

O/725/18

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. UK00003262669 BY
CONELLA (HOLDINGS) LIMITED
TO REGISTER:**

LECIPHOL

AS A TRADE MARK IN CLASS 5

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER NO. 411497 BY
PROBIOTICS INTERNATIONAL LIMITED**

BACKGROUND AND PLEADINGS

1. On 11 October 2017, Conella (Holdings) Limited (“the applicant”) applied to register the mark **LECIPHOL** in the UK. The application was published for opposition purposes on 27 October 2017.

2. The application was opposed by Probiotics International Limited (“the opponent”). The opposition is based upon sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”).

3. The opponent relies on three earlier marks for its oppositions under section 5(2)(b) and 5(3):

a) UK trade mark registration 3202300 for the trade mark **LEPICOL** (“the First Earlier Mark”). The First Earlier Mark has an application date of 14 December 2016 and a registration date of 10 March 2017. The opponent relies on (and claims it has a reputation in respect of) all goods and services for which the First Earlier Mark is registered, namely:

Class 5 Pharmaceutical and medicinal preparations and substances; nutritional and dietetic products; healthcare formulations and supplements containing fibre and bacterial preparations; plant extracts.

Class 35 Retail, wholesale, mail order retail services and electronic shopping retail services connected with the sale of pharmaceutical and medicinal preparations and substances, nutritional and dietetic products, vitamins, minerals and mineral salts, nutritional, food and health food supplements, microbial preparations and probiotic bacterial formulations and supplements; healthcare formulations and supplements containing fibre and bacterial preparations.

b) EU trade mark registration 1775980 for the trade mark **LEPICOL** (“the Second Earlier Mark”). The Second Earlier mark has an application date of 26 July 2000 and a registration date of 25 July 2003. The opponent relies on (and claims it has a reputation in respect of) all goods and services for which the Second Earlier Mark is registered, namely:

Class 5 Pharmaceutical and medicinal preparations and substances; drugs for medical purposes; naturopathic and homeopathic preparations and substances; analgesics; vitamin, mineral and protein preparations and substances; mineral drinks; vitamin drinks; preparations for dietary use; dietetic substances adapted for medical use; nutrients and nutriments; plant compounds and extracts for use as dietary supplements; food supplements; preparations for nutritional use; carbohydrates in gel, powder and liquid form.

Class 42 Health care services; health assessment and consultancy services; naturopathy and homeopathy services; advisory and consultancy services all for the aforesaid services.

c) EU trade mark registration 13001458 for the following trade mark (“the Third Earlier Mark”):



The Third Earlier Mark has an application date of 16 June 2014 and a registration date of 17 February 2015. The colours claimed are green and yellow. The opponent relies on (and claims it has a reputation in respect of) all the goods and services for which the earlier mark is registered, namely:

Class 5 Pharmaceutical and medicinal preparations and substances; healthcare formulations and supplements; healthcare formulations and supplements containing fibre and bacterial preparations; preparations for dietary use; dietetic substances

adapted for medical use; none of the afore-mentioned goods containing or including antibiotics or antiinfectives.

Class 44 Healthcare services; health assessment and consultancy services; naturopathy and homeopathy services; advisory and consultancy services all for the aforesaid services.

4. Under section 5(2)(b), the opponent claims there is a likelihood of confusion because the respective goods and services are identical or similar and the marks are similar.

5. Under section 5(3), the opponent claims that the earlier marks have a reputation in respect of all the goods and services for which they are registered and that use of the applicant's mark would, without due cause, take unfair advantage of, or be detrimental to, the distinctive character and/or reputation of those earlier marks.

6. The opponent further relies on section 5(4)(a) of the Act and claims that the following signs have been used throughout the UK since 1999:

a) LEPICOL



7. The opponent claims that the signs have been used in respect of the following goods and services:

Pharmaceutical and medicinal preparations and substances; nutritional and dietetic products; naturopathic and homeopathic preparations and substances; analgesics; healthcare formulations and supplements containing fibre and bacterial preparations; vitamin, mineral and protein preparations and substances; mineral drinks; vitamin drinks; preparations for dietary use; dietetic substances adapted for medical use; nutrients and nutriments; plant

compounds and extracts for use as dietary supplements; food supplements; preparations for nutritional use; carbohydrates in gel, powder and liquid form.

Retail, wholesale, mail order retail services and electronic shopping retail services connected with the sale of pharmaceutical and medicinal preparations and substances, nutritional and dietetic products, vitamins, minerals and mineral salts, nutritional, food and health food supplements, microbial preparations and probiotic bacterial formulations and supplements; healthcare formulations and supplements containing fibre and bacterial preparations.

Healthcare services; health assessment and consultancy services; naturopathy and homeopathy services; advisory and consultancy services all for the aforesaid services.

8. The applicant has filed a counterstatement denying the grounds of opposition (and requested that the opponent provides proof of use of the Second Earlier Mark relied upon).

9. The opponent is represented by Barker Brettell LLP and the applicant is represented by Mitchell Willmott, National Business Register LLP. The opponent filed evidence in the form of the witness statement of Jonathan Sowler dated 5 June 2018, with one exhibit. This was accompanied by written submissions dated 8 June 2018. The applicant filed written submissions which were undated but were received by the Tribunal on 30 July 2018. No hearing was requested and only the opponent filed written submissions in lieu, which were dated 28 August 2018. This decision is taken following a careful perusal of the papers.

EVIDENCE

The Opponent's Evidence

10. As noted above, the opponent's evidence consists of the witness statement of Jonathan Sowler dated 5 June 2018, with one exhibit. Mr Sowler is the Commercial Director of the opponent and states:

a) The opponent was incorporated in 1973 and it now sells its products in approximately 100 countries. In 2011, the opponent acquired the business and assets of a third party which included the brand 'LEPICOL' and the accompanying trade mark registrations.

b) LEPICOL is a health food supplement that is high in fibre and contains live bacterial cultures and insulin. It is one of the opponent's key brands. The opponent has an in-house team which is responsible for quality assurance and is also independently accredited. The opponent operates a "full traceability programme and all raw material and finished product batches are subject to quality control analysis".

c) Products have been sold under the LEPICOL name, by the opponent, "via direct sales, distributors and stockists". Industry exhibitions and promotion of the opponent's website mean that LEPICOL is recognised throughout the UK.

d) The opponent has "made substantial use of its "LEPICOL" trade mark throughout the UK". Its approximate turnover figures relating to the sales of goods under the trade mark "LEPICOL" in the UK prior to the date of application for the applicant's mark are as follows:

Country	Year	Turnover (£)
United Kingdom	2015	£430,000
	2016	£403,000
	2017	£393,000
	2018	£490,000 (expected)

e) The products sold under the earlier mark have been exhibited at various trade shows, both nationally and internationally, every year.

f) Substantial sums have been spent on promoting the LEPICOL trade mark in the UK, specifically:

Year	Advertising Spend (£)
2015	£155,000
2016	£150,000
2017	£120,000
2018	£75,000 (to date)

g) The opponent also employs a team of Nutritional Advisors to promote its brands in the UK. This team currently consists of 12 field based employees and 3 office based Technical Advisors. The cost of this team is more than £400,000 per annum.

h) The opponent has won various awards, evidence of which is exhibited at JS1 to Mr Sowler's statement. No information is provided by Mr Sowler as to the location of the readers who voted for the awards.

11. Exhibit JS1 to Mr Sowler's statement consists of various print outs from the LEPICOL website identifying the awards that the opponent has won specifically:

a) A print out which states "Lepicol wins another award" and confirms that it has won the "Best Alternative Product 2012" award as voted for by Cam Lifestyle readers.

b) A print out which confirms that the opponent won "The Queen's Award for Enterprise for International Trade 2016". The article states that the "awards are made by HM The Queen and are only given for the highest levels of excellence." The opponent is stated to have won the award in both 2011 and 2016. However, this is awarded to the opponent and does not make reference to its marks.

c) A print out confirming that "Lepicol Lighter" was voted "Best Slimming and Fitness Product of 2017" by the readers of Your Healthy Living Magazine.

d) A print out which confirms that “Lepicol Lighter” was voted “Best New Product” in 2017 by Nutrition I-Mag. The article is dated 12 February 2018.

e) A print out which confirms that “Lepicol Lighter” was nominated in the OTC Marketing Awards 2018. This is described as “Recognising the best of the British OTC Industry”. It also states that LEPICOL had won “Best Alternative Product 2017” as voted for by the readers of True Health Magazine.

f) A print out which shows the Third Earlier Mark on product packaging in an article which confirms that it has won “Best New Product” in 2017 as voted for by the readers of Nutrition I-Mag. The packaging indicates that the product is used for “weight loss”.

g) A print out which shows the Third Earlier Mark on product packaging in an article which confirms that it has won “Best Alternative Product 2017” as voted for by the readers of True Health Magazine. The packaging describes the product as “high fibre” and states “gentle psyllium husk which contributes to the maintenance of normal bowel transit”. It describes itself as a “food supplement”.

12. As noted above, Mr Sowler’s statement was accompanied by written submissions dated 8 June 2018. The opponent also filed written submissions dated 28 August 2018 in lieu of a hearing. I have considered these in full and, whilst I do not propose to reproduce those here, I will refer to them below as appropriate.

The Applicant’s Evidence

13. As noted above, the applicant filed written submissions which were undated but which were received by the Tribunal on 30 July 2018. I have considered these in full and, whilst I do not propose to reproduce those here, I will refer to them below as appropriate.

PRELIMINARY ISSUE

14. In its written submissions dated 8 June 2018, the opponent stated:

“8. In its defence and counterstatement, the Applicant requests proof of use in relation to the Opponent’s EUTM registration number 1775980. The registration is in genuine use across the EU but in the circumstances and given the Opponent’s rights generally, the Opponent does not propose going to the expense of substantiating this use since its other rights are comprehensive and, we contend, sufficient to bring successful opposition proceedings against the Applicant’s Mark.”

15. Consequently, the opponent has provided no evidence of its use of the Second Earlier Mark in the EU. The opposition under sections 5(2)(b) and 5(3) will only proceed, therefore, in respect of the First Earlier Mark and the Third Earlier Mark.

DECISION

16. 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

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

17. Section 5(3) of the Act states:

“5(3) A trade mark which -

(a) is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a European Union trade mark or international trade mark (EC), in the European Union) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or repute of the earlier trade mark.”

18. 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, an 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.”

19. The First Earlier Mark and the Third Earlier Mark qualify as earlier trade marks under the above provisions.

20. Section 5(4)(a) of the Act states:

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

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

b) ...

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

Section 5(2)(b)

21. The following principles are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

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 be dominated by one or more of its components;

(f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

(i) mere association, in the strict sense that the later mark brings to mind the earlier mark, is not sufficient;

(j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

(k) if the association between the marks creates a risk that the public will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

Comparison of goods

22. The opponent has confirmed that it wishes to rely upon all goods and services for which the First Earlier Mark and the Third Earlier Mark are registered. However, in my view, it is the goods in class 5 of both of the opponent's specifications which contain the strongest comparisons with the applicant's goods. I have, therefore, only reproduced those goods in the table below as if there is no likelihood of confusion in respect of these goods, there will be no likelihood of confusion in respect of the class 35 and 44 services (which share a lesser degree of similarity with the applicant's goods):

Opponent's goods	Applicant's goods
<p><u>First Earlier Mark</u></p> <p><u>Class 5</u></p> <p>Pharmaceutical and medicinal preparations and substances; nutritional and dietetic products; healthcare formulations and supplements containing fibre and bacterial preparations; plant extracts.</p> <p><u>Third Earlier Mark</u></p> <p><u>Class 5</u></p> <p>Pharmaceutical and medicinal preparations and substances; healthcare formulations and supplements; healthcare formulations and supplements containing fibre and bacterial preparations; preparations for dietary use; dietetic substances adapted for medical use; none of the aforementioned goods containing or including antibiotics or antiinfectives.</p>	<p><u>Class 5</u></p> <p>Food supplements; dietetic preparations; vitamins and minerals.</p>

23. In its written submissions, the applicant states:

“8. The Applicant concedes that the goods covered by the opposed mark are identical and similar to the goods covered by the Opponents earlier trade marks.”

24. I have lengthy submissions from the opponent on the similarity of the goods which I have taken into consideration but, in light of the applicant’s acceptance of the similarity of the goods above, I do not propose to reproduce them here.

25. The General Court (“GC”) confirmed in *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T-133/05, that, even if goods or services are not worded identically, they can still be considered identical if one term falls within the scope of another (or vice versa):

“29. In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category designated by trade mark application (Case T-388/00 *Institut fur Lernsysteme v OHIM- Educational Services* (ELS) [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark.”

The Applicant’s Mark and the First Earlier Mark

26. For the avoidance of doubt, it is my view that all of the goods in the applicant’s specification fall within the broader category of “nutritional and dietetic products” in the opponent’s specification. These goods can, therefore, be considered identical on the principle outlined in *Meric*. If I am wrong in my finding then they will be considered highly similar.

The Applicant's Mark and the Third Earlier Mark

27. In my view, all of the applicant's goods fall within the broader category of "preparations for dietary use" and "healthcare formulations and supplements" in the opponent's specification. These goods can, therefore, be considered identical on the principle outlined in *Meric*. If I am wrong in this finding then they will be considered highly similar.

The average consumer and the nature of the purchasing act

28. As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective parties' goods. I must then determine the manner in which these goods are likely to be selected by the average consumer. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

"60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words "average" denotes that the person is typical. The term "average" does not denote some form of numerical mean, mode or median."

29. In its submissions dated 8 June 2018, the opponent states:

"13. The average consumer for both parties' products will be potentially the same ultimate consumer. In so far as healthcare supplements are concerned, the ultimate consumer will be exactly the same. As the consumer for both parties' goods will be drawn from the same "pool", the Opponent submits that there is identity and commonality as far as the question as to who the respective average consumers are is concerned.

30. In its submissions, the applicant states:

“9.... The average consumer will be the general public who will not make a quick purchase of the goods due to their nature. The consumer will take their time and care with ensuring that they purchase the correct product for their needs and that they contain the correct vitamins, minerals, dosages etc.”

31. The opponent's goods could be available for direct purchase by the general public or could be supplied to the end consumer by a medical professional. The applicant's goods are likely to be available for direct purchase by the general public. The average consumer will, therefore, be both medical practitioners and members of the general public. The frequency of purchases of these products will vary depending on the specific type of product in question. For example, general vitamin supplements may be purchased fairly frequently whereas products purchased to treat a short-term problem may be purchased infrequently. Both medical practitioners and members of the general public are likely to pay a reasonable degree of attention when purchasing goods of this nature due to their professional obligations (in the case of medical practitioners) and the fact that they are products that will have an impact on the end user's well-being and health¹. I therefore consider that the average consumer will pay at least a medium degree of attention during the selection process for the goods at issue.

32. The average consumer is likely to purchase the goods from specialist suppliers either in a retail premises or from their website or catalogue equivalent. More general products (such as vitamins) may be purchased from more general retail premises such as supermarkets. Visual considerations are, consequently, likely to dominate the selection process. However, I do not discount that there may be an aural component to the purchase of the goods, given that advice may be sought from specialist representatives or orders may be placed by telephone.

¹ *The Procter & Gamble Company v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM) Case T-240/08

Comparison of trade marks

33. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a trade mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the trade marks must be assessed by reference to the overall impressions created by the trade marks, bearing in mind their distinctive and dominant components. The CJEU stated, at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

“... it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in their perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

34. It would be wrong, therefore, to artificially dissect the trade marks, 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.

35. The respective trade marks are shown below:

Applicant's trade mark	Opponent's trade marks
LECIPHOL	LEPICOL (the First Earlier Mark)  (the Third Earlier Mark)

36. I have lengthy submissions from both the opponent and the applicant on the similarity of the marks. Whilst I do not propose to reproduce those here, I have taken them all into consideration in reaching my decision.

Overall Impression

The Applicant's Mark

37. The applicant's mark consists of the eight-letter made-up word LECIPHOL. There are no other elements to contribute to the overall impression, which is contained in the word itself.

The Opponent's Marks

38. The First Earlier Mark consists of the seven-letter made-up word LEPICOL. There are no other elements to contribute to the overall impression, which is contained in the word itself.

39. The Third Earlier Mark consists of the seven-letter made-up word LEPICOL, presented in a yellow slightly stylised font. It is presented on a green rectangular background which includes a faded-yellow curving line which joins the first "L", "I" and second "L" in the word itself. The overall impression is contained in the combination of these elements, with the word itself playing the greater role and the other elements playing a lesser role in the overall impression of the mark.

Visual Comparisons

The Applicant's Mark and the First Earlier Mark

40. Visually, both marks are presented in uppercase font. However, as notional and fair use means that the marks could be used in any standard typeface, similarities created by the capitalisation are not relevant. Both marks start with the letters "LE" and end with the letters "OL". All of the letters which make up the First Earlier Mark

are present in the applicant's mark. The difference lies in the order of the middle letters – "PIC" in the First Earlier Mark and "CIPH" in the applicant's mark. However, the visual impact of this difference is reduced by the common start and end to both marks and the fact that three of the 'middle letters' are identical (albeit in a different order). I, therefore, consider the marks to share a high degree of visual similarity.

The Applicant's Mark and the Third Earlier Mark

41. Visually, the applicant's mark is presented in uppercase font. The word element of the Third Earlier Mark is presented in lower case, with the first letter capitalised. However, as noted above, notional and fair use means that the applicant's mark could be used in any standard typeface. Differences created by the capitalisation and slight stylisation are, therefore, not relevant. The word element of the Third Earlier Mark is presented in yellow. However, the Court of Appeal has stated on two occasions following the CJEU's judgment in *Specsavers*² (see paragraph 5 of the judgment of the Court of Appeal in *Specsavers* [2014] EWCA Civ 1294 and *J.W. Spear & Sons Ltd v Zynga, Inc* [2015] EWCA Civ 290 at paragraph 47) that registration of a trade mark in black and white covers use of the mark in colour. Consequently, the applicant's mark should be considered on the basis that it could be used in any colour and so differences created by the use of yellow in the word element of the opponent's mark are not relevant. The same comparison of the structure of the word element of the Third Earlier Mark and the applicant's mark apply as described above. However, the presence of the green background and the faded-yellow curving line in the opponent's mark create a further point of visual difference between the marks. I, therefore, consider there to be a medium degree of visual similarity between the marks.

Aural Comparison

The Applicant's Mark and the First Earlier Mark

42. The applicant's mark is likely to be pronounced LES-I-PHOL or LES-EE-PHOL. The First Earlier Mark is likely to be pronounced LEP-I-COL or LEP-EE-COL. In both

² *Specsavers International Healthcare Limited & Others v Asda Stores Limited*, Case C-252/12

cases, the first two letters, the last two letters and the middle syllable of each mark will be pronounced identically. The difference between the marks is created by the different consonant sounds immediately before and following the middle syllable. I consider there to be a high degree of aural similarity between the marks.

The Applicant's Mark and the Third Earlier Mark

43. As the only element of the Third Earlier Mark that will be pronounced by consumer is the word itself, and this will be pronounced identically to the First Earlier Mark, the same aural comparison will apply. I therefore consider there to be a high degree of aural similarity between the marks.

Conceptual comparison

The Applicant's Mark and the First Earlier Mark

44. Both the applicant's mark and the First Earlier Mark are made-up words. They will carry no particular meaning for the average consumer. I do not, therefore, consider there to be any conceptual similarity between the marks.

The Applicant's Mark and the Third Earlier Mark

45. As the Third Earlier Mark consists of the same made-up word as the First Earlier Mark (albeit with presentational differences), the same conceptual comparison will apply. I do not, therefore, consider there to be any conceptual similarity between the marks.

Distinctive character of the earlier trade mark

46. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an

overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-2779, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

47. Registered trade marks possess varying degrees of inherent distinctive character ranging from the very low, because they are suggestive or allusive of a characteristic of the goods or services, to those with high inherent distinctive character, such as invented words which have no allusive qualities.

48. I must consider the inherent distinctive character of the earlier marks as a whole. The opponent’s marks both consist of a made-up word which is neither descriptive nor allusive in respect of the goods and services for which they are registered. In my view, the inherent distinctive character of both earlier marks is high.

49. The opponent has filed evidence to show that its marks have enhanced their distinctiveness through use. In my view, the opponent has demonstrated that it has enhanced the distinctiveness of its marks through use in relation to nutritional and dietary supplements. However, as the inherent distinctiveness of the marks is high in any event this does not improve the opponent’s case.

Likelihood of confusion

50. Confusion can be direct or indirect. Direct confusion involves the average consumer mistaking one mark for the other, while indirect confusion is where the average consumer realises the marks are not the same but puts the similarity that exists between the marks and the goods and services down to the responsible undertakings being the same or related. There is no scientific formula to apply in determining whether there is a likelihood of confusion; rather, it is a global assessment where a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods and services and vice versa. As I mentioned above, it is necessary for me to keep in mind the distinctive character of the opponent's trade mark, the average consumer for the goods and the nature of the purchasing process. In doing so, I must be alive to the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them that he has retained in his mind.

51. I have found the First Earlier Mark and the applicant's mark to be visually and aurally similar to a high degree. I have found the Third Earlier Mark and the applicants mark to be aurally highly similar and visually similar to a medium degree. I have found there to be no conceptual similarity between the marks. I have found the earlier marks to have a high degree of inherent distinctive character. I have identified the average consumer to be either a medical practitioner or a member of the general public who will select the goods primarily by visual means (although I do not discount an aural component). I have concluded that at least a medium degree of attention will be paid during the purchasing process. I have found the parties' goods to be identical or highly similar.

52. Bearing in mind the principle of imperfect recollection, when consumers recall the opponent's marks they are unlikely to remember the exact order of the letters, particularly as it is a made-up word to which they will not be able to attribute any particular meaning to assist with their recollection. Taking all of the factors listed above into account, I consider that the visual and aural similarity of the marks is sufficient

that consumers will mistake one mark for the other. I am, therefore, satisfied that there is a likelihood of direct confusion. I consider this to be the case, notwithstanding my finding that there is a medium degree of visual similarity between the Third Earlier Mark and the applicant's mark. It is the presentational differences of the Third Earlier Mark which reduce its similarity to the applicant's mark. Even if these presentational differences are recalled by the consumer, I do not consider that they will recall the differences between the order of the letters in the Third Earlier Mark and the applicant's mark. I therefore consider that, even if I am wrong in my finding of direct confusion in respect of the Third Earlier Mark, there will be an expectation on the part of the average consumer that the marks come from the same or economically linked undertakings and there will be a likelihood of indirect confusion.

53. The opposition is successful under section 5(2)(b). However, for completeness, I will go on to consider the other grounds of opposition pleaded.

Section 5(3)

54. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, Case 252/07, *Intel*, Case C-408/01, *Addidas-Salomon*, Case C-487/07, *L'Oreal v Bellure* and Case C-323/09, *Marks and Spencer v Interflora*. The law appears to be as follows:

a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors*, paragraph 24.

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors*, paragraph 26.

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Addidas Saloman*, paragraph 29 and *Intel*, paragraph 63.

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel, paragraph 42*

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel, paragraph 68*; whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel, paragraph 79*.

(f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel, paragraphs 76 and 77*.

(g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel, paragraph 74*.

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark; *L'Oreal v Bellure NV, paragraph 40*.

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial

compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora*, paragraph 74 and the court's answer to question 1 in *L'Oreal v Bellure*).

55. The conditions of section 5(3) are cumulative. Firstly, the opponent must show that the First Earlier Mark and the Third Earlier Mark have achieved a level of knowledge/reputation amongst a significant part of the public. Secondly, it must be established that the level of reputation and the similarities between the opponent's marks and the applicant's mark will cause the public to make a link between them, in the sense of the earlier marks being brought to mind by the later mark. Thirdly, assuming that the first and second conditions have been met, section 5(3) requires that one or more of the types of damage claimed will occur and/or that the relevant public will believe that the marks are used by the same undertaking or that there is an economic connection between the users. It is unnecessary for the purposes of section 5(3) that the goods or services be similar, although the relative distance between them is one of the factors which must be assessed in deciding whether the public will make a link between the marks.

Reputation

56. The opponent has demonstrated that it has a customer base in the UK, having provided turnover figures of £430,000 for 2015, £403,000 for 2016 and £393,000 for 2017. Mr Sowler confirms in his statement that its products have been exhibited at various trade shows in the UK on an annual basis, although no details of these shows are provided. The opponent has provided its advertising spend per annum (£155,000 for 2015, £150,000 for 2016 and £120,000 for 2017). The claim that the First Earlier Mark and the Third Earlier Mark have a reputation is substantiated by the awards that the goods to which they relate have won. I note that one of the awards does not relate to the marks, but rather to the opponent itself. One of the awards is also for 2018 which is after the relevant date. Some of the awards are for 2017, the year in which the

relevant date falls. As the awards are for the year overall, it follows that the marks must have carried at least some reputation prior to the relevant date. No information is provided as to the location of the magazine readers who voted for these awards, but the English names of the magazines and the awards themselves suggest that they are aimed at UK readers. Bearing in mind the evidence provided as a whole, I accept that the First Earlier Mark and the Third Earlier Mark had a reasonable reputation in the UK at the relevant date in relation to nutritional and dietary supplements.

Link

57. As I noted above, my assessment of whether the public will make the required mental 'link' between the marks must take account of all relevant factors. The factors identified in *Intel* are:

The degree of similarity between the conflicting marks

For the reasons set out earlier, I consider that there is a high degree of visual and aural similarity, but no conceptual similarity, between the First Earlier Mark and the applicant's mark. I consider that there is a medium degree of visual and a high degree of aural similarity, but no conceptual similarity, between the Third Earlier Mark and the applicant's mark.

The nature of the goods or services for which the conflicting marks are registered, or proposed to be registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public

As noted above, the opponent has demonstrated that its marks have a reputation in relation to nutritional and dietary supplements. The goods in the applicant's specification are "food supplements", "dietetic preparations" and "vitamins and minerals". These are, in my view, identical to the goods for which the opponent has demonstrated that its marks have a reputation. At the very least, they are highly similar. They are all products which are aimed at improving nutritional and dietary wellbeing and there will, therefore, be a large

degree of overlap between the uses and users of the goods. They are likely to be available through the same trade channels and the method of use is likely to overlap.

The strength of the earlier marks' reputation

In my view, the opponent's evidence demonstrates that the First Earlier Mark and the Third Earlier Mark have a reasonable reputation in the UK.

The degree of the earlier mark's distinctive character, whether inherent or acquired through use

As noted above, the First Earlier Mark and the Third Earlier Mark have a high degree of inherent distinctive character, which has been enhanced by the opponent's use of the marks.

Whether there is a likelihood of confusion

For the reasons set out above, I consider there to be a likelihood of direct confusion in respect of both of the opponent's marks.

58. The high degree of aural and visual similarity between the marks, the similarity of the goods to which the marks relate, the reasonable reputation of the opponent's marks, the high degree of distinctive character of the opponent's marks and the likelihood of confusion between the marks mean that it is likely that consumers will make a link between the marks in use.

Unfair advantage

59. In *Jack Wills Limited v House of Fraser (Stores) Limited* [2014] EWHC 110 (Ch) Arnold J. considered the earlier case law and concluded that:

"80. The arguments in the present case give rise to two questions with regard to taking unfair advantage. The first concerns the relevance of the defendant's

intention. It is clear both from the wording of Article 5(2) of the Directive and Article 9(1)(c) of the Regulation and from the case law of the Court of Justice interpreting these provisions that this aspect of the legislation is directed at a particular form of unfair competition. It is also clear from the case law both of the Court of Justice and of the Court of Appeal that the defendant's conduct is most likely to be regarded as unfair where he intends to benefit from the reputation and goodwill of the trade mark. In my judgment, however, there is nothing in the case law to preclude the court from concluding in an appropriate case that the use of a sign the objective effect of which is to enable the defendant to benefit from the reputation and goodwill of the trade mark amounts to unfair advantage even if it is not proved that the defendant subjectively intended to exploit that reputation and goodwill.”

60. I find that it is likely, in respect of all the goods in the applicant's specification, that the positive characteristics associated with the First Earlier Mark and the Third Earlier Mark (their reputation for dietary and nutritional supplements) will be transferred to the applicant's mark. This association with the opponent's marks would give the applicant customers which it would not otherwise have enjoyed and make its job of marketing its goods easier. As this would come without paying any compensation to the opponent, and without the applicant expending the money necessary to create a market for its own goods in the UK, this is unfair advantage.

61. With regard to a 'due cause' defence, the applicant states as follows:

“The term “being without due cause” must be considered with the words “the use of the sign” and “takes unfair advantage of, or is detrimental to”. There cannot be “without due cause” if the use of the opposed mark will not take unfair advantage of, or is detrimental to the distinctive character of the earlier mark.

We refer to the submission made above to why the Applicants use of the opposed mark will not take unfair advantage of, or be detrimental to a distinctive character or reputation of the earlier mark. Subsequently, there is a justifiable reason why the Applicant decided to adopt the opposed mark and that is because the Applicant will not take any unfair advantage of or be detrimental to

the reputation which the Opponent claims exists in its earlier mark. The Applicants use of the opposed mark must be considered to be fair competition.”

62. As I have already found that the applicant’s use of the mark would take unfair advantage of the opponent’s reputation, the applicant’s argument that the lack of unfair advantage is sufficient to give rise to a ‘due cause’ defence cannot succeed. The opposition under section 5(3) succeeds in full.

63. Having reached this conclusion, I do not consider it necessary to consider the other heads of damage under this ground.

Section 5(4)(a)

64. In *Discount Outlet v Feel Good UK*, [2017] EWHC 1400 IPEC, Her Honour Judge Melissa Clarke, sitting as a deputy Judge of the High Court, conveniently summarised the essential requirements of the law of passing off as follows:

“55. The elements necessary to reach a finding of passing off are the ‘classical trinity’ of that tort as described by Lord Oliver in the *Jif Lemon* case (*Reckitt & Colman Product v Borden* [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

56. In relation to deception, the court must assess whether “*a substantial number*” of the Claimants’ customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21).”

Relevant Date

65. Whether there has been passing off must be judged at a particular point (or points) in time. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-

410-11, Daniel Alexander QC, sitting as the Appointed Person, considered the relevant date for the purposes of section 5(4)(a) of the Act and concluded as follows:

“43. In *SWORDERS TM* O-212-06 Mr Alan James acting for the Registrar well summarised the position in s.5(4)(a) proceeding as follows:

“Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made.””

66. There is no evidence that the applicant’s mark was in use prior to the date of application. That being the case, the relevant date is 11 October 2017.

Goodwill

67. The House of Lords in *Inland Revenue Commissioners v Muller & Co’s Margarine Ltd* [1901] AC 217 (HOL) provided the following guidance regarding goodwill:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in customers. It is the one thing which distinguishes an old-established business from a new business at its first start.”

68. In *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 (HC), Pumfrey J. stated:

“27. There is one major problem in assessing a passing off claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of

reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under s.11 of the 1938 Act (see *Smith Hayden & Co. Ltd's Application (OVAX) (1946) 63 R.P.C. 97* as qualified by *BALI Trade Mark [1969] R.P.C. 472*). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed to the relevant date. Once raised, the applicant must rebut the prima facie case. Obviously, he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of probabilities that passing off will occur.”

69. However, in *Minimax GmbH & Co KG v Chubb Fire Limited [2008] EWHC 1960 (Pat)* Floyd J. (as he then was) stated that:

“[The above] observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be answered of passing off. I do not understand Pumfrey J to be laying down any absolute requirements as to the nature of evidence which needs to be filed in every case. The essential is that the evidence should show, at least prima facie, that the opponent's reputation extends to the goods comprised in the application in the applicant's specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application.”

70. Goodwill arises as a result of trading activities. The opponent's claim to goodwill is supported by the turnover figures provided in Mr Sowler's statement. These figures confirm that sales were made of approximately £430,000 in 2015, £403,000 in 2016

and £393,000 in 2017. Mr Sowler also confirms that in excess of £100,000 was spent annually on advertising in the UK in 2015, 2016 and 2017. I note the applicant's written submission that no documentary evidence has been provided to support these figures. However, these figures were provided in the form of a witness statement and are therefore evidence of fact in these proceedings. The applicant has provided no evidence of its own to call the accuracy of the opponent's evidence into question and no request to cross-examine Mr Sowler has been made. The various awards won by the opponent, which are voted for by the general public, also support a claim to goodwill. Some of the articles use the First Earlier Mark and some use the Third Earlier Mark. I am satisfied that the opponent had acquired a reasonable degree of goodwill in relation to dietary and nutritional supplements. I am satisfied that the First Earlier Mark and the Third Earlier Mark were distinctive of the opponent's goodwill at the relevant date to a significant number of consumers of dietary and nutritional supplements, who are also potential consumers of the applicant's goods.

Misrepresentation

71. In *Neutrogena Corporation and Another v Golden Limited and Another* [1996] RPC 473, Morritt L.J. stated that:

“There is no dispute as to what the correct legal principle is. As stated by Lord Oliver of Aylmerton in *Reckitt & Colman Products Ltd. v. Borden Inc.* [1990] R.P.C. 341 at page 407 the question on the issue of deception or confusion is

“is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the public will be misled into purchasing the defendants' [product] in the belief that it is the respondents' [product]”

The same proposition is stated in Halsbury's Laws of England 4th Edition Vol.48 para 148 . The necessity for a substantial number is brought out also in *Saville Perfumery Ltd. v. June Perfect Ltd.* (1941) 58 R.P.C. 147 at page 175 ; and *Re Smith Hayden's Application* (1945) 63 R.P.C. 97 at page 101.”

And later in the same judgment:

“... for my part, I think that references, in this context, to “more than *de minimis*” and “above a trivial level” are best avoided notwithstanding this court's reference to the former in *University of London v. American University of London* (unreported 12 November 1993). It seems to me that such expressions are open to misinterpretation for they do not necessarily connote the opposite of substantial and their use may be thought to reverse the proper emphasis and concentrate on the quantitative to the exclusion of the qualitative aspect of confusion.”

72. I recognise that the test for misrepresentation is different to that for likelihood of confusion, namely, that misrepresentation requires “a substantial number of members of the public are deceived” rather than whether the “average consumers are confused”. However, as recognised by Lewinson L.J. in *Marks and Spencer PLC v Interflora*, [2012] EWCA (Civ) 1501, it is doubtful whether the difference between the legal tests will produce different outcomes. I believe that is the case here. I consider that members of the public are likely to be misled into purchasing the applicant's goods in the belief that they are the goods of the opponent.

Damage

73. In *Harrods Limited v Harrodian School Limited* [1996] RPC 697, Millett L.J. described the requirement for damage in passing off cases like this:

“In the classic case of passing off, where the defendant represents his goods or business as the goods or business of the plaintiff, there is an obvious risk of damage to the plaintiff's business by substitution. Customers and potential customers will be lost to the plaintiff if they transfer their custom to the defendant in the belief that they are dealing with the plaintiff. But this is not the only kind of damage which may be caused to the plaintiff's goodwill by the deception of the public. Where the parties are not in competition with each other, the plaintiff's reputation and goodwill may be damaged without any corresponding gain to the defendant. In the *Lego* case, for example, a customer who was

dissatisfied with the defendant's plastic irrigation equipment might be dissuaded from buying one of the plaintiff's plastic toy construction kits for his children if he believed that it was made by the defendant. The danger in such a case is that the plaintiff loses control over his own reputation."

74. In *Ewing v Buttercup Margarine Company, Limited*, [1917] 2 Ch. 1 (COA), Warrington L.J. stated that:

"To induce the belief that my business is a branch of another man's business may do that other man damage in various ways. The quality of goods I sell, the kind of business I do, the credit or otherwise which I enjoy are all things which may injure the other man who is assumed wrongly to be associated with me."

75. Even if the goods in respect of which the opponent has demonstrated goodwill are not identical, they are highly similar. In such a case as this involving the use of highly similar signs in the same field of activity, damage to the opponent's business through diversion of sales and loss of control of the opponent's reputation is easily foreseeable. Damage is made out.

76. The opposition succeeds in full under section 5(4)(a).

CONCLUSION

77. The opposition is successful.

COSTS

78. The opponent exhibited two documents to its written submissions dated 8 June 2018. The first is a letter to the applicant's representative warning them that opposition proceedings would be commenced if their application was not withdrawn. The second is an email following up on this letter (no response having been received). These documents could not be considered evidence of fact in these proceedings as they were not provided in the correct form (that is, exhibited to a witness statement, affidavit or statutory declaration). In any event, the opponent does not claim that they go to the

merits of the proceedings themselves, but rather seeks to rely on them in support of its claim for an award of costs in the event of the opposition being successful.

79. The opponent has been successful and is entitled to a contribution towards its costs, based upon the scale published in Tribunal Practice Notice 2/2016. There is no suggestion by the opponent that it should be awarded costs off the scale, and I do not consider that these two documents would have supported such a claim. These documents are not, therefore, of assistance to the opponent in any event. In the circumstances, I award the opponent the sum of £1500 as a contribution towards the costs of the proceedings. The sum is calculated as follows:

Preparing a statement and considering the applicant's statement	£300
Official Fee	£200
Preparing evidence	£600
Preparing two sets of written submissions	£400
Total	£1500

80. I therefore order Conella (Holdings) Limited to pay Probiotics International Limited the sum of £1500. This sum should be paid within 14 days of the expiry of the appeal period or, if there is an appeal, within 14 days of the conclusion of the appeal proceedings.

Dated this 13th day of November 2018

S WILSON
For the Registrar