

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION NO. 3194423 IN THE NAME OF LEANORA HARPER

AND IN THE MATTER OF OPPOSITION NO. 408715 THERETO BY LORENZ SNACK-WORLD HOLDING GMBH

REASONS FOR DECISION ON APPEAL

AND DECISION ON COSTS

Preliminary

1. This is an appeal against the decision of Ms June Ralph, on behalf of the Registrar, dated 18 April 2018 (O-244-18). In her decision, which was made on the basis of the papers before her, the Hearing Officer dismissed the opposition and made no order as to costs.
2. The appeal came on for a hearing before me on 2 November 2018. Neither party appeared at that hearing. Only Lorenz Snack-World Holding GmbH (“*the Opponent*”) filed written submissions on the substantive appeal. On the basis of the papers that were before me I dismissed the appeal and indicated that I would provide my reasons for my conclusion in due course. The reasons for my decision to dismiss the appeal are set out below.
3. In addition directions were also given for submissions to be filed in respect of the costs of the appeal. Both sides filed submissions in accordance with those directions and my decision on the costs of the appeal are also set out below.

Introduction

4. On 1 November 2016, Leanora Harper (“*the Applicant*”) applied to register the trade mark

BOIEGA NATURALS
Nature's Child

in respect of goods in classes 3 and 30.

5. The application was examined and accepted and subsequently published for opposition purposes in the Trade Marks Journal on 2 December 2016.
6. By Notice of Opposition dated 31 January 2017 the Opponent opposed the application in respect of the application with respect to the goods specified in Class 30. Section 5(2)(b) of the Trade Marks Act 1994 (“*the 1994 Act*”) was the single basis for the Opposition.
7. The earlier trade mark relied upon by the Opponent for the purposes of its Opposition was its earlier International Registration set out below:

WE0000899517B	Goods relied on in Class 29
 <p>International registration date: 15/7/06 Date of designation of the EU: 15/7/06</p>	Potato crisps

8. As the registration procedure for the earlier mark relied upon had been completed more than 5 years prior to the publication of the mark it was subject to the proof of use conditions set out in section 6A of the 1994 Act. The Opponent made a statement of use in respect of all the goods it relied upon.
9. The Applicant filed a counterstatement in which it denied all the claims made and requested that the Opponent demonstrate proof of use.
10. The Opponent filed evidence. The Applicant filed no evidence. Neither party asked to be heard. The Opponent filed written submissions in lieu of attendance at the hearing and the Hearing Officer took her decision on the basis of the papers that were before her.

The Hearing Officer’s Decision

11. Having set out the general principles of law that were to be applied to the assessment under section 5(2) of the 1994 Act, in respect of which there is no challenge on this appeal, the Hearing Officer first considered the similarity of the goods in issue. She went on to find that potato crisps and cereal products (namely Cereal bars, Cereal bars and energy bars, Cereal based energy bars, Cereal based food bars, Cereal based

foodstuffs for human consumption, Cereal based prepared snack foods, Cereal based snack foods, Cereal snacks, Cereal based snack food, Cereals, Snack food products consisting of cereal products, Snack foods made from cereals; Flapjacks; Cocoa products; Oat-based food; Oat-based foods) were highly similar on the grounds that that all would be considered to be snack foods, the users of such goods would be the same, the goods would find their way to consumers through the same trade channels and in a retail environment such as a supermarket where these goods being snack products would be likely to be in the same aisle or in close proximity to each other (paragraph 21 of the Decision).

12. With respect to all other goods that were the subject of the Opposition the Hearing Officer found that such goods were dissimilar and therefore dismissed the Opposition in so far as it related to those goods (paragraphs 22 to 25 of the Decision).
13. With regard to the average consumer and the purchasing process the Hearing Officer concluded at paragraph 28 of her Decision as follows:

The average consumers for the contested goods are members of the general public. The goods at issue are inexpensive, everyday type of purchases and consumers will pay a low to average level of attention. The act of purchasing will be mainly visual as consumers will likely make a selection of goods from, for example, a bricks and mortar retail outlet or website. However, I do not discount aural considerations such as word of mouth recommendations which may also play a part.

14. The Hearing Officer then turned to consider the distinctive character of the earlier mark. Having set out the legal principles to be applied the Hearing Officer went on to find as follows (footnote excluded):

30. Distinctiveness can be enhanced through use of the mark. The opponent has made a specific claim of enhanced distinctiveness in its written submissions and has filed evidence of use. For the purposes of this assessment, the relevant market to which I must have regard is the UK market. There is no evidence of sales to the UK. Any evidence of promotional activity is confined to Germany. On the basis of the evidence filed, I am unable to determine that the earlier mark has an enhanced distinctive character in relation to the goods at issue.

31. In view of the above, I have only the inherent position to consider. The earlier mark consists of a dictionary word, being the plural form of the word natural, which although is not directly descriptive of the goods, does allude to qualitative characteristics of the goods in terms of being natural products not containing artificial ingredients. Overall I consider that the earlier mark has a low degree of inherent distinctiveness.

15. With regard to the comparison of the marks the Hearing Officer the Hearing Officer stated as follows:

33. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a 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 marks must be assessed by reference to the overall impressions created by the 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 the 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 opponent’s mark consists of a single word, Naturals, presented in a handwriting style of font and set at a slight angle, such that the end of the word appears to rise above the start of the word. As previously stated I find that the word itself when considered in the context of snack products would be seen as alluding to a lack of artificial ingredients. As a result I consider the word itself to be weak in distinctiveness.

36. The applicant’s mark consists of two words in a stylised font, BOTEGA NATURALS, with a circular device representing the letter O, placed above the two words Nature’s Child. The Nature’s Child element of the mark is presented in a cursive font and is much smaller in scale compared to the words above it. In my view and although the two words are distinctive, the size of the Nature’s Child element means it carries less weight in the overall impression of the mark compared to the element above it. It is the BOTEGA NATURALS element by which the mark is likely to be referred and which carries the greater weight in the overall impression of the mark. Of these two words I have already found that NATURALS alludes to a qualitative characteristic of the goods

so it is weaker in distinctiveness. I find that BOTEGA is the stronger distinctive and dominant element here.

16. The Hearing Officer then went on to find that:

- (1) There was a low degree of visual similarity (paragraph 37 of the Decision);
- (2) If only the two large word elements 'Botega Naturals' of the mark applied for were verbalised, which she regarded as most likely, there was a medium degree of aural similarity; and if all four word elements of the mark applied for were verbalised then the degree of aural similarity fell to a low to medium level of similarity (paragraph 38 of the Decision); and
- (3) There was a low to medium degree of conceptual similarity (paragraph 39 of the Decision).

17. Finally the Hearing Officer considered the likelihood of confusion. Given this is the real focus of the appeal I have set out this part of the Decision in full (emphasis in the original):

40. I now draw together my earlier findings into the global assessment of the likelihood of confusion, keeping in mind the following factors and those outlined in paragraph 9:

- a) The interdependency principle, whereby a lesser degree of similarity between the goods may be offset by a greater similarity between the marks, and vice versa (*Canon*).
- b) The principle that the more distinctive the earlier mark is, the greater the likelihood of confusion (*Sabel BV v Puma AG*).
- c) Imperfect recollection i.e. that consumers rarely have the opportunity to compare marks side by side but must rather rely on the imperfect picture that they have kept in their mind (*Lloyd Schuhfabrik Meyer*).

41. Confusion can be direct (when the average consumer mistakes one mark for the other) or indirect (where the average consumer realises the marks are not the same but puts the similarity that exists between the marks/goods down to the responsible undertakings being the same or related). In terms of indirect confusion, this was dealt with by Mr Iain Purvis QC, sitting as the Appointed Person, in *L.A. Sugar Limited v By Back Beat Inc*, Case BL-O/375/10 he noted that: [at paragraph 16 quotation omitted]

42. Furthermore in *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17, Mr James Mellor Q.C., as the Appointed Person, stressed that a finding of indirect confusion should not be made merely because the two marks share a common element. In this

connection, he pointed out that it is not sufficient that a mark merely calls to mind another mark. This is mere association not indirect confusion.

43. With regard to the case law in relation to distinctive character, in *L'Oréal SA v OHIM*, Case C-235/05 P, the CJEU found that:

“45. The applicant’s approach would have the effect of disregarding the notion of the similarity of the marks in favour of one based on the distinctive character of the earlier mark, which would then be given undue importance. The result would be that where the earlier mark is only of weak distinctive character a likelihood of confusion would exist only where there was a complete reproduction of that mark by the mark applied for, whatever the degree of similarity between the marks in question. If that were the case, it would be possible to register a complex mark, one of the elements of which was identical with or similar to those of an earlier mark with a weak distinctive character, even where the other elements of that complex mark were still less distinctive than the common element and notwithstanding a likelihood that consumers would believe that the slight difference between the signs reflected a variation in the nature of the products or stemmed from marketing considerations and not that that difference denoted goods from different traders.”

44. Whereas in *Kurt Geiger v A-List Corporate Limited*, BL O-075-13, Mr Iain Purvis Q.C. as the Appointed Person pointed out that the level of ‘distinctive character’ is only likely to increase the likelihood of confusion to the extent that it resides in the element(s) of the marks that are identical or similar. He said:

“38. The Hearing Officer cited *Sabel v Puma* at paragraph 50 of her decision for the proposition that ‘the more distinctive it is, either by inherent nature or by use, the greater the likelihood of confusion’. This is indeed what was said in *Sabel*. However, it is a far from complete statement which can lead to error if applied simplistically.

39. It is always important to bear in mind what it is about the earlier mark which gives it distinctive character. In particular, if distinctiveness is provided by an aspect of the mark which has no counterpart in the mark alleged to be confusingly similar, then the

distinctiveness will not increase the likelihood of confusion at all. If anything it will reduce it.”

45. In other words, simply considering the level of distinctive character possessed by the earlier mark is not enough. It is important to ask ‘in what does the distinctive character of the earlier mark lie?’ Only after that has been done can a proper assessment of the likelihood of confusion be carried out.

46. So far I have found that only some of the contested goods are highly similar. In addition I found that the average consumer is a member of the general public who will select the goods by primarily visual means whilst paying a low to average degree of attention during the purchasing process. I also found that the earlier mark has a low level of inherent distinctiveness. With regard to the comparison of the marks, I have found that they are visually similar to a low degree and aurally similar to a medium degree if only two of the four words in the applicant’s mark were verbalised, but low to medium of all four words were verbalised. For the conceptual comparison, I found the marks were conceptually similar to a low to medium degree only because of the shared element **Naturals**. But in particular I identified that the **Botega** element of the applicant’s mark was an invented word and was therefore considered as the most dominant and distinctive element of that mark.

47. Given that the shared element, **Naturals**, is considered weak in relation to the distinctive character of the earlier mark, that the opponent’s mark is only one of the four words making up the applicant’s mark and that the goods at issue are selected by primarily visual means, meaning that the visual similarity takes on a particular significance, then I find no likelihood of either direct or indirect confusion between the opponent’s and applicant’s marks.

18. On that basis the Hearing Officer dismissed the Opposition.

The Appeal

19. On 14 May 2018 an appeal against the Hearing Officer’s decision was filed on behalf of the Opponent pursuant to Section 76 of the 1994 Act.

20. The Grounds of Appeal contend in substance that the Hearing Officer erred:

- (1) In her assessment of the likelihood of confusion and in particular that the Hearing Officer disregarded the doctrine set out in Case C-120/04 Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH; and

- (2) In her assessment of the distinctiveness of the earlier mark which should have been held to be of at least an average level of distinctiveness.
21. It is to be noted that the Opponent has not sought to challenge on this appeal the findings made by the Hearing Officer with respect to the similarity of goods or her description of the relevant average consumer.
22. No Respondent's Notice was filed. That is to say the Applicant adopted the position that the Hearing Officer's Decision was correct for the reasons that she gave.

Standard of review

23. An appeal against decisions taken by the Registrar is by way of review. Neither surprise at a Hearing Officer's conclusion, nor a belief that she has reached the wrong decision suffice to justify interference in this sort of appeal. Before that is warranted, it is necessary for me to be satisfied that there was a distinct and material error of principle in the decision in question or that the Hearing Officer was wrong. See Reef Trade Mark [2003] RPC 5; BUD Trade Mark [2003] RPC 25; and more recently the decision of Geoffrey Hobbs Q.C. sitting as the Appointed Person in ALTI Trade Mark (O-169-16) at paragraphs [19] to [20]; the decision of Daniel Alexander Q.C. sitting as the Appointed Person in Talk for Learning Trade Mark (O-017-17) referred to by Arnold J. in Apple Inc. v. Arcadia Trading Ltd [2017] EWHC 440 (Ch); and the judgment of Daniel Alexander Q.C. sitting as a Deputy Judge in the High Court in Abanka D.D. v. Abanca Corporación Bancaria S.A. [2017] EWHC 2428 (Ch).
24. Moreover where the decision below involves the making of a value judgment the decision maker on appeal must be especially cautious about interfering with that judgment on appeal: see most recently Lewison LJ in A P Racing Limited v. Alcon Components Limited [2018] EWCA Civ 1420 at paragraph [33].
25. It is necessary to bear these principles in mind on this appeal.

Decision

26. I shall first consider the question of the Hearing Officer's finding with regard to her assessment of the distinctive character of the earlier trade mark. There are two bases upon which the Hearing Officer is said to be incorrect.
27. First, that the trade mark "NATURALS" has no allusive meaning for snack products on the basis that '*The term is a phantasy {sic} term that does not exist at all*'. No further explanation is given. I do not accept that this is correct. The Hearing Officer made very clear and in my view entirely correct findings in paragraph 31 of her Decision that firstly the earlier trade mark is a dictionary word; and secondly that it alludes to a qualitative characteristic of the goods namely '*natural products not*

containing artificial ingredients'. On the basis of those findings it seems to me that the Hearing Officer was correct to find that the earlier mark had a low degree of inherent distinctiveness as she did in paragraph 31 of her Decision and that the word 'NATURALS' itself to be weak in distinctiveness as she did in paragraph 35 of her Decision.

28. Secondly, it is said that the Hearing Officer should have taken into account the use that had been made by the proprietor of the earlier trade mark. In this connection the finding that there was no evidence of use in the UK was not challenged by the Opponent. That is to say it was asserted on behalf of the Opponent that the use in continental Europe should have been taken into account by the Hearing Officer for the purposes of the assessment under section 5(2)(b) of the 1994 Act.
29. The first point to note is that the assessment under section 5(2)(b) of the 1994 Act is to be made from the perspective of the average consumer. That is to say a consumer in the UK being, on the admitted facts on this appeal, a consumer who would not have at any stage been exposed to the use of the earlier trade mark by the Opponent. In those circumstances, and having referred to the decision of Iain Purvis QC, sitting as the Appointed Person in China Construction Bank Corporation v. Groupement des carete (O-282-14) in foot note 2 of her Decision, it seems to me that it was open to the Hearing Officer to disregard the evidence of use in continental Europe that had been filed on behalf of the Opponent in her assessment of the distinctive character of the mark and to reach the conclusions that she did on the basis of the inherent distinctiveness of the earlier trade mark.
30. Turning to the appeal with regard to the approach of the Hearing Officer to the assessment of the likelihood of confusion it is said on behalf of the Opponent that the Hearing Officer completely disregarded the doctrine set out in Case C-120/04 Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH.
31. I should at this point note that the Grounds of Appeal on this issue contain references to various decisions from the courts in Germany. No copies of the judgments referred to were provided. However, these judgments are not binding on me and I have not taken them into account in reaching my decision on this appeal.
32. Turning to the substantive issue on this ground of appeal, I do not accept that the Hearing Officer completely disregarded the doctrine set out in Case C-120/04 Medion.
33. Firstly, the relevant legal principles that the Hearing Officer identified in paragraph 9 of her Decision are those which have been identified by reference to the case law of the Court of Justice of the European Union ("CJEU") one such judgment being explicitly identified as the judgment in Case C-120/04 Medion.

34. Secondly, the summary of the factors to have in mind when making the assessment under section 5(2)(b) of the 1994 Act, in particular those identified in sub-paragraphs (c) to (f), demonstrate that the Hearing Officer had firmly in mind the doctrine set out in Case C-120/04 Medion. Indeed the Hearing Officer expressly states that she had such factors in mind in paragraph 40 of her Decision.
35. Thirdly, there is no suggestion that the additional case law that the Hearing Officer referred to in paragraphs 41 to 44 of her Decision was not correct, was incompatible with the approach in Case C-120/04 Medion, or in some other way not applicable to the assessment that the Hearing Officer had to make.
36. Finally, it does not seem to me that the Opponent has identified any material error in the Hearing Officer's analysis with regard to her comparison of the marks, her assessment of distinctiveness or her analysis of the likelihood of confusion. It seems to me that the Hearing Officer, having identified the correct legal approach then applied it to the multifactorial assessment of the marks that were before her. The Hearing Officer clearly explained her analysis and in my view she was entitled to make the findings that she did for the reasons that she gave.

Conclusion

37. To conclude, for the reasons set out above, it does not seem to me that there is any error of principle or material error in the Hearing Officer's decision. It was in my view open to the Hearing Officer to make the decision that she did. In the result, as previously indicated on 2 November 2018, the appeal fails.

Decision on costs

38. In the decision given at the hearing on 2 November 2018 I indicated that on the basis that the appeal had been dismissed that the Applicant was entitled to her costs of the appeal. I also indicated that, on the basis that the Applicant had taken no steps whatsoever in connection with the appeal, my preliminary view was that the appropriate order was for there to be no order as to costs of the appeal.
39. I therefore gave directions in order to allow the Applicant to provide any submissions that she might wish in relation to the costs of the appeal and subsequently for the Opponent to respond to such submissions.
40. The Applicant filed submissions by email. In that email the Applicant made a claim for the costs of a further trade mark application, design work and rebranding together with certain other unspecified costs said to relate to '*time, stress and delays*'. The Opponent filed submissions in response by email in which the point was taken, in my view correctly, that such costs were not related to the costs of the appeal that was before me.

41. It seems to me that taking into account all the circumstances of the appeal and in particular that the Applicant has at no stage until the question of costs arose taken any part in the appeal proceedings; and that her brief submissions on costs did not contain any suggestion that she had spent any time dealing with the issues raised by the appeal but rather different and unrelated costs that the appropriate order is for there to be no order as to costs on the appeal.

Emma Himsworth QC

Appointed Person

7 December 2018