

[BLO/837/21]

IN THE MATTER OF THE TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION NO. 3429743 BY KIND PET PRODUCTS (DALIAN) CO., LIMITED TO REGISTER Diamond feline in Class 31

AND IN THE MATTER OF OPPOSITION THERETO UNDER NO. 419256 BY SCHELL & KAMPETER, INC

AND IN THE MATTER OF AN APPEAL FROM THE DECISION OF B WHEELER-FOWLER (O/346/21) DATED 10 MAY 2021.

DECISION

Introduction

1. This is an appeal by Schell & Kampeter, Inc ("**S&K**") from decision O/346/21 of Ms B Wheeler-Fowler ("**Decision**") concerning its opposition to the following application by Kind Pet Products (Dalian) Co., Ltd ("**Dalian**"):

Mark	Number	Filing date	Class	Specification
Diamond feline	3429743	19/09/19	31	Aromatic sand [litter] for pets; Sanded paper [litter] for pets; Straw litter; Litter peat; Litter for animals.

2. S&K relied upon the following marks:

Mark	Number	Filing & registration date	Class	Specification relied upon
DIAMOND NATURALS	UK 3424674	29/08/19, 22/11/19	31	Pet foods
DIAMOND	EU 11318326	05/11/12, 12/04/13	31	Pet foods; cat foods and dog foods
DIAMOND CARE	EU 16218729	30/12/16, 11/05/17	31	Pet foods

3. In her Decision, Ms B Wheeler-Fowler for the Registrar held that the opposition was unsuccessful.
4. On 7 June 2021 S&K filed a Notice to Appeal to the Appointed Person against the Decision under Section 76 of the Trade Marks Act 1994.

The Hearing Officer's decision

5. The Hearing Officer held as follows (in summary, and insofar as is relevant to this appeal):
- a. Dalian having put S&K to proof of use in respect of the trade mark DIAMOND, S&K established that the mark had been put to genuine use in the European Union.

- b. The average consumer is the pet owning general public. The selection process for the goods is likely to be largely a visual one, although aural considerations cannot be discounted completely, with a low to medium degree of care and consideration being deployed.
- c. S&K's marks are inherently distinctive to a low to medium degree, and S&K's claim to enhanced distinctiveness through use is not made out on the evidence.
- d. For DIAMOND NATURALS and DIAMOND CARE, the marks are visually and aurally similar to a medium degree, and conceptually similar to a high degree.
- e. For DIAMOND, the marks are visually and aurally similar to a medium to high degree, and conceptually similar to a high degree.
- f. The goods are similar, but only to a very low degree.
- g. There is no likelihood of either direct or indirect confusion in respect of any of S&K's marks.

Grounds of Appeal

- 6. In its Statement of Grounds of Appeal, S&K made a number of criticisms of the Decision. In his helpful skeleton argument, Mr Moss for S&K grouped the criticisms into four distinct grounds, each of which stand alone, with a fifth ground acting as cumulation of all the errors if none are found to stand alone:
 - a) First, the Hearing Officer was wrong to decide that there is only a low degree of similarity of the goods.
 - b) Secondly, she erred in the assessment of inherent distinctiveness of S&K's marks.
 - c) Thirdly, she erred in finding the evidence to be insufficient to demonstrate enhanced distinctiveness.
 - d) Fourthly, she erred in finding no likelihood of direct or indirect confusion.
 - e) Finally, the totality of all errors led to a result no reasonable Hearing Officer could reach.
- 7. Mr Moss expanded upon the above at the hearing, and I set out below further details as are necessary to understand my overall conclusions.
- 8. Dalian's representative attended the appeal hearing, having filed written submissions prior to the hearing, saying (in summary) in response to the above:
 - a) The Hearing Officer was correct to decide that the goods are similar only to a low degree.
 - b) The terms DIAMOND FELINE, DIAMOND NATURALS AND DIAMOND CARE will be perceived as having different, unique and specific concepts and meanings. The result of the conceptual comparison must be therefore that conceptually the marks have a very low similarity, solely arising out of the common word element.
 - c) The Hearing Officer's rejection of the evidence of acquired distinctiveness should be upheld.

- d) The Hearing Officer was justified, given her findings, in deciding there is no likelihood of direct or indirect confusion.
- e) The Hearing Officer's decision was one she was entitled to reach given her findings in relation to the individual elements.
9. As S&K was put to proof of use in respect of the DIAMOND mark, but not the other two marks (both having been filed within five years of the date of application of Dalian's mark), the Hearing Officer considered the position in relation to DIAMOND separately from that in relation to DIAMOND NATURALS and DIAMOND CARE. Given the Hearing Officer's findings that i) DIAMOND had been put to genuine use; and ii) DIAMOND is more similar to Dalian's mark than is either DIAMOND NATURALS and DIAMOND CARE, it is necessary in this appeal only to consider the opposition by reference to DIAMOND. If that opposition is unsuccessful, the oppositions by reference to DIAMOND NATURALS and DIAMOND CARE will not succeed either.

Standard of review

10. The approach to be adopted in an appeal hearing has been laid down a number of times in case law, both in general terms (e.g. by the Supreme Court in *Actavis Group PTC v. ICOS Corporation* [2019] UKSC 1671) and specifically in relation to appeals before the Appointed Person (Daniel Alexander Q.C. sitting as the Appointed Person in *TT Education Ltd v Pie Corbett Consultancy Ltd* (O/017/17), approved by Arnold J in *Apple Inc v Arcadia Trading Limited* [2017] EWHC 440 (Ch)). These cases establish the following principles:
- Appeals to the appointed person are by way of review, not re-hearing;
 - It is necessary for the appellant to satisfy the appeal tribunal that there was a distinct and material error of principle in the Hearing Officer's decision, or that the Hearing Officer was wrong;
 - In the case of conclusions on primary facts it is only in a rare case, such as where that conclusion was one for which there was no evidence in support, which was based on a misunderstanding of the evidence, or which no reasonable judge could have reached, that the Appointed Person should interfere with it;
 - In the case of a multifactorial assessment or evaluation, the Appointed Person should show a real reluctance, but not the very highest degree of reluctance, to interfere in the absence of a distinct and material error of principle. Special caution is required before overturning such decisions. In particular, where an Appointed Person has doubts as to whether the Registrar was right, he or she should consider with particular care whether the decision really was wrong or whether it is just not one which the appellate court would have made in a situation where reasonable people may differ as to the outcome of such a multifactorial evaluation;
 - Situations where the Registrar's decision will be treated as wrong encompass those in which a decision is (a) unsupportable, (b) simply wrong (c) where the view expressed by the Registrar is one about which the Appointed Person is doubtful but, on balance, concludes was wrong. It is not necessary for the degree of error to be 'clearly' or 'plainly' wrong to warrant appellate interference but mere doubt about the decision will not suffice;

- The Appointed Person should not treat a decision as containing an error of principle simply because of a belief that the decision could have been better expressed. Appellate courts should not rush to find misdirections warranting reversal simply because they might have reached a different conclusion on the facts or expressed themselves differently. Moreover, in evaluating the evidence the Appointed Person is entitled to assume, absent good reason to the contrary, that the Registrar has taken all of the evidence into account.
11. In addition to the above, Mr Iain Purvis QC sitting as the Appointed Person in *ROCHESTER Trade Mark*, BL O/049/17, made the following observations at paragraph 33:
- “... the reluctance of the Appointed Person to interfere with a decision of a Hearing Officer on likelihood of confusion is quite high for at least the following reasons:
- (i) The decision involves the consideration of a large number of factors, whose relative weight is not laid down by law but is a matter of judgment for the tribunal on the particular facts of each case
 - (ii) The legal test ‘likely to cause confusion amongst the average consumer’ is inherently imprecise, not least because the average consumer is not a real person
 - (iii) The Hearing Officer is an experienced and well-trained tribunal, who deals with far more cases on a day-to-day basis than the Appellate tribunal
 - (iv) The legal test involves a prediction as to how the public might react to the presence of two trade marks in ordinary use in trade. Any wise person who has practised in this field will have come to recognize that it is often very difficult to make such a prediction with confidence
- Any sensible Appellate tribunal will therefore apply a healthy degree of self-doubt to its own opinion on the result of the legal test in any particular case.”

12. I shall bear all the above in mind when reviewing the Decision.

Discussion

13. Looking at the various alleged errors of principle in turn, my analysis is as follows.

(a) Similarity of the goods

14. The Hearing Officer set out the relevant factors for assessing similarity as identified by Jacob J. (as he then was) at paragraph 296 of *British Sugar Plc v James Robertson & Sons Limited* (“Treat”) [1996] RPC 281:

- “(a) The respective uses of the respective goods or services;
- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or acts of service;
- (d) The respective trade channels through which the goods or services reach the market;
- (e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be, found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
- (f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research

companies, who of course act for industry, put the goods or services in the same or different sectors.”

15. Applying the above, the Hearing Officer’s findings were:

“The use and nature of the two products clearly differ. Whilst the respective goods share an average consumer and enable the care of pets, they differ in their specific purpose: one is for toilet management whereas the other is for sustenance. I have evidence of an overlap in industry and proximity in trading channels, including shared supermarket aisles – albeit within slightly different sections. However, I do not have evidence showing an overlap in producer and, in my experience, I consider in some trade channels, such as a pet store, the goods will be in different aisles. The average consumer would not buy pet food instead of pet litter (or vice versa) and, thus, there is no competition. In respect of complementarity, one is not important or indispensable for the use of the other, nor are they used together. There is no link, beyond being goods for pets, which would lead to the consumer to think that the responsibility of for these parties’ goods would lie with the same undertaking”.

16. Overall, the Hearing Office concluded that the goods were similar, but only to a very low degree.
17. S&K’s Grounds of Appeal contended that the Hearing Officer, whilst setting out the correct legal principles, made a number of errors of principle in applying them to the facts. Specifically, S&K contended that “the Hearing Officer placed too much focus on the specific purpose of the respective goods and failed to give due weight to the wider relevant factors including: a) a clear overlap in industry; b) overlapping trade channels; c) evidence of shared space/proximity when goods are offered to market; d) identity of users/consumers; e) proximity/same environment for use of the respective goods; f) shared nature of daily consumables”.
18. In the appeal hearing, I explained to Mr Moss that my difficulty with this contention is that the *Treat* case lays down a multifactorial approach to assessing similarity of goods, in which no individual factor is said to be more important than any of the others. Consequently, whereas a different Hearing Officer may, by placing more reliance on factors such as the shared identity of users and the shared nature of daily consumables, have reached a decision that the goods are similar to perhaps a medium degree, it cannot be said that the Hearing Officer was wrong to find only a low degree of similarity. Mr Moss accepted that the Hearing Officer’s decision in this regard fell “at the end of the spectrum but still within the spectrum” of reasonable decisions open to her.
19. Mr Moss instead advanced S&K’s case in a different way. S&K had submitted unchallenged evidence, in the form of two photographs of the pet products aisle in a Sainsbury’s supermarket, showing that cat food and cat litter were sold side by side. The Hearing Officer, in the section of her decision quoted at paragraph 15 above, acknowledged that the photographs showed “shared supermarket aisles – albeit within slightly different sections”, but then added “in my experience, I consider in some trade channels, such as a pet store, the goods will be in different aisles”.
20. Mr Moss contended that it is an error of principle for a Hearing Officer to use judicial notice to contradict the unchallenged evidence of a party. Specifically, whilst he did not contend that there is any rule of law *per se* which prohibits the contradiction of unchallenged evidence by judicial notice, he contended that she should have given more weight to the unchallenged evidence before her because these proceedings were adversarial.

21. I accept Mr Moss's contention that it would not normally be appropriate for a decision maker to use judicial notice to contradict unchallenged evidence, at least not without giving the party relying on the evidence to respond to the judicial notice. However, I am not persuaded that that is what the Hearing Officer did in this instance. As I see it, rather than contradicting S&K's unchallenged evidence of the goods being sold side by side, she used her judicial notice to qualify that evidence, by pointing out that in specialist stores (rather than a supermarket) the goods will be in different aisles. I do not accept that qualifying (as opposed to contradicting) unchallenged evidence by judicial notice is an error of principle. The Hearing Officer accepted and cited in her decision the evidence of S&K as to the proximity of the goods in supermarket aisles, qualified that evidence in accordance with her own experience, and ultimately concluded, on the basis of her multifactorial assessment, that the goods are similar only to a low degree. I do not accept that she made an error of principle in so doing.

(b) Inherent distinctiveness of the DIAMOND mark

22. At paragraph 57 of the Decision, the Hearing Officer said:
- "Starting with the inherent characteristics, the opponent's earlier mark consists of the words "DIAMOND CARE" or "DIAMOND NATURALS". 'Diamond' is a known word referring to a precious stone or shape and can sometimes be viewed as a reference to a higher standard (among other meanings). I do not consider there is an obvious specific connection to the goods for which the earlier mark is registered (pet food), but the word "DIAMOND" is generally allusive or suggestive of goods of a certain/high standard or quality".
23. S&K contended that this constituted an error of principle, because *Lloyd Schuhfabrik* makes clear that the determination of distinctive character of a mark must be made in the context of the goods in question. As Mr Moss's skeleton argument put it, "'DIAMOND' is no way, shape, or form, a non-distinctive word in the pet industry, and the Hearing Officer erred in, effectively, finding otherwise".
24. I remind myself first of the ECJ's judgment, at paragraph 23, in *Lloyd Schuhfabrik*:
- "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)".
25. Whilst it is true that the judgment refers to "element descriptive of the goods or services for which it has been registered" (which DIAMOND clearly is not in respect of pet food), it is clear from the use of the word "including" that the factors listed by the ECJ are not intended to be exhaustive. In my view, it is perfectly proper, and *Lloyd Schuhfabrik* does not say otherwise, for a Hearing Officer to consider the extent to which a mark, whilst not being inherently descriptive of the goods/services themselves, is nonetheless allusive to one or more characteristics of the goods or services for which it is registered. The Hearing Officer said that "the word "DIAMOND" is generally allusive or suggestive of goods of a certain/high standard or quality". I agree, and

would point by way of similar examples to marks such as “ROYAL” or “SOVEREIGN”, which allude to a claimed high standard of quality.

26. In my view, the Hearing Officer was entitled to view “DIAMOND”, in this context, as to a greater or lesser extent allusive of quality, and accordingly to decide that “the allusiveness/suggestiveness is not so strong that I would regard it as a very weak mark, but I nevertheless find both marks have a low to medium degree of inherent distinctiveness for the reasons explained”.

(c) Acquired distinctiveness of the DIAMOND mark

27. S&K filed evidence to support its contention that the DIAMOND mark has acquired further distinctive character through use. The Hearing Officer held

“Although I have evidence of these earlier marks being used, including in relation to sales, I have little or no evidence in respect of UK use for some years and neither do I have information about the market as a whole. The level of turnover is relatively modest and I only have evidence of one UK customer/distributor. On balance, I do not consider the evidence filed by the opponent to be sufficient to demonstrate enhanced distinctiveness in the UK”.

28. S&K contended that the Hearing Officer failed to consider at least the following factors:

“The representative, rather than conclusive, nature of the sample invoices submitted;
The promotional activity undertaken;
The general exposure to the Appellant's Earlier Trade Marks throughout the industry relevant sector; and
The longevity of use of the Earlier Trade Marks”.

29. I do not consider there is anything in this point. The Hearing Officer carried out, at paragraphs 14-28 of the Decision, a careful and detailed analysis of S&K's evidence. It is apparent that she did not regard the evidence as unequivocal, and accordingly had to reach her own conclusions as to what the evidence did and did not show. There is no suggestion that she made any error of principle in this regard, and she was entitled to reach the conclusion she did. I reject this ground of appeal.

(d) Likelihood of confusion

30. S&K challenge the Hearing Officer's finding of no likelihood of either direct or indirect confusion. Dealing first with the direct confusion point, Mr Moss's skeleton argument first repeated the alleged errors by the Hearing Officer in relation to the various factors feeding into the final assessment, including the level of similarity of the goods and the inherent and acquired distinctiveness of the mark. I have already addressed and dismissed those challenges above. Turning then to the Hearing Officer's actual assessment of the likelihood of direct confusion, the nub of S&K's argument, as explained by Mr Moss in the hearing, is that:

“[The Hearing Officer] is correct to say, when she set out the law earlier, that the lower the level of inherent distinctiveness, that impacts on similarity. But, of course, here the common element is identical so it is true that if DIAMOND let us say has a low to medium degree of inherent distinctiveness, if you were looking at a word that was not identical to DIAMOND plus something else, then I can see how you can say that the lower level of inherent distinctiveness obviates questions of similarity. The problem is here they are

identical so even if it is true that it is a low to medium degree of inherent distinctiveness, a low inherent distinctive mark is still infringed if the common element is found in the other mark. Its reach may not be as broad because it has a lower level of inherent distinctiveness, but when the common element is the same we say that simply is not engaged because the opposed sign here contains the identical part. Effectively, what he is doing is gutting the origin function because you have got the identical mark or part of the mark appearing in the later bit but saying "the earlier mark is weaker so even though it is identical it does not matter". That is what we say is a significant error".

31. I am unable to agree with S&K on this point. There is no rule of law that a later mark comprising the entirety of an earlier mark plus a descriptive element is necessarily an infringement of the earlier mark. Determining whether or not there is a likelihood of confusion still requires a global assessment. The Hearing Officer made this very point, stating "The parties' marks clearly share a dominant 'Diamond' element. Even if it is considered that this shared element has an independent distinctive role, it does not automatically follow that there is a likelihood of confusion", and then providing a footnote to Arnold J's (as he then was) decision in *Whyte and Mackay Ltd v Origin Wine UK Ltd and Another* [2015] EWHC 1271 (Ch), where he said (at paragraph 21):

"The third point is that, even where an element of the composite mark which is identical or similar to the earlier trade mark has an independent distinctive role, it does not automatically follow that there is a likelihood of confusion. It remains necessary for the competent authority to carry out a global assessment taking into account all relevant factors".

32. The Hearing Officer did carry out that global assessment, and in so doing she decided that the low to medium degree of distinctiveness of the DIAMOND mark, together with the very low degree of similarity of the goods, pushed away from a likelihood of confusion. In my view, she was entitled to reach that conclusion, which is not open to challenge in this appeal.
33. Turning now to indirect confusion, the Hearing Officer said, at paragraph 62 of the Decision (in relation to DIAMOND CARE/DIAMOND NATURALS):

"Whilst the shared element may lead the average consumer to recall the other marks or wonder if there is a connection between them, I do not think there is enough for indirect confusion. This is particularly the case given that the goods are only of very low similarity and the common element not particularly distinctive. I consider that the average consumer would consider the similarities between the marks as a mere coincidence as opposed to being indicative of economic connection".

34. At paragraph 64 (in relation to DIAMOND), she said:

"Therefore, I still do not find a likelihood of confusion, whether direct or indirect. The common presence of "DIAMOND" within each mark will be put down to coincidence not economic connection. When I also bear in mind the differences between the goods and marks along with the distinctiveness of the common element, there will be no likelihood of confusion".

35. On 5 August 2021, which was after the date of the Decision, the Court of Appeal handed down its judgment in *Liverpool Gin Distillery Limited v Sazerac Brands LLC*, [2021] EWCA Civ 1207, in

which Arnold LJ provided a detailed exposition of the law relating to indirect confusion. Arnold LJ gave approval to Iain Purvis QC's (sitting as the Appointed Person) approach in *LA Sugar Ltd v Back Beat Inc* (O/375/10), in which he set out a non-exhaustive list of instances in which indirect confusion can be made out. Arnold LJ further approved James Mellor QC's (sitting as the Appointed Person) statement in *Cheeky Italian Ltd v Sutaria* (O/219/16) at [16] that "a finding of a likelihood of indirect confusion is not a consolation prize for those who fail to establish a likelihood of direct confusion".

36. Overall, Arnold LJ held that "there must be a proper basis for concluding that there is a likelihood of indirect confusion given that there is no likelihood of direct confusion".
37. Neither side suggested that *Liverpool Gin* represented any change in the applicable law insofar as it is relevant to this dispute. I believe that that is probably correct, but mention it for completeness.
38. S&K's skeleton argument contended that the Hearing Officer's rejection of a likelihood of indirect confusion "is wrong, in that it is one that no Hearing Officer properly instructing themselves could have reasonably arrived at in the circumstances. Moreover, the Hearing Officer gave no foundation or reasoning for a determination of "coincidence" in light of how these goods could be purchased from the very same shopping isle, for the very same pet ... Put simply, this is a paradigm case of indirect confusion as set out by Mr Iain Purvis QC in Case BL O/375/10 *L.A. Sugar Limited v By Back Beat*".
39. The difficulty for S&K is that the Hearing Officer not only reminded herself of the various illustrative categories of indirect confusion as set forth in *L.A. Sugar*, but also reminded herself (at paragraph 60 of the Decision) that "For the avoidance of doubt, I acknowledge that these three categories are just illustrative – Mr Purvis QC stated that indirect confusion 'tends' to fall in one of them". It is apparent, therefore, that she applied the correct test, and simply reached a decision with which S&K disagrees. Can it be said that that decision was wrong? The same principles as are relevant to assessing direct confusion are equally relevant to indirect confusion, including 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 services and vice versa, and the distinctive character of the early mark.
40. Overall, taking all the above into account, although this is a not a clear-cut case, and different hearing officers may legitimately have decided that there is a likelihood of indirect confusion, I am satisfied that the Hearing Officer's findings of a very low degree of similarity of goods, and a mark with only low to medium distinctive character, entitled her to reject a likelihood of indirect confusion. Accordingly, S&K's challenge on this ground fails.

(e) Totality of all errors led to a result no reasonable Hearing Officer could reach

41. As I informed the parties at the end of the hearing, were I deciding this matter myself from scratch, I would probably have held that there is a likelihood of at least indirect confusion, and would therefore probably have upheld the opposition. Of course, though, my own views are irrelevant unless I am satisfied that the Hearing Officer was wrong. Looking at the matter in more detail, the key factor which appears to have driven the Hearing Officer to her overall conclusion was the level of similarity of the goods, which she assessed as "very low". I personally regard them as being similar to a medium degree, but again that is irrelevant in light of my review set out at paragraphs 14-21 above. It seems to me that, once the Hearing Officer had made the finding she did as to the level of similarity of the goods, she was entitled to go on to

conclude that there is no likelihood of confusion. I regard her decision as falling within the spectrum of reasonable decisions which could be reached on these facts.

42. Accordingly, although not without some reservations, I must reject this final ground of appeal.

Costs

43. The Hearing Officer ordered S&K to pay Dalian the sum of £700. Clearly, Dalian has been the successful party in this appeal, and I order that S&K should pay Dalian a further £1,200 by way of costs, comprising:

- Preparation of Respondent's response: £600
- Attendance at hearing: £600.

Dr. Brian Whitehead

15 November 2021

Representation

Mr Jonathan Moss of Counsel for the Opponent / Appellant, instructed by Barker Brettell

Mr Ákos Süle for the Applicant / Respondent