 5(2)(b) out of CTM 001228766. Whilst I accept that the Opponent is unhappy with the Hearing Officer's findings of proof of use in relation to UK 1588865, the point is in my view of secondary importance because irrespective of those findings, CTM 001228766 had at the relevant time the wider specification in Class 29.
18. I share Ms. Michaels' concern that the issue of proof of use of UK 1588865 might have diverted the attention of the Hearing Officer in his proper deliberations under Section 5(2)(b).
19. The Applicant's skeleton argument on appeal was noteworthy in apparently failing to address the case based on CTM 001228766.

Section 5(2)(b)

20. The Hearing Officer's findings in relation to the similarity in the marks were uncontroversial:
 - (1) Visually, the average consumer would view the Applicant's mark as the word "vita" written in slightly stylised script and the Opponent's mark as the words

O-514-13

“VITA” and “LITE”. The two marks had the first four letters in common. The clear visual similarities outweighed the differences.

- (2) Phonetically, the consumer would see both marks as either “VITA” or “VEETA” marks. There was a high degree of oral similarity which outweighed the additional word element in the Opponent’s mark.
 - (3) Conceptually, the Hearing Officer seemed not to arrive at a finding, simply dismissing the parties’ respective arguments on this aspect.
21. The Opponent’s first complaint was in connection with the Hearing Officer’s comparison of the parties’ goods.
 22. His first two findings: (1) “edible oils and fats” were in both specifications and therefore identical; and (2) “other dairy products” in the Applicant’s specification included butter and cheese and were identical to “edible fats” in the Opponent’s specification, were unexceptionable in that they clearly had in mind CTM 001228766 (the Hearing Officer’s reduced specification for UK 1588865 did not include edible fats).
 23. However, the Hearing Officer went on to say (para. 36):

“The remaining items in the applicant’s specification are “milk, milk drinks”. To my mind, the respective uses of milk and milk drinks are obviously different from those of spreads and edible fats [again unexceptionable]. *It is by no means certain that the respective users would be the same* [emphasis supplied] ...”
 24. The Hearing Officer gave no explanation for his finding that I have italicised above. The Opponent’s CTM 001228766 specification includes yellow fat spreads and spreads, which in turn would include such dairy products as spreadable butter and cheese spread. I can see no reason why the users of yellow fat spreads and spreads would not be the same as the users of milk and milk products. I agree with Ms. Michaels that the strong suggestion is that the Hearing Officer had in mind his previous comments that UK 1588865 specifically excluded milk and the Opponent’s product was non-dairy. In other words, he based his finding that it was by no means certain that the users of the respective goods would be the same, on the specification of UK 1588865 and his findings as to the Opponent’s actual use of that mark, rather than the wider specification of CTM 001228766 on which the Opponent was entitled to rely.
 25. I am satisfied therefore that the Hearing Officer made a material error which justifies my re-appraisal of the objection under Section 5(2)(b).
 26. Before doing so, I turn to the other area where it is alleged that the Hearing Officer erred in his assessment of the facts to be considered in the global appreciation of likelihood of confusion namely, the Opponent’s claim to enhanced distinctiveness through use of VITALITE on the marketplace.

27. The Hearing Officer dismissed the Opponent's claim on the following basis:
- “26) In the instant case the opponent has provided evidence regarding use of its marks. It is clear from the evidence filed that the opponent has used its mark VITALITE for at least twenty five years. However, use does not necessarily equal reputation. Whilst the opponent has provided sales figures for the year prior to the mark in suit being filed, these sales figures have not been put into context. The opponent has not commented upon market share or recent advertising. Indeed the only reference is to an advertising campaign which occurred over fifteen years ago. The only evidence which goes to reputation is a report that 69% of people questioned were aware of the brand “when prompted”. No explanation of what this means is provided. The evidence filed does not establish that the opponent has a reputation in the mark VITALITE and it cannot therefore benefit from an enhanced reputation. However, the mark is, to my mind inherently highly distinctive for the goods for which it is registered in the case of CTM 1228766 and for edible oils and oil based spreads in the case of 15688865.”
28. The Opponent admitted that it did not supply evidence of market share of VITALITE. Further, its evidence of VITALITE advertising related to a campaign run in the 90s featuring dancing sunflowers and a singing sun with a parody of the song Israelites by Desmond Decker.
29. On the other hand, the Opponent argued that it had shown a long history of trading in the UK and turnover figures in the UK for the period 2008 – 2011 of £8/9 million per annum. It was clear from the evidence that the VITALITE product retailed at around £1.20 (Witness Statement of Lorna Hobbs, 17 May 2012, LH3) and was available from major supermarkets (Witness Statement, Fiona Wylie, 12 January 2012, para. 5.1). That represented a lot of widespread sales.
30. The Opponent also argued that the Hearing Officer was wrong to dismiss the report prepared by MillwardBrown (FW12) establishing that 69% of people questioned were aware of the VITALITE brand “when prompted” on the basis that no explanation was provided as to what that meant. On the contrary, Ms. Michaels took me to the Methodology section of the report, the question asked for total spontaneous awareness and the question asked for prompted awareness. It seems to me that the explanations provided by MillwardBrown for the results presented in their report were pretty understandable and clear.
31. As the Hearing Officer noted only one years' turnover figures for the VITALITE product fell squarely before the relevant date (March 2008 – February 2009, £8,681k). Nevertheless the later figures are consistent with that year and are useful in confirming that the turnover then achieved was not exceptional and was maintained (Case C-259/02, *La Mer Technology Inc. v Laboratoires Goemar SA* [2004] ECR I-1159, para. 31).
32. Similarly, the MillwardBrown report was dated 4 March 2011, but can reasonably be assumed to be the result of sales efforts taking place before that date.

33. Market share is just one of the factors to be taken into account when assessing the reputation of a trade mark. All the relevant evidence must be considered and may in itself suffice to establish the reputation of the trade mark without reference to market share (Case T-131/09, *Farmeco AE Dermokallyntika v. OHIM* [2010] ECR II-0243, para. 59). The reputation of a CTM may be established if it is known to a significant proportion of the relevant public in one Member State, like the UK (Case C-301/07, *PAGO International GmbH v. Tirolmilch registrierte Genossenschaft mbH*, para. 30).
34. The availability of enhanced protection for marks with reputation is not restricted to famous trade marks (*STEELCO Trade Mark*, BL O/268/04, para. 17). On the other hand, the significance of that reputation may relate to a particular type of product (*ROJA DOVE Trade Mark*, BL O/016/10, para. 16).
35. It seems to me that the Hearing Officer too readily dismissed the evidence of reputation and failed to give it due consideration in the round. Thus considered, in my judgment, the Opponent succeeded in proving reputation in the UK market of its trade mark VITALITE but only in relation to a sunflower oil based/non-dairy spread.
36. In any event, the Hearing Officer attributed a high degree of inherent distinctive character to VITALITE in respect of the registered goods, so that his negative finding on enhanced distinctiveness would likely have had little effect on his determination under Section 5(2)(b).
37. In my global re-appreciation of the likelihood of confusion, I take into account that the marks are visually and aurally similar and to the extent that the public attributes a meaning to VITA, conceptually similar. I find that the average consumer is the general public (who is reasonably well informed and reasonably circumspect and observant) and that the VITALITE earlier trade mark has high distinctive character inherently in relation to the registered goods and enhanced distinctiveness in relation to sunflower oil based spreads. Some degree of attention will be paid to the purchase act.
38. As regards the comparison between the respective goods, Ms. Michaels argued that there was some similarity between edible fats (which include butter and cheese) and spreads (which often contain milk) on the one hand, and milk on the other hand. Quite apart from the question whether milk is an edible fat, the Hearing Officer accepted the Opponent's evidence that spreads and milk are often sold in the same vicinity in supermarkets and shops. My own experience is that in smaller stores, spreadable butter, so-called "healthy alternatives" and milk are often sold side by side.
39. Moreover, the Opponent adduced evidence to show that they and other manufacturers used the same brands for spreads and milk (COUNTRY LIFE and FLORA respectively: Wylie, para. 6.3, Hobbs, para. 5, LH5 and LH6).
40. The Hearing Officer thought that the public would make a connection between butter on the one hand and milk on the other hand¹ with which I agree. The Opponent's CTM specification covers "yellow fat spreads, spreads and edible fats", which in turn include butter and spreadable butter. Accordingly, I believe it correct to find that

¹ Paragraph 49 in the context of Section 5(4)(a), because butter is made from milk.

there is at least some degree of similarity between the Opponent's goods in CTM 001228766 and the Applicant's "milk, milk drinks".

41. Taking all these facts into account, in my judgment there is a risk that the public would mistakenly believe VITA figurative milk, milk drinks originated from the same or a connected source as the VITALITE CTM registered goods.

Other grounds of appeal

42. The above conclusion is sufficient to dispose of the appeal since the outcome is that the opposition was entirely successful under Section 5(2)(b).
43. Nevertheless, the Opponent objected to two further findings of the Hearing Officer at least the first of which the Opponent stated it had an interest in overturning.

Proof of use of UK 1588865

44. There was no challenge to the Hearing Officer's account of the legal principles governing this area (paras. 20 and 22).
45. The Opponent claimed, and the Hearing Officer affirmed, genuine use of VITALITE in the applicable period in relation to a sunflower oil based spread. The Hearing Officer then determined that a fair specification having regard to the use made of VITALITE was: "edible oils; oil based spreads".
46. The Hearing Officer stated his acceptance of edible oils in terms that would appear also to admit edible fats. Ms. Michaels argued that there was no rational reason for excluding edible fats since the VITALITE product is a solid spread. The Hearing Officer did not discuss "edible fats" in his decision. However, I suspect that his disallowance of that term had something to do with the rather strange limitation to the Class 29 specification of UK 1588865 introduced as a result of the part surrender. In any event, I believe this is a non-point because the Hearing Officer allowed "oil based spreads" so that the solid state/fats issue was covered.
47. As for oil based spreads, this was a term put forward by the Opponent itself, who said (written submissions, dated 16 January 2012):

"Spreads can be either dairy based (an example of this is the Opponent's CLOVER product) or oil based, as is the Opponent's VITALITE product."

48. The Opponent's VITALITE product in respect of which genuine use was established was dairy-free and so suitable for vegans and those with lactose intolerance.
49. Ms. Michaels argued that there was nothing in the evidence to indicate that "oil based spreads" was a separate product category; instead a fair description of goods for the Opponent's use of VITALITE was "spreads". The Applicant sought to persuade me that an appropriate specification for UK 1588865 was "non-dairy vegetable oil based spread with 22% sunflower oil", which in my view falls into the "three-holed razor blades imported from Venezuela" category and is pernicky (*ANIMAL Trade Mark* [2004] FSR 383).

50. The Opponent's own evidence speaks of vegetable/sunflower oil based spreads and distinguishes between dairy and non-dairy spreads. It was not suggested that the Hearing Officer failed to take account of any particular piece of evidence or in any other way distorted the facts. His determination of "oil based spreads" as part of a fair description of the use shown of VITALITE was the result of a multifactorial assessment on his part, with which I should be reluctant to interfere.
51. The appeal on this point therefore fails.

Section 5(4)(a)

52. Again there was no suggestion that the Hearing Officer misdirected himself as to the law.
53. The Opponent's case is that the Hearing Officer erred in concluding that: (1) the Opponent's goodwill in VITALITE related to a sunflower oils based spread instead of spreads generally; and (2) the link between such goods and milk, milk drinks was so tenuous that no misrepresentation was likely to occur.
54. In connection with (1) the Hearing Officer said:
- "The opponent has claimed, and it is not challenged, that it has used its mark VITALITE on a sunflower oil based spread in the UK since 1983. Although the opponent has only provided sales figures since March 2008 they have shown that despite running an advertising campaign over fifteen years ago, 69% of those questioned remembered the mark. I am prepared to accept that the opponent has shown that it has enjoyed goodwill in its mark with regard to oil based spreads since at least 1996." (para. 44)
55. And in connection with (2):
- "The opponent contended that other parties had used marks upon both milk and butter. Indeed the opponent did exactly this with another of its brands COUNTRY LIFE using it initially upon butter and then expanding into milk. However, I regard the connection between butter and milk as being one which the average consumer would understand and regard as entirely normal, given that butter is made from milk. However, expanding from a sunflower oil based spread into milk and milk products is not a natural step as there is no link other than very tenuous ones, such as sunflower spreads can be substituted for butter; butter and spreads are sold in the same cabinets; and that milk is usually close by as it too needs to be kept refrigerated and shops tend to group refrigeration units together to keep costs down. To my mind there would be no misrepresentation if the mark in suit were used upon "milk, milk drinks". (para. 49)
56. I am not prepared to accept either of the Opponent's criticisms. As the Hearing Officer noted, the Opponent claimed only to have used VITALITE in the UK in relation to sunflower oil based spread. The issues under Section 5(4)(a) were different to those under Section 5(2)(b) since the Opponent was unable to rely upon

the wider specification in Class 29 in CTM 001228766, the comparison was between the Opponent's actual use of VITALITE and notional use of VITA figurative for milk, milk drinks and the reference point for likelihood of deception was customers of the Opponent.

57. Ms. Michaels did not press this ground of appeal at the hearing (over and above points she had already made).

Conclusion and costs

58. In the result:

- (1) The appeal succeeded in relation to Section 5(2)(b) and the Application must be refused registration also in relation to milk, milk drinks.
- (2) The appeal against the Hearing Officer's findings on proof of use of UK Registration number 1588865 and under Section 5(4)(a) failed.

59. Since both parties enjoyed a measure of success on appeal, I make no order for costs.

60. However, the Opponent was the winner below and is entitled to a contribution towards its costs of the opposition, which I assess in the sum of £1,500 to be paid by the Applicant to the Opponent within 28 days of the date of this decision.

Professor Ruth Annand, 16 December 2013

Ms. Amanda Michaels of Counsel instructed by Cleveland appeared on behalf of the Opponent/Appellant

The Applicant/Respondent was not represented and did not appear