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In the matter of UK Trade Mark Application No.3093815 for a figurative mark including 'kraX' in Classes 29 and 30 in the name of Thomas Tucker Limited (the Applicant)

and

Opposition No. 404401 by ETI Gida Sanayi Ve Ticaret Anonim Sirketi (the Opponent)

and

In the matter of an Appeal to the Appointed Person by the Applicant against the Interim Decision of the Hearing Officer O-264-16 for the Registrar, The Comptroller General dated 25 May 2016 and his Supplementary Decision on Costs O-312-16 dated 29th June 2016

DECISION

Procedural history

1. On 11 February 2015, the Applicant applied to register the figurative mark set out below under No. 3093815. As can be seen, the mark includes the letters 'kraX':



2. Registration was sought for the following goods in classes 29 & 30:
Class 29: Crisps; Potato crisps; Crisps (Potato -).
Class 30: Crisps made of cereals; Extruded food products made of maize; Extruded food products made of rice; Extruded food products made of wheat; Extruded savory snackfoods; Extruded snacks containing maize.
3. The application was published for opposition purposes on 27 February 2015 and the Opponent opposed the application under section 5(2)(b) of the Trade Marks Act ("the Act") on the basis of its earlier International Registration no. 943293 (the earlier mark) for this trade mark:

ETI CRAX

in respect of the following goods in Class 30:
Coffee, cocoa, artificial coffee, mocha (coffee), coffee substitutes, coffee or cocoa-based beverages; tapioca, sago; macaroni, meat pies, vermicelli; breads, pitas, pizzas; biscuits, crackers, wafers, pastries, petit-fours, tarts, cakes; desserts

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made of flour; puddings; honey, propolis; flavourings for foods; ketchup, mayonnaise, mustard, sauces, salad sauces, tomato sauces, vinegars, aromatic preparations for foods and beverages, spices, yeast, baking-powder, vanillas, any kind of flour, semolina, starch; sugar, powdered sugar; teas, iced-teas; confectioneries, Turkish delight, frozen yoghurt, (confectionery), chocolates, chocolate products, products covered with chocolate and candy, confectioneries for decorating Christmas trees, chocolate-based beverages; chewing-gum, ice creams, edible ices; salt, rice, bulgur (boiled and pounded wheat), malt for food; appetizers made of cereal and flour, roasted corn and wheat, crisps, corn flakes, crushed oats, cereal for breakfast.

4. In its counterstatement, the Applicant denied the basis of the Opposition and stated that it had *'used the proposed mark from 1998 onwards and there have never been any instances of confusion.'*
5. As the Hearing Officer recorded, both sides filed evidence and the opponent also filed written submissions in the course of the evidence rounds. Neither side requested a hearing, instead the applicant filed written submissions in lieu of attendance at a hearing. On the basis of those written submissions and his analysis of them, the Hearing Officer reached his interim decision (O-264-16, dated 25 May 2016). In his Interim Decision, the Hearing Officer upheld the Opposition in full.
6. At the Applicant's request, the Hearing Officer then received written submissions from the Applicant on costs, to which the Opponent responded. The Hearing Officer then issued his Supplementary Decision on Costs O-312-16 dated 29th June 2016.

The Appeal

7. In its Appeal, the Applicant alleged that the Hearing Officer had made errors on five main grounds, as follows.
 - 7.1. First, that the Hearing Officer had artificially dissected the Opponents ETI CRAX mark, and failed to view the Opponent's mark as a whole;
 - 7.2. Second, that he had failed to assess global appreciation from the viewpoint of a reasonably well informed and reasonably observant and average consumer. The Appellant contended that the average consumer of the Applicant's mark will be [sc. a consumer in] a cinema/leisure outlet and the average consumer of the Opponent's mark is [sc. a consumer in] a Turkish grocery store;

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- 7.3. Third, that he had failed to apply the law to the facts before him and incorrectly substituted his own evidence for the evidence before him. Further, the Appellant contended that the Hearing Officer had failed to give weight to the Opponent's own evidence as to how the ETI CRAX mark should be interpreted.
- 7.4. Having found no instance of direct confusion, the Hearing Officer made a finding of indirect confusion contrary to the evidence. Furthermore, the Appellant contended that such conclusions are contrary to authority.
- 7.5. In summary, the Appellant contended that the Hearing Officer's decision that the Applicant's mark was to be considered as a variant brand, leading to indirect confusion, was erroneous and that, if the marks were not similar enough to cause direct confusion, it does not follow that there is indirect confusion.
8. The Appeals came on for a hearing before me on Tuesday 31st January 2017. The Applicant/Appellant provided me in advance with a detailed Skeleton Argument, in which the five grounds set out above were developed, and a bundle of authorities. At the hearing the Appellant was represented by Mr Ian Morris and Miss Humna Nadim of Kuit Steinart Levy LLP. Although the Respondent's representatives acknowledged receipt of the Appeal, it made no submissions on the Appeal and did not attend the Hearing.
9. In its Skeleton Argument, the Appellant drew particular attention to the following facts as relevant to the appeal:
- 9.1. First, that the Appellant had used the mark applied for in relation to the goods in the application from 1998 i.e. for 19 years prior to the date of application;
- 9.2. Second, that ETI was the house mark or brand of the Respondent;
- 9.3. Third, by the date of the Hearing before me, that the respective marks of the Appellant and Respondent had co-existed for almost 18 years without any evidence of confusion between them;
- 9.4. Fourth, that the Appellant's market is at a wholesale level to cinemas and to the leisure industry and that goods bearing the mark applied for were currently sold to over 60 cinema and leisure groups and to over 200 sites in the UK.

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9.5. Fifth, that the Respondent's evidence showed that its product was sold in 3 locations and all were Turkish supermarkets.

9.6. Sixth, on the basis of an extrapolation from records of sales between 2003-2014 of goods sold by the Appellant under the mark applied for, the total retail value of goods sold under the mark applied for was approximately £9m.

10. Although, as the hearing progressed, Mr Morris modified some of his criticisms, it became increasingly apparent to me that the real driver for all of the Appellant's points on appeal was (a) its reliance on the alleged 18 years of co-existence in the market of the marks used by the Appellant and Respondent respectively, in combination with (b) the submission, in effect, that an infringement approach should be applied in this case to the ground of opposition under s.5(2)(b).

Standard of Review

11. This appeal is by way of review such that the usual principles set out in *Reef Trade Mark* [2003] RPC 5 and other cases (including *BUD Trade Mark* [2003] RPC 25 and *Fage UK Ltd v Chobani UK Ltd* [2014] ETMR 26) apply. I have reminded myself of those principles.

The Decision

12. Having identified the sole ground of opposition (as that under s.5(2)(b)), the Hearing Officer directed himself by reference to the now standard summary, comprising 11 principles, drawn from CJEU case law.

Comparison of Goods

13. The Hearing Officer concluded that:

13.1. The applicant's goods in class 29 are similar to a high degree to the opponent's crisps in class 30;

13.2. The applicant's 'crisps made from cereals' would be encompassed by the term 'crisps' in the earlier trade mark. As for the other goods, they would all be encompassed by (at least) the broad term 'appetizers made of cereal and flour' in the earlier trade mark. Accordingly, he considered all the goods in class 30 to be identical to goods for which the earlier mark was registered. the competing goods were identical.

14. In his analysis leading to those conclusions, the Hearing Officer considered a submission made by the Applicant based on the actual products of the Applicant and Opponent, to the effect that the actual products ‘*differ substantially*’ and were to be found in differing markets. Having cited the CJEU in *Devinlec* (C-171/06P) at [59], the Hearing Officer quite correctly rejected this submission as having any relevance to the comparison of the respective goods. In so far as any of the Grounds of Appeal contained a challenge to the Hearing Officer’s comparison of the goods, I reject any such challenge. In my view, the Hearing Officer’s comparison of the respective goods was plainly correct.

The average consumer and the nature of the purchasing act

15. Next, the Hearing Officer considered the average consumer and the nature of the purchasing act. He directed himself by reference to paragraph 60 of the *Betty Boop* case (*Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch)). He then held that “*Like the comparison of goods, the average consumer must be considered from a notional perspective rather than on the basis of the markets the parties currently target.*”

16. The Appellant challenges this finding (see its first ground of appeal set out above). It also submitted in terms ‘*The average consumer according to the evidence is not the same* [i.e. for each mark]’. However, the Hearing Officer’s sentence quoted above and his approach seem to me to be clearly correct. The second of the standard set of principles gleaned from the CJEU case law (routinely cited by UK IPO hearing officers and also approved by Kitchin LJ in *Specsavers*) begins ‘*The matter must be judged through the eyes of the average consumer of the goods or services in question.*’ (emphasis added).

17. In this regard, the earlier trade mark is registered for e.g. ‘crisps in class 30’. It is not registered for ‘crisps in class 30 when sold through Turkish supermarkets’. Similarly, the applicant has applied to register its mark for ‘crisps made of cereals’ in class 30 and not ‘crisps made of cereals, all for sale in cinemas’.

18. Accordingly, the error lies in the Appellant's argument. In the circumstances of this case, and especially where the goods are identical, it is absolutely clear that the average consumer is the same person, whichever mark is under consideration.

Comparison of marks

19. The Hearing Officer directed himself entirely correctly by reference to paragraph 23 of *Sabel v Puma* (Case C-251/95) and paragraph 34 of Case 591/12 *Bimbo SA v OHIM*, and then reminded himself that:

“It would be wrong, therefore, to dissect the trade marks artificially, although, it is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.”

20. Having set out the two marks side by side, the Hearing Officer proceeded to analyse the earlier mark. He did so in the following terms:

‘27. The opponent’s trade mark consists of two elements both of which are presented in a heavy bold typeface. The first element consists of the letters “E” and “T” presented in upper case followed by the letter “i” which although presented in lower case is the same size as the upper case letters which accompany it. The second element consists of the word “CRAX” presented in upper case. Both elements are distinctive. The “ETi” element appears first and may, as a consequence, have a slightly higher relative weight than the “CRAX” element which follows it. While the elements do not “hang together” to create a unit (a point to which I will return later), considered overall, I think both elements are likely to make a roughly equal contribution to the overall impression the opponent’s trade mark conveys.’

21. In paragraph 37, the Hearing Officer returned to consider in more detail whether the two elements of the earlier mark created a ‘unit’, in these terms:

‘37. As I mentioned earlier, in my view, the average consumer will not perceive the opponent’s composite trade mark as a unit, where the unit has a different meaning to the separate components of which the trade mark is made up. Rather, in my view, the average consumer will perceive that the opponent’s trade mark consists of two elements both of which have a distinctive significance which is independent of the significance of the whole. ...’

22. Although the Appellant accuses the Hearing Officer of having ‘artificially dissected’ the earlier mark and ‘failed to view it as a whole’, I do not agree with

these criticisms. In my view, not only did the Hearing Office make no error in his assessment of the earlier mark, I consider his analysis to be entirely correct.

23. Two other points relevant to the comparison of the marks were made in the Appellant's Skeleton Argument (and were touched on in oral submissions). These were (a) the Appellant's submission that the respective marks are 'dissimilar' and (b) a challenge to the Hearing Officer's assessment of conceptual similarity.

24. The Hearing Officer assessed the degree of conceptual similarity as follows:

31. Both trade marks consist of or contain an element i.e. "CRAX" and "kraX" [sc. which] may have evolved from the parties' use of their respective trade marks on goods which include crackers. I am not satisfied that the average consumer would recognise this allusion, however, and the presence in the competing trade marks of these elements is most likely, in my view, to create in the average consumer's a mind a mental picture of, for example, something which "cracks". As this mental picture will not be modified by the "ETi" element in the opponent's trade mark, there remains a degree of conceptual similarity between them, a degree of similarity which I would, once again, pitch at, at least, a medium degree.

25. The Appellant put that second point in the following way: '*...if the average consumer would not recognise the allusion to something of crackers, then why would the average consumer then have a mental picture of something which cracks....*'

26. The answer to this point is that the first allusion is too obscure for it to impinge on the mind of the average consumer, whereas it is the elements in the respective marks themselves, 'CRAX' and 'kraX', which provide the mental picture, since they are both misspellings of the word 'cracks' and would be perceived as such by the average consumer.

27. Reverting to the more general first point identified above that the respective marks are 'dissimilar', it does not identify any error in the Hearing Officer's analysis, but amounts to an argument that his overall conclusion on his comparison of the marks was wrong, and that he should have found the marks 'dissimilar'. I disagree. In summary, I could detect no error, let alone of principle in the Hearing Officer's assessment of the similarity of the marks.

Distinctive Character of the earlier trade mark

28. I did not detect any criticism of the Hearing Officer's assessment of the distinctive character of the earlier trade mark which was independent of the criticism directed at his assessment of the earlier mark in the context of the comparison of the marks. In any event, having directed himself entirely appropriately, the Hearing Officer concluded that: '*Considered absent use, the opponent's trade mark is, in my view, possessed of at least an average degree of inherent distinctive character.*' There is no error in this conclusion.

Likelihood of Confusion

29. Under this heading, the Hearing Officer reminded himself of the correct approach and of the various findings he had already made which feed into the global appreciation of the likelihood of confusion. On the question of whether there was a likelihood of direct confusion, the Hearing Officer expressed himself in the following terms:

'35. Notwithstanding, inter alia, the identity/high degree of similarity in the goods and the lower than normal degree of attention that will be paid by the average consumer during the selection process, I am satisfied that the differences in the competing trade marks I have identified are likely to militate against direct confusion i.e. the trade marks being mistaken for one another.'

30. Unsurprisingly, the Appellant does not challenge this conclusion. The Hearing Officer then went on to consider whether there was a likelihood of indirect confusion. For this purpose, he first cited [16]-[17] from the Decision of Mr Iain Purvis Q.C. as the Appointed Person in O-375-10 *L.A. Sugar Limited v By Back Beat Inc*. He reminded himself that the categories listed by Mr Purvis in [17] are only examples. He then cited [18]-[21] from the judgment of Arnold J. in *Whyte & Mackay Ltd v Origin UK Ltd* [2015] EWHC 1271, in which Arnold J. had considered the impact of the CJEU's judgment in *Bimbo* (Case C-591/12P) on the court's earlier judgment in *Medion v Thomson*. These citations were entirely apposite.

31. The Hearing Officer then returned to his point that the average consumer would not perceive the two parts of the earlier mark (i.e. ETi and CRAX) as 'hanging together'

as a unit. I have already cited the first part of paragraph 37 of the Hearing Officer's decision, but it is necessary at this point to have the whole of the paragraph in mind:

'37. As I mentioned earlier, in my view, the average consumer will not perceive the opponent's composite trade mark as a unit, where the unit has a different meaning to the separate components of which the trade mark is made up. Rather, in my view, the average consumer will perceive that the opponent's trade mark consists of two elements both of which have a distinctive significance which is independent of the significance of the whole. In those circumstances, the degree of similarity between the competing trade marks which results from the "CRAX" element of the opponent's trade mark is likely, in my view, to lead the average consumer to assume that the applicant's trade mark is a variant brand originating from the opponent, which in turn will lead to a likelihood of indirect confusion. As a consequence of that conclusion, the opposition succeeds in full.'

32. Accordingly, the Hearing Officer's finding of a likelihood of indirect confusion was based upon the earlier analysis (with which I agree) that the two elements of the earlier mark did not 'hang together' as a unit in the mind of the average consumer. It was also based on his findings as to the degrees of visual, aural and conceptual similarity namely: relatively low visual; medium aural and at least a medium degree of conceptual similarity; and his assessment that the goods were either identical or highly similar. I could detect no error in those findings and I can detect no error in the finding of indirect confusion, let alone an error of principle.

The applicant's evidence

33. For completeness, the Hearing Officer added something of a postscript regarding the relevance (or otherwise) of the applicant's evidence. He cited [4]-[5] of TPN 4 of 2009 dealing with **'The position with regard to defences based on use of the trade mark under attack which precedes the date of use or registration of the attacker's mark.'** As mentioned in the Tribunal Practice Notice, this was considered by Miss Anna Carboni, as the Appointed Person, in *O-211-09 Ion Associates Ltd v Philip Stainton and another*, in which the mark applied for was MUDDIES, essentially for children's boots, and the earlier CTM was for TAYBERRY MUDDIES COLLECTION covering footwear. The key paragraph is [52]:

'52. As the hearing officer said (at paragraph 39), for honest concurrent use to

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be of assistance to an applicant, it must be possible for the tribunal to be satisfied that the effect of concurrent trading is such as to suggest that the relevant public has shown itself able to distinguish between goods bearing the marks in question without any confusion as to trade origin. That sort of evidence was not presented and the argument therefore did not assist.'

34. The Appellant referred me to the MUDDIES case (i.e. *Ion Associates*), to REED MIDEM (O-337-08) and to Lubelska (Case T-701/15, *Stock Polska sp .z o.o. v EU IPO*, and submitted that '*what all these cases have in common is a close examination of the relevant evidence. In our submission the view contended for [i.e. no likelihood of indirect confusion due to many years of concurrent trading] is entirely consistent with that approach.'*
35. It is not clear to me what 'the relevant evidence' was in either *Reed Midem* or *Lubelska*. It might have been what those tribunals took into account when analyzing the marks in question from the viewpoint of the relevant average consumer. However, I have considered the Appellant's criticisms of the Hearing Officer's assessment and comparison of the marks above and found no error, let alone of principle. At the hearing of the Appeal, I understood the Appellant to retreat from its argument as to honest concurrent use. Whether it did so or not, the only point that remains is, effectively, the Appellant's argument that the evidence of many years of trading under the two marks means there cannot be a likelihood of indirect confusion in this case.
36. The problem with this submission is that the evidence painted a picture that the goods of the two parties had at all times remained entirely separate in the market place, with the Appellant's goods under the mark applied for being sold in cinemas and through other leisure groups, and the Respondent's goods being sold under the earlier mark exclusively in Turkish supermarkets. Indeed, this was a point stressed by the Appellant. On this basis (and assuming that this characterisation of the evidence presents the complete picture) the average consumer had never had the opportunity to consider the effect of one mark, being aware of the other. So there had never been a section of the relevant public which had shown itself to be able to distinguish between goods bearing the respective marks in question without any confusion as to trade origin. For completeness, I also consider the possibility that

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the evidence might not have presented the complete picture, but that would make no difference. The evidence of use in this case did not, in my view, come close to showing that the public were able to distinguish between these two marks without any confusion as to trade origin.

37. The Hearing Officer was entirely correct, in my view, effectively to put the evidence to one side. The submission made by the applicant to him, based on that evidence, was in effect that *'the competing trade marks would not lead to a likelihood of confusion'*. As the Hearing Officer observed: *'this is a view with which, for the reasons given above, I disagree.'* The Hearing Officer had correctly applied the legal principles applicable to the section 5(2)(b) ground. The evidence of actual use did not assist him or the correct analysis, not least because (a) the Appellant/Applicant was seeking a registration which went beyond its actual use and (b) the Opponent's earlier trade mark covered more than the actual use it had made of that mark in the market.

38. In the circumstances, I could detect no error in the Hearing Officer's Interim Decision. No separate challenge was mounted to his Supplementary Decision on Costs. Accordingly, I dismiss this Appeal.

39. Although the Respondent submitted no submissions or Skeleton Argument on this Appeal, it appears that its trade mark attorneys must have considered the TM55 before writing their letter saying that the Respondent did not wish to file a Respondent's Notice nor have the Appeal referred to the Court. In the circumstances, I order the Appellant to pay a contribution in the sum of £100 towards the Opponent's costs of the Appellant's Appeal within 14 days of the date of this my decision. In combination with the Hearing Officer's Supplementary Decision on Costs therefore, within 14 days of the date of this decision, the Appellant must pay to the Respondent the total sum of £1200.

JAMES MELLOR QC

The Appointed Person

26th October 2016