O-202-04

THE PATENT OFFICE

Conference Room A2
Harmsworth House,
13-15 Bouverie Street,
London EC4Y 8DP

Tuesday, 27th April 2004

Before:

MR. G. HOBBS Q.C.
(Sitting as the Appointed Person)

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In the Matter of the Trade Marks Act 1994

and

In the Matter of Trade Mark Application No. 2283490 by RENOWN LEISURE LTD

and

In the Matter of Opposition thereto under Opposition No. 90228 by 7-ELEVEN INCORPORATED

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Appeal of the Opponents from the decision of Dr. W.J. Trott acting on behalf of the Registrar, dated 11th November 2003.

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(Computer Aided Transcript of the Stenograph Notes of Marten Walsh Cherer Ltd., Midway House, 27/29 Cursitor Street, London, EC4A 1LT. Telephone No: 0207 405 5010)

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THE APPLICANTS did not appear and were not represented.
MR. C. MORCOM Q.C. (Wildman Harrold) appeared on behalf of the Opponents.

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D E C I S I O N

THE APPOINTED PERSON: On 19th October 2001 Renown Leisure Limited applied to register the following device:

as a trade mark for use in relation to the following goods and services in classes 25 and 42:

Class 25: Clothing, headgear.

Class 42: Provision of food and drink.

The application was subsequently opposed by 7-Eleven Incorporated. It was contended that normal and fair use of the applicant's device mark in relation to goods and services of the kind specified in the opposed application for registration would conflict with the rights to which the opponent was entitled under section 5(2)(b) of the Trade Marks Act 1994 as proprietor of Community Trade Mark No. 110171, registered with a filing date of 1st April 1996.

The Community Trade Mark registration protected the designation **BIG BITE** as a trade mark for use in relation

to the following goods in classes 29 and 30:

Class 29:

> Meat, fish, poultry and game; meat extracts; preserved, dried and cooked fruits and vegetables; jellies, jams, fruit sauces; eggs, milk and milk products; edible oils and fats.

Class 30:

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

This wording reproduces the class headings for classes 29 and 30. The breadth of the coverage thus provided would extend to all goods in those classes in accordance with the views expressed in Communication No. 4/03 of the President of the Community Trade Marks Office issued on 16th June 2003. However, the Registrar of Trade Marks in the United Kingdom takes the view that the class headings do not automatically cover all goods (or services) in the relevant class(es): *“class headings are only intended to convey general indications as to what the classes contain (see the General Remarks in the International Classification)”*. I do not need to resolve this difference of opinion. It is sufficient for present purposes to note that the Opponent’s earlier Community Trade Mark covers a very broad Spectrum of goods in the two classes in question. The evidence filed for the purposes of the opposition indicated that there had been minimal use of the applicant's device mark prior to the date of the opposed application for registration. It also indicated that the business activity of current interest to the applicant in class 42 was the operation of a delivery service supplying food and drink for

immediate consumption. There was no evidence of use of the opponent's Community Trade Mark. However, the registration of the mark benefits from the presumption of validity contained in article 103 of the Community Trade Mark Regulation.

The opposition was rejected in its entirety for the reasons given in a written decision issued by Dr. W.J. Trott on behalf of the Registrar of Trade Marks on 11th November 2003. His findings as summarised by me were as follows:

(1) The earlier Community Trade Mark could quite readily be taken by the average English speaking consumer of the goods for which it is registered to be alluding to the concept of sizeable portions. In terms of distinctive character the mark is not a strong mark.

(2) The designation **BIG BITES** was visually, aurally and conceptually dominant in the applicant's device mark to a degree that requires the marks in issue to be regarded as similar.

(3) The goods of interest to the applicant in class 25 are not similar to the goods for which the opponent's Community Trade Mark was registered in classes 29 and 30.

(4) The services of interest to the applicant in class 42 are described in words which covers a wide spectrum of business activities extending well beyond activities of the kind in which the applicant has actually been engaged. However, "the

opponent's goods must be considered as possessing only a small degree of similarity with the applicant's service of providing food and drink." (Paragraph 58).

His conclusions on the basis of these findings were expressed in the following terms:

> "60. I am left with goods and services of low similarity, and very similar marks. However, the mark is of low relative distinctiveness, and entitled to a lower protection footprint or penumbra of protection in the marketplace. This is a point I wish to say a few words about.
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> 61. I think that it is generally accepted that marks are granted an 'umbra' and 'penumbra' of protection following registration under the 1994 Act. Protection within the umbra is confined to goods and services of the kind directly specified. Protection extends outwards - the penumbra - from and by reference to those goods and services. The stronger the mark the more powerful is the extension of the protection (see the decision of the Appointed Person in **LE XV DU PRESIDENT** BL 0/306/03, paragraphs 13 and 14). In my view the penumbra of the opponent's mark is of a pretty narrow kind. Nevertheless, it exists, and must

> envelop similar goods. I have found the services and goods at issue to share limited similarity. Would one confuse frozen burgers in Class 20 called BIG BITES and a restaurant trading under the applicant's mark? I have seen nothing to make me believe that this is likely.
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> 62. Application of the **Balmoral** test above (see paragraph 47) tends to lead one, I believe, to the same conclusion. I am unable to accept that suppliers of groceries can be regarded as trading in close proximity to suppliers of the service of preparing food, so that origin confusion is likely to follow in the current case. In particular, I believe that a service of providing custom made sandwiches to consumers are not the same or similar to the opponent's goods. Even if they could be considered so, in my view, they are at the limits or the lower end of the similarity scale and, coupled with the narrow penumbra of protection I believe the earlier mark possesses, I find that confusion is unlikely. The opposition to registration of the applicant's mark therefore fails."

The opposition was accordingly rejected, and the opponent was

ordered to pay the applicant £2,000 towards its costs of the Registry proceedings.

In December 2003 the opponent gave notice of appeal to an Appointed Person under section 76 of the Act, contending in substance that the hearing officer had erred in his assessment of the objection to registration in class 42 by not giving due weight to his own findings as to the breadth of the wording *"provision of food and drink"* in the opposed application for registration. This contention was developed in argument before me.

It was pointed out that in paragraph 46 of his decision the hearing officer had reduced the coverage of the class 42 specification by equating *"provision"* with *"preparation"*. In the same vein, in paragraph 51 he said:

> "51. That food products fall within Classes 29 and 30 is obvious. They also include sandwiches (see paragraph 46, above). But though the opponent's specification includes bread and meat, they do not specify sandwiches, and certainly not the preparation of custom made ('bespoke'?) sandwiches. It is the latter type of service I must compare with the opponent's goods, as part of an overall consumption of a service of providing food and drink."

Similarly in paragraph 55 he said this:

"I was asked, more than once, by Mr. Mandly to take judicial notice that, for example, prepared sandwiches are routinely sold in grocery stores. And, I must admit, this accords with my own experience. But I would need evidence to conclude that such establishments regularly provide food 'made to order' - as it is the service I am likening to the opponent's grocery products. Do grocer shops regularly supply prepared meals? Do restaurants sell basic food items? I am not aware of this as common practice if they do, and the opponent has not supplied any evidence to enlighten me. The trade channels are not the same."

Likewise in paragraphs 61 and 62 he said (as I have already noted):

“61. …. Would one confuse frozen burgers in Class 29 called BIG BITES and a restaurant trading under the applicant's mark? I have seen nothing to make me believe that this is likely.

62. .... I am unable to accept that suppliers of groceries can be regarded as trading in close proximity to suppliers of the service of preparing food, so that origin confusion is likely to follow in the current case. In particular, I believe that a

> service of providing custom made sandwiches to consumers are not the same or similar to the opponent's goods."

By contrast, in paragraph 52 of his decision he had accepted that the respective uses of the respective goods and services were the same, and in paragraph 53 he had accepted that the respective users of the respective goods and services were the same, and in paragraph 57 he had recognized that the goods and services in issue could be regarded as competitive.

In written submissions provided to me for the purposes of the present appeal, the applicant maintained that the hearing officer was right to reach the conclusion that he did for the reasons he gave. However, I think that there is considerable force in the opponent's contentions on appeal. I can well understand why the hearing officer was reluctant to find that there was a conflict between the earlier Community Trade Mark registration and the opposed application for registration in class 42. The problem was and is that the application for registration in respect of the *"provision of food and drink"* lacks specificity as to the manner in which the service is to be rendered and the need for sustenance that is to be fulfilled. It appears to be over-broad, relative to the applicant's commercial requirements.

However, the solution to that problem should be a reduction in the coverage of the opposed application for registration, not a reduction in the scope of the test for assessing the likelihood of confusion under section 5(2)(b) of the Act. For reasons that are not apparent to me, the applicant has made no move to reduce the scope of its specification in class 42 under section 39(1) of the Act. It appears to me that I am left in a position of having to recognise that there are business activities within the coverage of the application for registration which would come close enough to business activities within the coverage of the earlier Community Trade Mark registration to create a situation in which the similarities, in terms of marks and goods and services, would combine to give rise to a likelihood of confusion within the meaning of section 5(2)(b).

The point can be illustrated in a non-exhaustive way by considering the effect of concurrent use of the rival marks in relation to the supply of hampers containing comestibles of the kind that people might enjoy on a picnic. Also, as the hearing officer accepted in paragraph 55 of his decision, prepared sandwiches are routinely sold in grocery stores. In my view, these examples serve to indicate that there is room in the rival specifications for a convergence of marks and business activities which would be capable of giving rise to

a likelihood of confusion, notwithstanding the relatively weak degree of distinctive power possessed by the earlier Community Trade Mark.

I regret coming to that conclusion because it appears to reflect a paper conflict rather than a real commercial conflict, in terms of the business interests of the parties. However, it is not open to me to disregard the width of the language in which the applicant has chosen to describe the services of interest to it in class 42. For these reasons, shortly stated, I will allow the appeal in relation to the objection to registration in class 42.

MR. MORCOM: On the basis of that, I ask that the appeal be allowed and that the order for costs below be set aside and an appropriate order made in its place. Is there any reason for not allowing the same figure?

THE APPOINTED PERSON: In the tribunal below it was a 50/50 outcome?

MR. MORCOM: That is true.

THE APPOINTED PERSON: In principle I am prepared to make an award in your client's favour in respect of the costs of the appeal. In relation to the proceedings in the Registry, I shall say no order for costs on the basis of the 50/50 outcome. Do you want to address me on the amount in respect of the appeal?

MR. MORCOM: Below the figure was £2,000.

THE APPOINTED PERSON: I thought that was a shade high. What is commonplace these days?

MR. MORCOM: I do not know. I have heard figures not much less than £1,500.

THE APPOINTED PERSON: I rather thought that.

MR. MORCOM: The other side, who have not spent much time and money on this case, put their own costs at £1,330. Having said that, I have to leave it to you.

THE APPOINTED PERSON: Otherwise it becomes a carpet bazaar.

MR. MORCOM: I say that £2,000 is not unfair.

THE APPOINTED PERSON: It is rough justice on these occasions, round figures. I will direct the losing party to pay the winning party £1,400 as a contribution towards its costs of the appeal, payable within 14 days of today's date.

MR. MORCOM: Have we paid the costs below? We have not.

THE APPOINTED PERSON: The appeal generally has a suspensory effect. That concludes the hearing today.

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