

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 2133286
BY FINEST SERVICES LIMITED AND KUMARASWAMY VIJAYAKUMAR
TO REGISTER A TRADE MARK IN CLASSES 30, 32 AND 42**

AND

**IN THE MATTER OF OPPOSITION THERETO UNDER No. 51841
BY DIXY FRIED CHICKENS (EURO) LIMITED**

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by Finest Services Limited and Kumaraswamy Vijayakumar
to register a Trade Mark in Classes 30, 32 and 42**

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**IN THE MATTER OF Opposition thereto under No. 51841
by Dixy Fried Chickens (Euro) Limited**

BACKGROUND

1. On 20 May 1997 Finest Services Limited and Kumaraswamy Vijayakumar applied to register the following trade mark in Classes 30, 32 and 42 of the register



for the following specifications of goods and services:-

Class: 30

Coffee, tea, cocoa, sugar, rice, tapioca, sago, artificial coffee, flour and preparations made for cereals, ices; honey, treacle; yeast, baking-powder; salt, mustard; vinegar, sauces (condiments); spices; ice.

Class: 32

Beers; mineral and aerated waters and other non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparations for making beverages.

Class: 42

Preparation of foodstuffs or meals for consumption off the premises; cafeteria services; but not including the provision of alcoholic beverages.

2. The application was accepted by the Registrar and published in the Trade Marks Journal. On 11 December 2000 A1 Trade Marks and Service Marks, on behalf of Dixy Fried Chicken (Euro) Limited, filed a Notice of Opposition against this application. In summary, the grounds of opposition were

(i) Under Section 5(2)(b) of the Act because the mark applied for is confusingly similar and covers similar goods and services to the following earlier registration owned by the opponent and there exists a likelihood of confusion on the part of the public -

REGISTRATION NUMBER	MARK	REGISTRATION EFFECTIVE	SPECIFICATION OF GOODS
2111700	<p style="text-align: center;">DIXY FRIED CHICKEN</p> 	27 September 1996	Chicken and chicken products; all included in Class 29.

(ii) Under Section 5(4)(a) of the Act in that use of the mark applied for is liable to be prevented by the law of passing off.

(iii) Under Section 3(6) of the Act because the application was made in bad faith as, at the date of application, the applicant was aware of the use of the opponent's mark and had no bona fide intention to use the mark.

3. The applicants through their agents, Mewburn Ellis, filed a Counterstatement denying the grounds of opposition, stating that there are a number of marks on the register containing the prefix DIX and that the device elements within the respective marks look different. They also deny that similar goods and services are involved, that the opponent has a considerable reputation in the mark and they state that the application was made in good faith.

4. The opponent has filed evidence and both sides have asked for an award of costs in their favour. Neither side requested a hearing and both parties were content for a decision to be taken on the basis of written evidence and submissions forwarded to the Registrar.

Opponent's Evidence

5. This consists of a witness statement by Philip Armiston Redman which is dated 30 July 2001. Mr Redman is the principal of A1 Trade Marks and Service Marks, the opponents professional advisors in this case.

6. Mr Redman submits that the essential features of the relevant marks are the words DIXY and DIXYLAND and that the word LAND within the applicant's mark is a non-distinctive suffix.

7. Mr Redman explains that from 1989 to 1999 the applicants were franchisees of the opponent and in support he refers to Exhibit PAR1 to his statement. This includes Mr K Vijayakumar's application for a DIXY FRIED CHICKEN franchise in 1989, a letter from Mr Vijayakumar dated 12 July 1995 agreeing the payment plan for the DIXY FRIED CHICKEN royalty account and a copy of the ten year agreement between the opponent and Mr Vijayakumar. He points out that during the period of the franchise agreement (a copy of which is incorporated into PAR1) the franchisees displayed the opponent's mark on their premises and the goodwill in this mark belonged to the opponent. In Mr Redman's view use of the mark in suit by the applicant is an attempt to benefit from the goodwill attached to the opponents through their trade mark DIXY.

8. Mr Redman goes on to state that the goods and services contained within the specifications of the mark in suit are similar to those covered by the opponent's registration as e.g. condiments, spices, tea, coffee and soft drinks are an inseparable part of the kind of business conducted by the parties.

9. Turning to the use of the opponent's mark, Mr Redman states that "for at least the past 13 years, the opponents have enjoyed a multi hundred thousand pound annual turnover in the products covered by their registration" and have some 40 franchisees throughout the country. He adds that they advertise in various business publications including Asian Business Directory and at Exhibit PAR2 to his statement are copies of orders for advertising in this publication, both in London and the Midlands. These are dated after 20 May 1997, the relevant date for these proceedings. Mr Redman states that in the course of servicing franchisees with promotional material including packaging material, the opponent has spent approximately £100,000 per annum for the past five years.

10. Mr Redman concludes by asserting that, following a ten year franchise agreement, the applicant is now seeking "a free ride" upon the foundation of a goodwill in the DIXY name.

11. This concludes my summary of the evidence filed in this case. I now turn to the decision.

DECISION

12. Firstly, I consider the ground of opposition under Section 5(4)(a) of the Act, which 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,"

13. I intend to apply the test outlined in Halsbury's Laws of England (4th Edition) as adopted by Mr G Hobbs WC. In Wild Child 1998 RPC at 460. The relevant passages are re-produced below:

"The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

- (1) *that the plaintiff's goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;*
- (2) *that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the defendant are goods or services of the plaintiff; and*
- (3) *that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant's misrepresentation."*

"To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

- (1) *that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and*
- (2) *that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.*

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

- (a) *the nature and extent of the reputation relied upon;*
- (b) *the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;*
- (c) *the similarity of the mark, name etc used by the defendant to that of the plaintiff;*
- (d) *the manner in which the defendant makes use of the name, mark etc complained of and collateral factors; and*
- (e) *the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.*

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action."

14. Thus, to succeed in a passing off action, it is necessary for the opponent's to establish that at the relevant date (29 May 1997): (i) they had acquired goodwill under the trade mark; (ii) that use of the applicant's mark would amount to a misrepresentation likely to lead to confusion as to the origin of their goods or services and (iii) that such confusion is likely to cause real damage to their goodwill.

15. With these considerations in mind I turn to assess the evidence filed in these proceedings. I will consider the issue under the three main headings of Goodwill, Misrepresentation and Damage.

GOODWILL

16. The opponents have claimed that for at least thirteen years prior to 2001 they have enjoyed a multi hundred thousand pound annual turnover in chicken and chicken products under their DIXY FRIED CHICKEN and device mark and have some forty franchisees throughout the country selling these products. This is not disputed by the applicants. Furthermore, the opponent's evidence shows that the applicants themselves were franchisees of the opponent from 1989 to 1999 and the copy of the franchise agreement between the parties shows that Mr K Vijayakumar (one of the joint applicants) operated under the trade name Dixy Fried Chicken at his place of business in Blackpool. From this franchise agreement I feel able to find that Mr Vijayakumar sold, to quote from the agreement, "chicken and other food products made in accordance with the Method" from his Blackpool outlet under the opponent's DIXY FRIED CHICKEN "trade name". Certainly this is not denied by the applicants and the opponent's evidence also shows that Mr Vijayakumar wrote to Dixy Fried Chicken on 12 July 1995 agreeing the payment plan for the royalty account.

17. The opponent's evidence is somewhat vague as to the extent of the opponent's use and its overall market share appears relatively small. Nevertheless, it demonstrates, in my view, that prior to the relevant date, the opponent was actively conducting a business which involved the franchising of its trade mark DIXY FRIED CHICKEN and device to "fast food" outlets who sold "chicken and other food products made in accordance with the Method", and that these activities sufficed to provide the opponent with the necessary goodwill to mount a passing off action. As stated in Kerly's Law of Trade Marks and Trade Names (13th Edition) at paragraph 14-08 on page 420 under the heading of "Reputation"

"The mark or other indication concerned need not be universally known. A small trader with a limited clientele is as much entitled to protect his brands and business name as any large concern. The overriding consideration, in judging the extent of the reputation, is whether the claimant has built up a goodwill to the point where substantial damage will be caused to it by the acts complained of."

MISREPRESENTATION

18. To succeed under this heading the opponent only has to show that relevant public will believe the goods or services offered by the applicants are goods or services of the opponent. The relevant public in this case are the general public, who purchase food and drink from "fast food" outlets.

19. Firstly, I turn to a consideration of the respective activities in which the opponent and applicants are engaged. The evidence shows that the opponent carries on the business of franchising its trade mark to "fast food" outlets who sell "chicken and other food products" made in accordance with the opponents "method". The applicants have provided no evidence of use of the mark in suit but their specifications of services and goods include in effect,

“take-away” catering and cafeteria services as well as food and drink products which would be sold by such outlets e.g. tea, coffee, sauces, beer, fruit drinks and other non-alcoholic drinks. Accordingly, it seems to me that the opponent’s and applicants’ marks will both appear on “take away” outlets and restaurants and on the foods and drink typically provided by such establishments. The uses, users and physical nature of the respective goods and services are much the same and it seems to me that they would reach the relevant customer ie. the general public, through the same channels. The goods and services are in direct competition.

20. I turn now to a consideration of the opponent’s mark with the application in suit. Both marks contain a “cartoon-like” chickens head. The opponent’s mark also contains the words DIXY FRIED CHICKEN, while the applicants’ mark contains the words DIXYLAND CHICKEN & RIBS. Given the non-distinctive or descriptive nature of the words CHICKEN and RIBS, it seems to me that DIXY and DIXYLAND is the distinctive and dominant word element in the respective marks and in my view these words allude to “Dixie” or “Dixieland”, well known dictionary words for the southern states of the United States of America. Overall, I believe the marks to be visually, aurally and conceptually similar, particularly when imperfect recollection is taken into account.

21. In my view, given the degree of similarity in the respective trade marks and also in the activities of the opponent with the goods and services specified by the applicants, I have little doubt that, considering the relevant customer for the goods and services, there would be confusion and deception among a substantial number of persons.

DAMAGE

22. It is accepted that, where the parties are in the same field of activity, if there is confusion between the products and services then there will be damage through diversion of trade.

CONCLUSION

23. The opposition under Section 5(4)(a) therefore succeeds and as the opponent has been successful on this ground I have no need to go on and consider the other grounds of opposition raised.

COSTS

24. The opposition having succeeded the opponent is entitled to a contribution towards costs. I order the applicant to pay the opponent the sum of £800. This sum to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 9th day of August 2002

JOHN MacGILLIVRAY
For the Registrar
the Comptroller-General

