

BL O/0249/25

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO 3759964

BY

INTERNATIONAL FOODSTUFFS CO. LLC

TO REGISTER AS A TRADE MARK

CHEEZO

IN CLASS 30

AND

THE OPPOSITION THERETO

UNDER NO 434328

BY

PEPSICO, INC.

BACKGROUND AND PLEADINGS

1. On 28 February 2022, International Foodstuffs Co. LLC ("the applicant") applied to register the trade mark shown on the front page of this decision in class 30 for the following:¹

Chocolates namely chocolate covered wafers; confectionery namely cream wafers; biscuits namely cream wafers.

2. The application was published on 18 March 2022, following which PepsiCo Inc. ("the opponent") filed a notice of opposition against all the goods in the application.

3. The opponent bases its case on sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 ("the Act").

The section 5(2)(b) ground

4. Section 5(2)(b) of the Act reads:

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

5. The opponent relies on the following two marks:

Mark details:	Goods and services relied on:
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¹ International Classification of Goods and Services for the Purposes of the Registration of Marks under the Nice Agreement (15 June 1957, as revised and amended).

UKTM: 3166257



Filed:

24 May 2016

Registered:

26 August 2016

Class 29:

Mixtures of fruit and nuts; potato chips; potato crisps; potato-based snack foods; soy-based snack foods; soy chips; fruit-based snack food; fruit chips; yucca chips; vegetable based snack foods and chips; ready to eat snack foods consisting primarily of potatoes and chips, nuts, nut products, seeds, fruits, vegetables or combinations thereof; legume-based snacks.

Class 30:

Class 30 – Snack food products made from cereal flour; snack food products made from potato flour; snack food products made from rice flour; crackers; taco chips; tortilla chips; flour-based chips; grain-based chips; cereal-based snack food; cereal based food bars; cereal bars and energy bars; rice-based snack food; rice chips; rice crisps; rice crackers; puffed rice; cakes (rice-); snack foods made from corn; processed corn; popcorn; roasted corn; puffed corn snacks; maize-based snack products; extruded snacks containing maize; poppadoms; pretzels; granola; granola-based snack bars; snack bars containing a mixture of grains, nuts and dried fruit [confectionery]; coated nuts [confectionery]; granola-based snack foods; maize-based snack products; ready to eat snack foods consisting primarily of grains, corn, cereal or combinations thereof.

UKTM: 2166648 CHEETOS Filed: 13 May 1998 Registered: 30 October 1998	Class 29: Snack foods, chips, crisps, ready to eat snacks consisting primarily of potatoes, nuts, other fruit or vegetable materials or combinations thereof including potato chips and fabricated potato chips. Class 30: Snack foods, chips, crisps, puffs, tortilla chips and crisps, ready to eat snacks consisting primarily of grains, including corn chips, tortilla chips, rice chips, crackers, pretzels and puffed and extruded snacks; popped popcorn; snack foods having a grain or cereal base.
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6. The opponent states:

“Due to the high degree of similarity between CHEETOS (stylised) and CHEEZO and given the identity/high degree of similarity between the two sets of goods there exists a likelihood of confusion on the part of the relevant public which could include association, or an assumption that CHEEZO is used as a sub brand or extension of the Opponent's well known existing CHEETOS (stylised) products.”

The section 5(3) ground

7. Section 5(3) reads:

“A trade mark which 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 and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark”.

8. Under the 5(3) ground the opponent relies on the second mark shown in the table above for the same goods in classes 29 and 30. The opponent submits that the applicant's highly similar mark would take unfair advantage by riding on the coat tails of the opponent's earlier CHEETOS mark. It submits:

“...the positive image of the Opponent's mark would be transferred to the goods designated under the Applicant's mark. The Opponent submits that the Applicant's mark immediately calls the Opponent's mark to the mind of the relevant consumer. The significant reputation of the Opponent's mark means that consumers will recognise the Opponent's mark as denoting high quality products. If registered, the Applicant's mark will unfairly benefit from the power of attraction the Opponent's mark enjoys and will unfairly exploit this reputation without the Applicant having made the associated investment or paying any financial compensation to the Opponent.”

9. The opponent states that it has the highest regard for standards and offers premium quality products, whilst it has no control over the activities of the applicant or the quality of products it offers. It submits that this is particularly relevant given the identical and highly similar nature of the goods. It concludes, *“Use of the Applicant's mark is liable to cause the Opponent reputational damage by association.”*

10. The opponent submits there is a risk of detriment to the distinctive character of its earlier mark because CHEETOS is a distinctive mark and the existence of CHEEZO, being similar, means that the opponent no longer has exclusivity. The ability of the opponent's mark to identify the opponent alone will be weakened and consumers will no longer be able to rely on the opponent's mark as a mark of quality and trust. In addition, the opponent claims the applicant's sales could result in a loss of sales for the opponent due to a change in economic behaviour.

The section 5(4)(a) ground

11. This section reads:

“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, where the condition in subsection (4A) is met,

(aa)...

(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.”

12. Subsection (4A) of Section 5 reads:

(4A) The condition mentioned in subsection (4)(a) is that the rights to the unregistered trade mark or other sign were acquired prior to the date of application for registration of the trade mark or date of the priority claimed for that application.”

13. Under the 5(4)(a) ground the opponent relies on the plain word CHEETOS. It states that the sign CHEETOS has been used throughout the United Kingdom (UK) since at least 1998, for ‘cheese based snack foods’.

14. It says the following in its statement of grounds:

“Due to the exclusivity of the CHEETOS brand to the Opponent, use of the Applicant's mark, CHEEZO, is liable to deceive members of the relevant public into assuming some kind of association, affiliation, licence or endorsement from the Opponent when this is not the case. This misrepresentation would damage the Opponent's business and the distinctiveness of their CHEETOS brand.

15. The applicant filed a counterstatement in which it denies the grounds of opposition and puts the opponent to proof of use of its earlier marks.

16. The opponent is represented by D Young and Co LLP. The applicant is represented by Fox Williams LLP. The opponent filed evidence that the applicant responded to by filing submissions. Neither side requested a hearing and both sides filed submissions in lieu of attending a hearing. I make this decision following careful review of the papers before me.

17. Although the UK has left the European Union (EU), section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Act relied upon in these proceedings are derived from an EU Directive and, therefore, this decision continues to refer to the trade mark case law of the EU courts.

DECISION

Proof of use

18. The opponent's marks are earlier marks that are subject to proof of use. This is because, at the date of application of the contested mark, they had been registered for five years and the applicant has put the opponent to proof of use, for all of the goods relied on.

19. Section 6A of the Act reads as follows:

“(1) This section applies where

(a) an application for registration of a trade mark has been published,

(b) there is an earlier trade mark of a kind falling within section 6(1)(a),
(aa) or (ba) in relation to which the conditions set out in section 5(1), (2)
or (3) obtain, and

(c) the registration procedure for the earlier trade mark was completed before the start of the relevant period.

(1A) In this section “the relevant period” means the period of 5 years ending with the date of the application for registration mentioned in subsection (1)(a) or (where applicable) the date of the priority claimed for that application.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if –

(a) within the relevant period the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

(b) the earlier trade mark has not been so used, but there are proper reasons for non-use.

(4) For these purposes –

(a) use of a trade mark includes use in a form (the “variant form”) differing in elements which do not alter the distinctive character of the mark in the form in which it was registered (regardless of whether or not the trade mark in the variant form is also registered in the name of the proprietor), and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(5)...

(5A)...

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.”

20. Section 100 of the Act is also relevant. It states:

“If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

21. The period for which genuine use must be proven is the five years prior to the date of filing of the contested application, namely, 29 February 2017 to 28 February 2022.

22. In *easyGroup Ltd v Nuclei Ltd & Ors* [2023],² Arnold LJ summarised the law relating to genuine use as follows:

“105. The principles applicable to determining whether there has been genuine use of a trade mark have been considered by the CJEU in a considerable number of cases, the principal decisions being Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, Case C-259/02 *La Mer Technology Inc v Laboratories Goemar SA* [2004] ECR I-1159, Case C-416/04 *P Sunrider Corp v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [2006] ECR I-4237, Case C-442/07 *Verein Radetsky-Order v Bundersvereinigung Kamaradschaft 'Feldmarschall Radetsky'* [2008] ECR I-9223, Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759, Case C-149/11 *Leno Marken BV v Hagelkruis Beheer BV* [EU:C:2012:816], Case C-609/11 *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], Case C-141/13 *P Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [EU:C:2014:2089], Case C-689/15 *W.F. Gözze Frottierweberei GmbH v*

² EWCA Civ 1247

Verein Bremer Baumwollbörse [EU:C:2017:434] and Joined Cases C–720/18 and C–721/18 *Ferrari SpA v DU* [EU:C:2020:854].

106. Ignoring issues which do not arise in the present case, such as use in relation to spare parts or second-hand goods and use in relation to a sub-category of goods or services, the principles may be summarised as follows:

(1) Genuine use means actual use of the trade mark by the proprietor or by a third party with authority to use the mark: *Ansul* at [35] and [37].

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Centrotherm* at [71]; *Leno* at [29]; *Ferrari* at [32].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Centrotherm* at [71]; *Leno* at [29]; *Gözze* at [37], [40]; *Ferrari* at [32].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34]; *Leno* at [29]-[30], [56]; *Ferrari* at [33].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32].”

Evidence

23. The opponent’s evidence of use is provided by Jeanette Zimmer, the opponent’s Senior Legal Director (since 2008). Her witness statement is dated 1 August 2023. It is accompanied by nineteen exhibits, JZ1 to JZ19.

24. Following a case management conference (CMC) held before me on 6 September 2023, exhibits JZ7, JZ8 and JZ18 were granted confidentiality from the public.

25. Much of the opponent's evidence is undated, dated after the relevant dates or relates to the US and not the UK. I will return to this point later in this decision. The relevant evidence is as follows.

26. Ms Zimmer provides the following information regarding the history of the Cheetos brand:

"8. The CHEETOS brand, formerly styled as 'Chee-tos' until 1998, was created in 1948 by Frito innovator Charles Doolin in Texas, USA. PepsiCo adopted the CHEETOS brand in 1965 pursuant to the merger between the Pepsi-Cola Company and Frito-Lay Inc (who trade as 'Walkers' in the UK). Since the merger, the CHEETOS brand has expanded rapidly and CHEETOS products are distributed across the globe through PepsiCo and individual distributors. The expansion of the CHEETOS brand is a direct result of the high demand for CHEETOS products.

9. PepsiCo appointed 'Chester Cheetah' as the official mascot of the CHEETOS brand in 1986. Chester Cheetah is a fictional smooth-voiced cheetah that is used in close relation to the CHEETOS mark."

Sales of Cheetos branded goods in the UK

27. Ms Zimmer states that Cheetos products are sold in the UK in stores including Tesco, Sainsburys, ASDA, Morrisons, B&M and Costco and online through Amazon UK. She does not indicate when these stores first stocked the opponent's goods.

28. Pages from the Wayback machine show Cheetos Cheese Corn Snacks for sale on the Tesco website on 14 August 2020 and 26 July 2021.³ Cheetos Ketchup Corn Snacks are shown for sale on the Tesco website on 28 November 2020 and 24 June 2021.⁴

³ See exhibit JZ4.

⁴ As above.

29. Prints taken from Amazon UK show two reviews of the Cheetos Flamin' Hot Crunchy product dated 30 November 2020 and 31 July 2021 and three reviews of Cheetos Cheese Puffs dated 4 January 2021, 14 March 2021 and 26 May 2021.⁵

30. Ms Zimmer submits that the demand for Cheetos products in the UK has resulted in the sale of Cheetos products by independent wholesalers and importers.⁶

31. The only page from that exhibit that may fall within the relevant period is from Sugar Box UK, self-described as 'The UK's Most Popular American Candy Store'. The product shown is Cheetos Crunchos, not previously listed by Ms Zimmer as one of the opponent's products that is available in the UK. It is for 'Cheetos Sweet Chilli – best before dated MAY 21'.

32. Ms Zimmer states that Cheetos products are categorised on its website as 'Crunchy', 'Puffs', 'Popcorn', 'Mac 'n Cheese', 'Fantastix!', 'Simply' and 'Baked'. She provides excerpts from the internet archive, Wayback machine, dated between 14 January 2020 and 17 February 2022, that show the range of the opponent's Cheetos products that Ms Zimmer states were marketed to UK customers via the Cheetos.com website. The products include 'Cheetos Crunchy', in 'cheese', 'flamin' hot' and 'flamin' hot limon' flavours; 'Cheetos Puffs', in 'cheese' and 'flamin' hot', as well as a 'paws' version that are cheese flavoured paw shapes; 'Cheetos Popcorn', in 'cheese' and 'flamin' hot' flavours, as well as a cheese flavoured 'Crunch Pop Mix' which includes the crunchy and popcorn products together in one bag; 'Cheetos Fantastix!', in 'chili cheese' and 'flamin' hot' flavours; 'Cheetos Baked', in 'crunchy cheese' and 'flamin' hot' flavours. and finally, 'Cheetos Simply', in 'white cheddar', 'white cheddar and jalapeno' and another flavour I cannot see clearly

33. In addition to the range of corn snack products, Cheetos also offers 'Cheetos Mac 'n Cheese', which appears to be a box of pasta with a Cheetos flavour, to which the customer

⁵ See exhibit JZ5.

⁶ See exhibit JZ6.

adds milk. The flavours shown in this exhibit are ‘bold and cheesy’, ‘flamin’ hot’ and ‘cheese and jalapeno’.⁷

Turnover

34. Ms Zimmer submits that revenue for CHEETOS products sold in the UK averaged in excess of £19,800,000 per year between 2017 and 2021.⁸ Confidential turnover figures are also provided, although I note, like the headline figure provided in Ms Zimmer’s witness statement, the numbers are approximate and not broken down by the goods sold.⁹

Advertising and promotion

35. Ms Zimmer states that promotion and advertising of the Cheetos brand is achieved by visual marketing, online advertising and visibility on social media. She confirms that between the years 2016 and 2020 the opponent spent an average of £60,000 per year on the promotion of the CHEETOS brand in the UK.

36. Ms Zimmer states that as part of its marketing strategy, the CHEETOS brand is extensively advertised on social media. She provides figures as at 2 July 2023 of 1.5M followers on Facebook, 482k followers on Instagram, 133K followers on Twitter and 91.3K subscribers on YouTube.

37. Ms Zimmer provides what she describes as current and historical excerpts from social media pages.¹⁰ Those for which I have been able to determine a date within the relevant period are:

- A Twitter page for ‘Chester Cheetah’ is described as *“The official Twitter of the official spokescheetah of Cheetos. Also, the only spokescheetah of anything.”*¹¹ The page was ‘joined in 2012’ and dates from 2021.

⁷ See exhibit JZ3.

⁸ See paragraph 16 of Ms Zimmer’s witness statement.

⁹ Confidential exhibit JZ7.

¹⁰ See exhibit JZ9.

¹¹ See page 10 of exhibit JZ9.

- It features a promotion titled, 'DejatuHuella'¹² and features a link to Cheetos.com/recipes. In 2021 the page had 112.8k followers.
- A print from youtube.com shows a video of Cheetos Crunchy/Crunchy-verse. It was posted on 8 June 2021 and at time of printing had received 14,698 views.¹³

38. With regard to celebrity endorsements, Ms Zimmer states:

"[The opponent] utilise[s] various promotional methods to advertise the CHEETOS brand on social media. For example, [it] collaborate[s] with celebrities to produce social media content. The content involves photographs posted to the CHEETOS Instagram page of celebrities enjoying CHEETOS products and/or short comedy sketches fashioned around CHEETOS products. Celebrities include but are not limited to Charlie Puth, Megan Thee Stallion, Ashton Kutcher, Jimmy Fallon, Lil Yachty and Lizzo."

39. Prints are provided from Cheetos Instagram pages¹⁴ that show, inter alia, comedian Jimmy Fallon,¹⁵ guitarist Derek Day,¹⁶ model Winnie Harlow,¹⁷ and singers Lois Rae¹⁸ and Ashanti¹⁹ eating or posing with packets of Cheetos. A post from YouTube cooking programme 'First We Feast' presents a recipe for Cheetos Flamin' Hot honey ham.²⁰ The post informs the Cheetos page followers that the recipe is available on the Cheetos Pinterest page.

40. Celebrities also feature in the opponent's advertising campaigns. On 13 January 2020, Adage.com published an article titled, "Cheetos and Doritos are the latest food brands to

¹² This campaign relates to a tie -up with a US rapper Bad Bunny to work with the Latin American community in the US.

¹³ See page 13 of exhibit JZ9.

¹⁴ See exhibit JZ10.

¹⁵ December 2021.

¹⁶ January 2022.

¹⁷ July 2021.

¹⁸ April 2021.

¹⁹ September 2019.

²⁰ December 2021.

confirm Super Bowl ad buys.” It reads, *“Both Frito-Lay snack brands have played in the game before, but this marks Cheetos first time in 11 years.”*²¹

41. The 2020 Super Bowl advertising featured MC Hammer singing his song ‘Can’t Touch This’ while a man avoided lending a helping hand in different situations because his fingers were covered in Cheeto dust.

42. On 1 February 2021 the Frito-Lay website announced, “Cheetos Crunch Pop Mix Steals the Spotlight with Super Bowl Ad Featuring Ashton Kutcher, Mila Kunis and Shaggy.”²²

Cheetos.com website

43. Cheetos has operated the Cheetos.com website since at least 2000.²³ A Wayback machine page, dated 10 May 2000, lists Frito-Lay current brands and includes Cheetos.

44. Pages from the opponent’s website, dated 7 November 2011, show CHESTER’S FEED, featuring Chester Cheetah. The feed includes recipes, such as ‘Cheetos and broccoli’, news articles, celebrity portraits made from Cheetos and a video of a ‘pet’ made from Cheetos. The page encourages public response with questions such as, ‘How are you feeling today?’, ‘No, Really, sometimes it’s quite literally not easy being cheesy. Can you guys reply below with a joke or meme to lift my spirits?’ and ‘Yo, I need a summer playlist, send me one and I’ll rate it.’

45. The opponent uses its Cheetos website to announce new products and launch campaigns.²⁴ For example, ‘New Cheetos CRUNCH POP MIX. Half crunchy half popcorn. Official sponsor of Super Bowl LV,’ dated 17 April 2021.

²¹ See exhibit JZ12.

²² As above.

²³ See exhibit JZ13.

²⁴ As above.

46. It also features recipes. Wayback machine pages dated 17 December 2020 and 4 February 2021 show, ‘Purrfect popcorn balls’, ‘Cheesy CHEETOS turkey parm’, ‘Paw-some bacon ranch cheeseball’ and ‘Dangerously cheesy mac n’ Cheetos.’²⁵

47. There are website pages where Cheetos videos can be accessed. Links to three Cheetos videos, from Cheetos.com (dated 11 September 2020) and four Cheetos videos from the same website (dated 4 Feb 2021), include the Super Bowl campaign, Cheetos, #It wasn’t me.²⁶

48. Ms Zimmer draws my attention to third party social media accounts that mention Cheetos.²⁷ There are three examples that relate to the UK. The first is an Instagram post, dated 11 February 2021, on bestfood_aroundtheworld, which asks: “Cheetos in a burger, would you try it??” The asker is bangbangburgeruk, based in London. The image has 2069 likes.

49. The second was posted by Uksnackattack, ‘...This year, the UK are getting their very own Cheeto Spookies! Although they have been released in the states before, these will be sold in UK shops.” The post is dated 25 August 2021 and shows a purple and orange packet with cheese flavoured ghosts and bats.

50. The third is a photograph posted on Instagram on 1 February 2020 by tialaurenlloyds_shutter that is titled, ‘Docs and Cheetos’ from Brighton 2019, the Skinhead Reunion. The poster is based in Brighton & Hove.

Press coverage

51. Ms Zimmer says:

“26. The CHEETOS brand has been extensively promoted across mainstream UK media. Attached as Exhibit JZ16 are a selection of third party press articles

²⁵ See exhibit JZ14.

²⁶ As above.

²⁷

published in the UK between 2018 and 2021 referring to the CHEETOS brand.”

52. Those of relevance are:

- “A popular Lanarkshire restaurant could be about to launch something very different – a Cheetos burger.” - Daily Record Lanarkshire, 5 May 2021
- “PepsiCo is introducing two £1 RRP price marked packs into the value snacks category.” - Asian Trader, 15 February 2021

Available now, PepsiCo will be supporting the launch with extensive in-store marketing, ensuring maximum engagement with shoppers.

MRSP: Cheetos Footballs 60g £1 RRP PMP - £1 Cheetos Footballs 2 x 340g - £4.79 (available in Costco only) Funyuns 60g £1 RRP PMP - £1 Funyuns 125g - £1”

- Mail Online, posted on Dailymail.com, 13 January 2020 - “Who knew? Cheetos reveals the orange dust that covers the snack and rubs off on your fingers has an official name: CHEETLE”. The article reads:

“...But the term is not actually a new one. Cheetos have been around since 1948, and the dust was dubbed 'cheetle' internally at some point since then.

It appears on the Frito-Lay website, and Chester Cheetah actually tweeted about the name on July 6, 2015.

'Cheetle is dust that sticks to your fingers when eating Cheetos. More magical than pixie dust. Show me your #Cheetle,' wrote the account.”

- On 16 September 2021, the Lincolnshire Echo wrote, “£24m to be pumped into cheesy snack production – new machinery being installed in a Quavers factory”:

“Alongside the Lincoln investment, more than £1 million has also been committed to Walkers' Coventry factory - which produces popular snacks such as:

Doritos, Wotsits, French Fries, Squares, Sunbites and Cheetos - for additional equipment to maintain production during the work at Lincoln.”

53. Ms Zimmer provides evidence of Cheetos' global brand ranking, as follows:

“28. Kantar Worldpanel's Brand Footprint Global Ranking, which uses a metric called 'Customer Reach Points' to determine the brands that are being bought by the most consumers, the most often, has ranked the CHEETOS brand the 34th to 36th most chosen brand throughout the years 2016 to 2019.”²⁸

54. A data table is provided that shows a market penetration % for Cheetos in the UK.²⁹ The exact figure is confidential, but it is less than 25%. Ms Zimmer provides the supporting narrative in her witness statement in which she states that the table shows how many UK households have purchased Cheetos in an eight-month period from June 2021 to February 2022.

55. Ms Zimmer provides details of advertising, marketing and design awards won by the opponent in the relevant period.³⁰ The awards are global, or in the case of Cannes Lion awards, French. They relate to four campaigns, namely, Cheetos Museum (2017), Unleashing the Cheetle (2020) and the two Super Bowl campaigns, Can't Touch This (2021) and It Wasn't Me (2021).

Preliminary issues

56. The applicant has raised several points concerning the opponent's evidence that I need to comment on before moving on to determine the substantive issues in this case.

²⁸ See exhibit JZ17.

²⁹ See exhibit JZ18.

³⁰ See exhibit JZ19.

Historical evidence

57. The applicant submits that the opponent's Wayback machine evidence *'is presented in an unusual manner and is unreliable'*.

58. The opponent's response, contained within its final submissions is as follows:³¹

"The Applicant has provided absolutely no evidence to support its assertions in this regard, it has not formally challenged the veracity of the evidence provided nor requested to cross-examine the Opponent's witness. As a result the Opponent's evidence should be taken at face value."

59. I agree. The applicant has not explained what it means by 'presented in an unusual manner'. It elected not to file evidence, did not formally challenge the opponent's evidence and did not request cross-examination of the opponent's witness. I accept this evidence filed by the opponent and will give it the weight I consider appropriate.³²

Turnover figures

60. The applicant also raises concerns over the opponent's turnover figures:

51. At Paragraph 16 of the Witness Statement of Jeanette Zimmer, it is stated that revenue for CHEETOS products sold in the UK averaged in excess of £19,800,000 per year between 2017 and 2021.

52. The Opponent claims that this data was provided by data analytics company 'Nielsen', however, Nielsen has not provided a sworn Witness Statement to that effect to accompany the evidence The evidence is not linked to Nielsen in any way nor is it proved to originate from them."

³¹ See paragraphs 17 and 21.

³² See Tribunal Practice Notice (TPN) 5/2007 - Procedure for parties to challenge evidence filed in inter partes trade mark disputes.

61. The applicant concludes the figures should be disregarded as no sworn witness statement has been provided by Nielsen.

62. The applicant has merged two points together in making this submission. Ms Zimmer, in her witness statement, said that revenue for CHEETOS products sold in the UK averaged in excess of £19.8m per year between 2017 and 2021.

63. In support of her statement, Ms Zimmer exhibits JZ4, which is a report by Nielsen. If the applicant had wanted to challenge the report it should have done so in its evidence and not by raising it in its submissions. Especially as there is no indication as to why I should doubt its content. Reports of this kind, and in fact, all manner of company, marketing and advertising reports are routinely filed in trade mark cases and are introduced into evidence by a witness, who makes a statement and attaches the report as an exhibit. Unless formally challenged, the evidence stands, as is the case here. I accept the turnover figure provided by Ms Zimmer in her witness statement and will give it the weight I deem appropriate as part of my overall assessment of the opponent's evidence. I also accept the broad advertising spend figure given by Ms Zimmer in her statement, and will consider it in the same way.

Conclusions on the evidence

64. The applicant has submitted that the opponent has provided primarily US evidence, with no indication of the size of the UK audience. I note the opponent's response, which is as follows:

"26 ...It is universally recognized that social media platforms are geared towards a global audience and not limited to U.S. citizens. Furthermore, in Exhibit JZ10, the Opponent is demonstrated as collaborating with certain UK artists and public figures to promote the CHEETOS brand through social media, i.e. Lois Rae Music at page 11.

Further, to expand on the above, '.com' is not an indicator that a site is based in the U.S. and directed towards U.S. citizens. '.com' is one of the prominent

top-level domain names available and is, in fact, an abbreviation for 'commercial'. A business directing goods and services to UK consumers through a website do not necessarily have to acquire a 'co.uk' domain name to do so.

The Opponent confirms that the Opponent's social media and domain names are directed to the worldwide public, including consumers in the UK."

65. Whilst it is true that a global brand may well operate a global website and social media pages that can be accessed by customers in the UK, it is incumbent on the opponent to provide me with an understanding of the number of UK consumers who are exposed to the opponent's advertising and marketing, and, ultimately, purchased its Cheetos branded goods, in the relevant period.

66. I bear in mind the comments of Mr Daniel Alexander Q.C. (as he then was) sitting as the Appointed Person in *Awareness Limited v Plymouth City Council*.³³

"22. The burden lies on the registered proprietor to prove use..... However, it is not strictly necessary to exhibit any particular kind of documentation, but if it is likely that such material would exist and little or none is provided, a tribunal will be justified in rejecting the evidence as insufficiently solid. That is all the more so since the nature and extent of use is likely to be particularly well known to the proprietor itself. A tribunal is entitled to be sceptical of a case of use if, notwithstanding the ease with which it could have been convincingly demonstrated, the material actually provided is inconclusive. By the time the tribunal (which in many cases will be the Hearing Officer in the first instance) comes to take its final decision, the evidence must be sufficiently solid and specific to enable the evaluation of the scope of protection to which the proprietor is legitimately entitled to be properly and fairly undertaken, having regard to the interests of the proprietor, the opponent and, it should be said, the public."

³³ BL O/236/13.

67. And further at paragraph 28:

“28. I can understand the rationale for the evidence being as it was but suggest that, for the future, if a broad class, such as “tuition services”, is sought to be defended on the basis of narrow use within the category (such as for classes of a particular kind) the evidence should not state that the mark has been used in relation to “tuition services” even by compendious reference to the trade mark specification. The evidence should make it clear, with precision, what specific use there has been and explain why, if the use has only been narrow, why a broader category is nonetheless appropriate for the specification. Broad statements purporting to verify use over a wide range by reference to the wording of a trade mark specification when supportable only in respect of a much narrower range should be critically considered in any draft evidence proposed to be submitted.”

68. The opponent’s evidence is lacking in detail. In total, there are four dated examples of two products for sale on the Tesco website and five Amazon reviews of the opponent’s goods posted from the UK in the relevant period, for Cheetos Puffs and Cheetos Flamin’ Hot Crunchy. There is little to show that the advertising spend referred to by Ms Zimmer was directed at UK audiences. That said, I have no reason to disbelieve her statement that some of the opponent’s goods are sold in the stores referred to in her witness statement and that the dated examples provided represent examples of use from the relevant period.

69. Ms Zimmer provides prints of Cheetos goods from the .com website, which are said to be made available in the UK. But there is no evidence to show most of these goods for sale in the UK in the relevant period.

70. I do not doubt the turnover figures provided, though the evidence has made it difficult to determine which specific goods have been sold in the UK in the relevant period. However, it is clear that all of the UK evidence relates to corn/maize snacks, for which £19.8m represents significant turnover in the sector.

71. Evidence of sales of Cheetos goods in the UK by websites specialising in US imports or global imports are not dated. Even if they were, I do not find this evidence particularly

helpful. The evidence, as a whole, shows Cheetos available in many versions, not all of which are available in the UK.

72. The evidence shows three examples of UK posters engaging with the opponent's Instagram page. One is from a UK burger restaurant, one from a photographer who photographed a bag of Cheetos in Brighton in 2019 and one that refers to the launch of 'Cheetos Spookies' in 2021 (although there is no evidence of these on sale or purchased during the relevant period).

73. Evidence relating to advertising is US based. I accept that some UK sports fans watch the Super Bowl, but despite showing me that it produced TV advertising for the prestigious Super Bowl finals, the opponent did not tell me how many UK viewers there were for the events in 2020 or 2021, or whether the Cheetos adverts were broadcast in the UK and if so, how often. Similarly, celebrity endorsements and promotions centre around US celebrities (with the exception of Lois Rae) and whilst, of course, UK consumers are familiar with celebrities around the world, there is no evidence to show UK engagement with the Cheetos brand beyond the three Instagram posts I have already referred to.

74. The percentage figure relating to UK households gives no indication of the goods this figure relates to and I have no broader snack market data to compare it to, which would enable me to put it in context.

75. I have no doubt that Cheetos is a global brand. Its own evidence shows it to be the 34th – 36th most chosen brand globally for 2016-2019. So, it should have been a simple matter for a global brand such as Cheetos to have provided me with considerable evidence of sales and marketing of its goods in classes 29 and 30 in the UK in the relevant period, but it has not done so.

76. The applicant concludes the following, with regard to the opponent's evidence of use:

"116. In conclusion, the Opponent's evidence of use is deficient for all of the reasons set out above. In particular the vast majority of evidence either falls outside of the Relevant Period or is non UK based and is therefore not

convincing evidence that the Earlier Marks have been put to genuine use in the UK.

117. In the event that the Tribunal disagrees, it is submitted that the Opponent has only been able to demonstrate limited use in respect of, at the very most, the following Relevant Goods (which categorised below and is a generous interpretation of the Opponent's proof of use evidence):

- a. Potato based chips and crisps;*
- b. Vegetable and legume based chips and crisps;*
- c. Grain, corn, maize and cereal based chips and crisps;*
- d. Puffed and extruded corn snacks; and*
- e. Popcorn, processed corn, roasted corn.”*

77. Having considered the evidence as a whole, I find points a-e represent a generous interpretation of the opponent's use. The Cheetos goods shown in evidence are corn-based or maize snacks in cheese or flaming hot flavours.³⁴ Given the levels of turnover, the stores in which they are sold, the level of global advertising and press reports, I find there has been genuine use by the opponent in the relevant period in the UK, for a small range of goods. Given that the use shown is for a considerably smaller range of goods than those shown in the trade mark specifications, I need to determine a fair specification for those goods.

78. In *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited*,³⁵ Mr Geoffrey Hobbs Q.C. as the Appointed Person summed up the law as being:

“In the present state of the law, fair protection is to be achieved by identifying and defining not the particular examples of goods or services for which there has been genuine use but the particular categories of goods or services they should realistically be taken to exemplify. For that purpose the terminology of

³⁴ I have not considered Cheetos Mac N' Cheese, which is a pasta product for which the opponent does not have a registration. There is also no evidence of sale of those goods in the UK, in the relevant period.

³⁵ BL O/345/10.

the resulting specification should accord with the perceptions of the average consumer of the goods or services concerned.”

79. In *Merck KGaA v Merck Sharp & Dohme Corp & Ors*,³⁶ the Court of Appeal set out the proper approach to partial revocation, as follows:

“245. First, it is necessary to identify the goods or services in relation to which the mark has been used during the relevant period.

246. Secondly, the goods or services for which the mark is registered must be considered. If the mark is registered for a category of goods or services which is sufficiently broad that it is possible to identify within it a number of subcategories capable of being viewed independently, use of the mark in relation to one or more of the subcategories will not constitute use of the mark in relation to all of the other subcategories.

247. Thirdly, it is not possible for a proprietor to use the mark in relation to all possible variations of a product or service. So care must be taken to ensure this exercise does not result in the proprietor being stripped of protection for goods or services which, though not the same as those for which use has been proved, are not in essence different from them and cannot be distinguished from them other than in an arbitrary way.

248. Fourthly, these issues are to be considered having regard to the perception of the average consumer and the purpose and intended use of the products or services in issue. Ultimately it is the task of the tribunal to arrive at a fair specification of goods or services having regard to the use which has been made of the mark.

249. This approach does strike an appropriate balance. It gives effect to the clear intention of the EU legislature that marks must actually be used or, if not used, be subject to revocation. [...] It is also fair to proprietors for it does not require a proprietor to prove that he has used his mark in relation to all

³⁶ [2017] EWCA Civ 1834.

possible variations of the goods or services covered by its registration but only those which are sufficiently distinct to constitute coherent categories or subcategories. I am also satisfied that it gives appropriate protection to the legitimate interest of a proprietor in being able in the future to extend his range of goods or services within the scope of the terms describing the goods or services for which its mark is registered.”

80. In *Property Renaissance Ltd (t/a Titanic Spa) v Stanley Dock Hotel Ltd (t/a Titanic Hotel Liverpool) & Ors*,³⁷ the late Carr J pointed out that it is not the task of the court to describe the use made by the trade mark proprietor in the narrowest possible terms unless that is what the average consumer would do; for example, in *Pan World Brands v Tripp Ltd (Extreme Trade Mark)*,³⁸ it was held that use in relation to holdalls justified a registration for luggage generally.

81. In *Polfarmex S.A. v EUIPO*,³⁹ the General Court (GC) said:

“116. As regards the question whether goods are part of a coherent subcategory which is capable of being viewed independently, it is apparent from the case-law that, since consumers are searching primarily for a product or service which can meet their specific needs, the purpose or intended use of the product or service at issue is vital in directing their choices. Consequently, since consumers do employ the criterion of the purpose or intended use before making any purchase, it is of fundamental importance in the definition of a subcategory of goods or services (judgments of 13 February 2007, *RESPICUR*, T-256/04, EU:T:2007:46, paragraph 29, and of 16 May 2013, *Aleris v OHIM – Carefusion 303 (ALARIS)*, T-353/12, not published, EU:T:2013:257, paragraph 22). In contrast, the nature of the goods at issue and their characteristics are not, as such, relevant to the definition of subcategories of goods or services (see judgment of 18 October 2016, *August Storck v EUIPO – Chiquita Brands (Fruitfuls)*, T-367/14, not published, EU:T:2016:615, paragraph 32 and the case-law cited).”

³⁷ [2016] EWHC 3103 (Ch) at [47].

³⁸ [2008] RPC 2.

³⁹ Case T-677/19, EU: T:2020:424.

82. I find the opponent's claim to have proved use that supports snack foods at large to be far too wide, as it would include, inter alia, biscuits and frozen goods. I also find the term 'savoury snacks' too wide, as it would include many items not similar enough to the opponent's goods, for example, pastries. The opponent's use shown in evidence supports a specification for 'corn and maize based snacks', which is an appropriate sub-category for the use shown and I find this to be a fair specification.

The form in which the earlier marks have been used

83. The applicant, in its submissions, takes issue with the nature of the opponent's use of its earlier marks.

The 648 word mark

84. The applicant submits that the CHEETOS word mark is used in title case, 'Cheetos', instead of upper case, 'CHEETOS'. It concludes this is not use of the mark as registered.⁴⁰

85. In *LA Superquimica v European Union Intellectual Property Office (EUIPO)*,⁴¹ the GC held that a registration for a word mark is protected for the word or words contained therein in whatever form, colour or typeface. In other words, use of 'Cheetos' is an acceptable use of the registered earlier word mark, CHEETOS.

The 257 stylised mark

86. The applicant also draws to my attention to the various ways in which the opponent has used its stylised word mark.⁴²

87. The registration for the opponent's stylised mark is as follows:

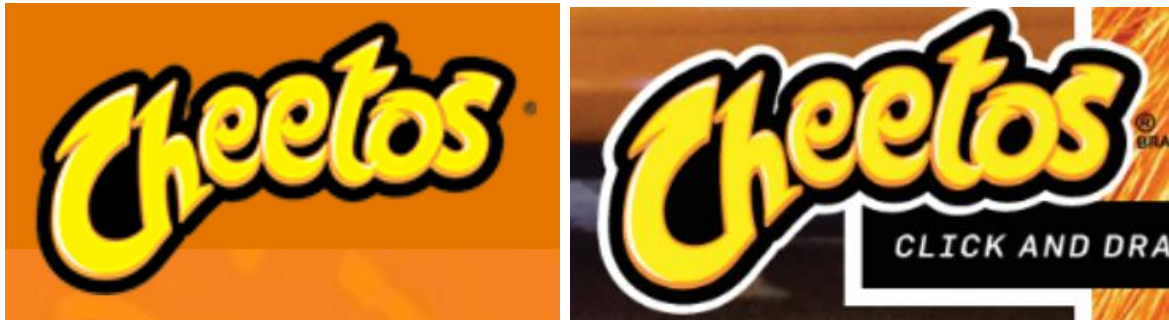
⁴⁰ See the applicant's submissions, paragraphs 19 of the applicant's submissions, dated 16 October 2023.

⁴¹ Case T-24/17, paragraph 39.

⁴² See paragraph 20 of the applicant's submissions, dated 16 October 2023.



88. The following images show the way in which the mark is used on packets of Cheetos and on the opponent's website:



89. The plain yellow colouring of the word Cheetos has a degree of slightly darker shading around the edge of the word. The black outline is the same as in the registered mark. In the second image, the mark is shown with a white outline outside the black outline.

90. In *Lactalis McLelland Limited v Arla Foods AMBA*,⁴³ Phillip Johnson, sitting as the Appointed Person, considered the correct approach to the test under s. 46(2). He said:

“...14. The courts, and particularly the General Court, have developed certain principles which apply to assess whether a mark is an acceptable variant and the following appear relevant to this case.

15. First, when comparing the alterations between the mark as registered and used it is clear that the alteration or omission of a non-distinctive element does not alter the distinctive character of the mark as a whole: T-146/15 *Hypen v EUIPO*, EU:T:2016:469, [30]. Secondly, where a mark contains words and a figurative element the word element will usually be more distinctive: T-171/17 *M & K v EUIPO*, EU:T:2018:683, [41]. This suggests that changes in figurative

⁴³ BL O/265/22.

elements are usually less likely to change the distinctive character than those related to the word elements. ...”

91. In this case, the word ‘Cheetos’ and its stylisation are the two elements which contribute to the overall impression of the opponent’s earlier mark. The slight shading of the letters does not significantly affect either of these and is likely to go unnoticed by the average consumer.

92. The white outline around the whole mark is non-distinctive and is likely to be dismissed as background, especially as it appears to be used to help the mark stand out where the background is dark or busy. I find these small alterations do not alter the distinctiveness of the registered mark. I find the same with regard to the version of the stylised Cheetos mark that is shaded to appear shiny or, as the applicant puts it, ‘metallic’. The shape of the word Cheetos, its essentially yellow colour and the black outline remain unaltered, and I have already found this to be acceptable use of the stylised mark.

Use with other elements

93. The applicant draws my attention to uses of the opponent’s Cheetos trademark with words, such as, ‘FLAMIN’, ‘PAWS’ and ‘FANTASTIX’, which it submits means that the use shown by the opponent is not acceptable use of the CHEETOS stylised mark, as registered.⁴⁴ The applicant also refers to use with the words, ‘MADE WITH REAL CHEESE’ and the appearance of Chester Cheetah on some of the packaging (though I note this is only occasionally seen in the evidence provided by the opponent).

94. I provide a few examples below, which I have taken from the opponent’s evidence. The first is taken from a packet Cheetos crunchy flamin’ hot and the second from Cheetos Fantastix!.⁴⁵

⁴⁴ See paragraph 19 of the applicant’s submissions, dated 16 October 2023.

⁴⁵ These evidence examples do not necessarily relate to goods for which use in the UK has been shown.



95. In *Colloseum Holdings AG v Levi Strauss & Co.*,⁴⁶ the Court of Justice of the European Union (CJEU) considered the use of one mark with, or as part of, another:

“31. It is true that the ‘use’ through which a sign acquires a distinctive character under Article 7(3) of Regulation No 40/94 relates to the period before its registration as a trade mark, whereas ‘genuine use’, within the meaning of Article 15(1) of that regulation, relates to a five-year period following registration and, accordingly, ‘use’ within the meaning of Article 7(3) for the purpose of registration may not be relied on as such to establish ‘use’ within the meaning of Article 15(1) for the purpose of preserving the rights of the proprietor of the registered trade mark.

32. Nevertheless, as is apparent from paragraphs 27 to 30 of the judgment in *Nestlé*, the ‘use’ of a mark, in its literal sense, generally encompasses both its independent use and its use as part of another mark taken as a whole or in conjunction with that other mark.

33. As the German and United Kingdom Governments pointed out at the hearing before the Court, the criterion of use, which continues to be fundamental, cannot be assessed in the light of different considerations according to whether the issue to be decided is whether use is capable of giving rise to rights relating to a mark or of ensuring that such rights are preserved. If it is possible to acquire trade mark protection for a sign through

⁴⁶ See Case C-12/12.

a specific use made of the sign, that same form of use must also be capable of ensuring that such protection is preserved.

34. Therefore, the requirements that apply to verification of the genuine use of a mark, within the meaning of Article 15(1) of Regulation No 40/94, are analogous to those concerning the acquisition by a sign of distinctive character through use for the purpose of its registration, within the meaning of Article 7(3) of the regulation. 35 Nevertheless, as pointed out by the German Government, the United Kingdom Government and the European Commission, a registered trade mark that is used only as part of a composite mark or in conjunction with another mark must continue to be perceived as indicative of the origin of the product at issue for that use to be covered by the term ‘genuine use’ within the meaning of Article 15(1)”. (emphasis added)

96. I also bear in mind the decision in *Castellblanch SA v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* in which the GC found that:⁴⁷

“33. In the contested decision the Board of Appeal found that there is no precept in the Community trade mark system that obliges the opponent to prove the use of his earlier mark on its own, independently of any other mark. According to the Board of Appeal, the case could arise where two or more trade marks are used jointly and autonomously, with or without the name of the manufacturer’s company, as is the case particularly in the context of the automobile and wine industries.

34. That approach must be followed. The situation is not that the intervener’s mark is used under a form different to the one under which it was registered, but that several signs are used simultaneously without altering the distinctive character of the registered sign. As OHIM rightly pointed out, in the context of the labelling of wine products, joint affixing of separate marks or indications on the same product, in particular the name of the winery and the name of the product, is a common commercial practice.

⁴⁷ See Case T-29/04.

97. This is the case here. Businesses in the food industry commonly use a range of marks, descriptors and information on food packaging that often includes, inter alia, ingredient details, nutritional information, packet sizes, flavours and variety information. The opponent's mark is not being used in a different form, but rather, is used alongside other elements such as the flavour and variety of the snack. In each example, the Cheetos mark is towards the top of the packet and is displayed prominently, in the form that I have already found to represent acceptable use of the mark as registered. The words 'Made With Real Cheese' are entirely descriptive, as are the flavours of snacks. The type of snack, such as PAWS, CRUNCHY, PUFFS, Fantastix! and so on, simply informs the consumer which variety of Cheetos is in the bag. All of these elements are subservient to the Cheetos mark, which gives the origin message to the consumer. None of the additions alter the distinctive character of the registered mark.

98. The use of Chester Cheetah with the Cheetos mark does not obscure the earlier mark and is use that falls squarely within the scenario outlined in *Castellblanch*, where two signs are used simultaneously, without altering the distinctive character of either. I find this to be acceptable use of the Cheetos stylised mark. The same is true of the 'Fantastix!' element used alongside the Cheetos stylised mark.

The opponent's case under section 5(2)(b)

99. In considering the opposition under this section, I am guided by the following principles, gleaned from the decisions of the CJEU 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 BV* (Case C-342/97), *Marca Mode CV v Adidas AG & Adidas Benelux BV* (Case C-425/98), *Matratzen Concord GmbH v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (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-334/05 P) and *Bimbo SA v OHIM* (Case C-519/12 P):

- 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. The average consumer is deemed to be reasonably well informed and reasonably circumspect and observant, but someone who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them they have kept in their 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 greater 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 the earlier mark to mind, 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; and
- k) if the association between the marks creates a risk that the public might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

Comparison of goods

100. I must consider all relevant factors, which include the nature of the goods, their purpose, their users and method of use, the trade channels through which they reach the market, and whether they are in competition with each other or are complementary: see *Canon*, paragraph 23, and *British Sugar Plc v James Robertson & Sons Limited (TREAT Trade Mark)* [1996] RPC 281 at [296]. As the GC said in *Boston Scientific Ltd v OHIM*, Case T-325/06, goods and services are complementary when

“82. ... there is a close connection between them in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking.”

101. The goods to be compared are as follows:

Opponent's goods	Applicant's goods
<u>Class 30</u> Corn and maize based snacks.	<u>Class 30</u> Chocolates namely chocolate covered wafers; confectionery namely cream wafers; biscuits namely cream wafers.

102. The applicant's 'Chocolates namely chocolate covered wafers' and 'confectionery namely cream wafers' are, in fact, 'chocolate covered wafers' and 'cream wafers'. This is because the term 'namely' specifies the goods covered by the specification. The cream wafers at issue will be sweet cream wafers as they fall within the broader term, 'confectionery', which broadly covers sweets and chocolates.

103. The opponent's submissions regarding the comparison of goods are premised on use for much broader terms than the evidence supports.

104. The applicant submits:

“121...the vast majority of the Relevant Goods are savoury products and snack foods for example made from potato, vegetables, maize, cereals,

grains, nuts, rice, soy and fruit and in particular chips and crisps. Such products are different to and can clearly be differentiated from "Chocolates namely chocolate covered wafers; confectionery namely cream wafers; biscuits namely cream wafers" which are sweet based products and would be found in entirely different aisles in a supermarket and used for completely different purposes i.e. savoury snacks vs. desserts."

Chocolates namely chocolate covered wafers; confectionery namely cream wafers

105. The opponent's goods are corn and maize based snacks. Both parties' goods are consumable snack foods, but this does not mean they are similar to any meaningful extent. The users overlap to the extent that they are members of the general public consuming snack foods, but this is an overlap at a very general level. There is also a very general overlap in purpose, as all of the goods are to be eaten. However, the nature of the goods differs, as do the trade channels. They are likely to be sold in separate areas or aisles of shops and in different categories on store websites. The goods are not complementary, but there may be a small area of competition to the extent that they are all in the broad category, 'snack foods'. The very general levels of similarity created by the fact that these are food goods eaten by members of the general public is not sufficient to warrant a finding of similarity between them, when all other factors point firmly against similarity. Therefore, I find these goods to be dissimilar.

106. The applicant's 'biscuits, namely cream wafers' would likely be sweet wafers and that is how the applicant refers to all of its goods. Whilst there is an outside possibility that the wafers may be savoury, I do not think it is likely. Consequently, my findings are the same as for chocolate wafers, above and accordingly, I find these goods dissimilar to the opponent's goods.

107. As some degree of similarity between goods is necessary to engage the test for likelihood of confusion, this means that the opposition under section 5(2)(b) must fail.⁴⁸

⁴⁸ See *eSure Insurance v Direct Line Insurance* [2008] ETMR 77 CA.

108. In case I am found to be wrong in this conclusion, and it is decided that there is a low degree of similarity between the parties' goods, I will go on to consider the 5(2)(b) ground in full.

Average consumer and the purchasing process

109. The average consumer is deemed to be reasonably well informed and reasonably circumspect: see *Hearst Holdings Inc & Anor v A.V.E.L.A. Inc & Ors*, [2014] EWHC 439 (Ch), at [60]. For the purposes of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods and services in question: see *Lloyd Schuhfabrik*, at [26].

110. The average consumer for all of the goods will be a member of the general public. The goods are likely to be fairly inexpensive and frequent purchases, bought in bricks and mortar stores or online, for example when buying groceries online. Given the way the consumer will encounter the goods, the purchasing act will be primarily visual, as a result of directly inspecting the goods, though I do not rule out an aural element altogether, as word of mouth recommendation may play a part. The level of attention paid to the purchase will be medium given that all of the goods are bought to be consumed and the average consumer may want to consider, inter alia, the particular variety, ingredients, nutritional factors and flavour.

Comparison of marks

111. It is clear from *SABEL* (particularly at [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 in *Bimbo* that:

“34. ... it is necessary to ascertain in each individual case, the overall impression made on the target public by the sign for which the 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.”

112. Artificial dissection of the marks would therefore be wrong, although it is necessary for me to take into account the distinctive and dominant components and to give due weight to any other features that are not negligible and therefore contribute to the overall impressions created by the marks.

113. The respective marks are:

Opponent's marks	Applicant's mark
(the 648 mark) CHEETOS	CHEEZO
(the 257 mark) 	

114. The opponent's 648 mark and the application are single words that are not known words in the English language. The overall impression of each rests in its totality.

115. With regards to its stylised mark, the opponent says:

“60...the overall impression of the mark lies in the combination of the textual elements, with the stylisation playing a lesser role. The CHEETOS logo mark incorporates a stylized design, yet the textual component 'CHEETOS' remains readily legible, easily understandable and will undoubtedly be considered in the assessment.”

116. The opponent's stylised mark is the word 'Cheetos' in a stylised typeface with a thick black outline. The greater part of the overall impression is created by the word, with the stylisation and outline playing a lesser (but not insignificant) role, due to their decorative natures.

Visual comparison

117. The opponent submits:

“...61. Visually, the marks overlap in the prefix ‘CHEE’. The marks share identical letters as the first, second, third, fourth and sixth letters. The disparity in length between the marks is solely attributed to the fact that “CHEETOS” is in plural form, and thus will likely be awarded little importance by the relevant consumer.

62. As consumers tend to pay more attention to and remember the prefixes of marks, this identical beginning will not go unnoticed in the marks at issue, as the marks are relatively short.

63. Overall, due to the visual similarities in the prefixes of the signs, the likenesses in the number and sequence of the letters, the coinciding letters, and the structure of the signs, the marks are visually similar to a high degree.”

118. The word marks are CHEETOS and CHEEZO. They share the first four letters and differ in their endings, which are TOS and ZO. Overall, I find these marks to be visually similar to a high degree.

119. The opponent’s stylised mark is made up of the same letters as the word mark but has a lower degree of visual similarity due to the stylisation, which plays a role in the overall impression of the mark, albeit a role subservient to the word itself. I find the opponent’s stylised mark and the application to be similar to a medium to high degree.

Aural comparison

120. The opponent says:

“65. The prefix “CHEE” will be pronounced the same, such that the marks share significant phonetic similarity in their initial sounds. Additionally, the marks share a similar “EE” vowel sound in the middle. Both marks essentially consist of two syllables and have a similar rhythm: CHEE/ZO and CHEE/TOS.

66. While the elements “TOS” and “ZO” are less similar, they do share some phonetic similarities. Both “TOS” and “ZO” have a similar vowel sound in their

endings. “TOS” ends with the long “O” sound, which is also present in “ZO” and creates a sense of phonetic resemblance. In addition, the “Z” sound in “ZO” is voiced, which means it involves vibration of the vocal cords, similar to the “S” sounds in “TOS”. While the specific consonants differ, the fact that they are both voiced sounds can contribute to a perceived phonetic similarity.

67. The marks are therefore aurally similar to a medium to high degree.”

121. The applicant says:

“The Application is for a word in the singular. The Earlier Marks both end in an ‘S’ making them plural words which result in differences between the Application and the Earlier Marks when the marks are spoken. In addition, the difference of “Z” in the Application significantly changes the way the marks sound when spoken as the sound used in the Application is a longer “-EEZ” compared to “-EET” in the Earlier Marks.”

122. The opponent’s two earlier marks will be pronounced in the same way as the stylisation plays no role in how the 257 mark will be articulated. I agree with the applicant that there is a difference in the middle of the marks and a difference at the end due to the earlier marks being in plural form and the application, singular. The parties’ respective marks are aurally similar to a medium to high degree.

Conceptual comparison

123. The parties both submit that the marks do not have a natural or commonly accepted meaning. I agree, the marks are conceptually neutral.

Distinctive character of the earlier marks

124. In determining the distinctive character of a trade mark and, accordingly, in assessing whether it is highly distinctive, it is necessary to make an overall assessment of the greater or lesser capacity of the trade mark to identify the goods for which it has

been used as coming from a particular undertaking and thus to distinguish those goods from those of other undertakings - *Windsurfing Chiemsee v Huber and Attenberger*.⁴⁹

125. Neither of the earlier marks is descriptive of the opponent's goods. The CHEE element of the marks could be seen as referring to cheese, given the strong 'cheese' marketing for the opponent's goods, although this would only be mildly allusive when combined with the TOS part of the mark. Any brand message comes from the word CHEETOS, as a whole, which has an average degree of distinctiveness. I have found the opponent has shown genuine use for a small number of goods in its specification and its UK turnover figures appear substantial. However, the crisp and snack market is likely to be very large and the opponent's evidence gives me little context in terms of the opponent's share of the market. Whilst it is likely the opponent has enhanced its distinctiveness through use, I cannot determine to what extent.

Likelihood of confusion

126. In assessing the likelihood of confusion, I must adopt the global approach advocated by case law and take into account the fact that marks are rarely recalled perfectly, the consumer relying instead on the imperfect picture of them that they have kept in mind.⁵⁰ I must also keep in mind the average consumer for the goods, the nature of the purchasing process and have regard to 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 vice versa.

127. I have made the following findings:

- The average consumer is a member of the general public.
- The parties' goods are similar to a low degree.
- The level of attention paid to the purchase will be medium.
- The purchase will be primarily visual, though I do not rule out an aural element where word of mouth recommendation plays a part.

⁴⁹ Joined cases C-108/97 and C-109/97 [1999] ETMR 585.

⁵⁰ *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V.*, paragraph 27.

- The parties' word marks are visually similar to a high degree. The stylised Cheetos mark is visually similar to CHEEZO to a medium to high degree. The marks are aurally similar to a medium to high degree and conceptually neutral with neither having an obvious meaning.
- The earlier mark has a medium degree of inherent distinctive character.

128. The types of confusion were explained in *L.A. Sugar Limited v By Back Beat Inc*,⁵¹ by Mr Iain Purvis Q.C., sitting as the Appointed Person:

“16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: ‘The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark’.”

129. There is clearly similarity between the marks in this case, but that is not the whole story when it comes to assessing the likelihood of confusion. The case law is clear that all relevant factors must be considered. I have born in mind that a lesser degree of similarity between the goods can be offset by a greater degree of similarity between the marks, but in my view, the level of similarity between the goods is so low that I do not find that there will be a likelihood of confusion. A consumer of Cheetos corn or maize based snacks offered by the opponent will not be confused when encountering the applicant's Cheezo mark on chocolate wafers.⁵² I do not rule out a bringing to mind, but in my view, it will go no further than that.

⁵¹ BL O/375/10.

⁵² Beyond the fact that it is an odd mark for those goods.

130. Having considered the marks carefully, there is nothing about them that would engage indirect confusion.

131. The opposition fails under the 5(2)(b) ground.

The remaining grounds

132. Given my conclusions in respect of the opponent’s evidence, I do not find the necessary thresholds reached for reputation under section 5(3). If I am wrong in this and the reputation threshold is reached and a link is made by the relevant consumer, damage would not arise due to the difference between the respective goods. In other words, any link would not give rise to a change in economic behaviour.

133. The opponent’s case under the 5(4)(a) ground takes it no further than the case already decided under 5(2)(b).

Costs

134. International Foodstuffs Co. Ltd has been successful under sections 5(2)(b), 5(3) and 5(4)(a) of the Act and is entitled to a contribution towards its costs. I bear in mind that there was no hearing, the applicant provided detailed analysis of the opponent’s evidence and the applicant’s submissions filed during the evidence rounds were largely duplicated for its final submissions:

Preparing statements and considering the other side’s statements -	£300
Considering the other side’s evidence and filing submissions -	£700
Total	£1000

135. I order PepsiCo Inc. to pay International Foodstuffs Co. Ltd the sum of £1000. This sum is to be paid within 21 days of the expiry of the appeal period or within 21 days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 18th day of March 2025

Al Skilton

**For the Registrar,
the Comptroller General**