

O-136-13

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NOS 2573462 AND 2573461  
BY  
NOBLE FOODS LIMITED  
TO REGISTER THE TRADE MARKS**

**HAPPY SANDWICHES**

**AND**

**HAPPY QUICHE**

**IN CLASS 30**

**AND**

**THE CONSOLIDATED OPPOSITIONS THERETO  
UNDER NOS 102439 AND 102441  
BY  
MCDONALD'S INTERNATIONAL PROPERTY COMPANY, LIMITED**

## Background and pleadings

1. Noble Foods Limited (“the applicant”) applied for the trade marks HAPPY SANDWICHES and HAPPY QUICHE on 28 February 2011. The applications were published in the *Trade Marks Journal* on 24 June 2011, following which they were opposed by McDonald’s International Property Company, Limited (“the opponent”). The goods applied for under the mark HAPPY SANDWICHES are:

*Sandwiches; filled sandwiches; open sandwiches; fillings and spreads for sandwiches.*

The goods applied for under HAPPY QUICHE are:

*Quiches, flans, tarts.*

These goods are classified in Class 30 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

2. The oppositions are brought under sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”). Under sections 5(2)(b) and 5(3), the opponent relies upon its following four earlier registered trade marks:

(i) 1258878

HAPPY MEAL

There is a disclaimer to the word “Meal”.

Date of filing: 24 January 1986; date of completion of registration procedure: 7 April 1989.

Class 29: *Hamburgers, cheeseburgers and cooked chicken, all for food for human consumption; potato chips; milk; milkshakes being milk beverages, the milk predominating.*

(ii) 1258879

HAPPY MEAL

There is a disclaimer to the word “Meal”.

Date of filing: 24 January 1986; date of completion of registration procedure: 7 April 1989.

Class 30: *Coffee, mixtures of coffee and chicory, coffee essences, coffee extracts; chicory and chicory mixtures, all for use as substitutes for coffee; tea, sandwiches, seasonings (other than essential oils), mustard, sauces, (other than salad dressings), sugar.*

(iii) 1258880

HAPPY MEAL

There is a disclaimer to the word "Meal".

Date of filing: 24 January 1986; date of completion of registration procedure: 7 April 1989.

Class 31: *Fresh fruits and fresh vegetables.*

(iv) Community Trade Mark ("CTM") 58230

HAPPY MEAL

Date of filing: 25 March 1996; date of completion of registration procedure: 17 August 2000.

Class 29: *Foods prepared from meat, pork, fish and poultry products; preserved and cooked fruits and vegetables, eggs, cheese, milk, milk preparations, pickles, desserts.*

Class 30: *Edible sandwiches, meat sandwiches, pork sandwiches, fish sandwiches, chicken sandwiches, biscuits, bread, cakes, cookies, chocolate, coffee, coffee substitutes, tea, mustard, oatmeal, pastries, sauces, seasonings, sugar.*

Class 32: *Non-alcoholic beverages, syrups and other preparations for making beverages.*

Class 42: *Services rendered or associated with operating and franchising restaurants and other establishments or facilities engaged in providing food and drink prepared for consumption and for drive-through facilities. Preparation of carry-out foods. The designing of such restaurants, establishments and facilities for others. Construction planning and construction consulting for restaurants for others.*

3. All of the opponent's marks completed the registration procedure more than five years before the date on which the applications were published. The opponent's marks therefore fall within the proof of use provisions in section 6A of the Act (added by virtue of the Trade Marks (Proof of Use, etc.) Regulations) 2004 (SI 2004/946) which came into force on 5th May 2004). In its notices of opposition, the opponent claimed use of the marks on all the goods and services for which the marks are registered; however, a narrower range of goods and services was relied upon at the hearing, as I shall set out below. In its notices of defence, the applicant requested that the opponent provide proof of use.

4. Sections 5(2)(b) and 5(3) state that:

“(2) A trade mark shall not be registered if because –

....

(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,

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

(3) A trade mark which-

(a) 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 (or, in the case of a Community trade mark or international trade mark (EC), in the European Community) 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.”

5. The opponent claims that because the parties' marks are similar and the goods and services are identical or similar, there is a likelihood of confusion under section 5(2)(b) of the Act. The opponent also claims a reputation in the marks, which it claims it has used in the UK, since at least 1986:

“On the basis of massive sales and extensive marketing, the Opponent has developed a huge reputation in its earlier trade marks in relation to all food and drink products sold through its restaurants, as well as related promotional items and related restaurant services.”

On this basis, the opponent claims that use of the applications would, without due cause, take unfair advantage of the distinctive character and/or repute of the opponents marks. The opponent explains its grounds for complaint under section 5(3) of the Act in the following terms:

“This is because, given the massive creative and financial investment made by the Opponent in its HAPPY MEAL brand, and the massive amount of advertising and other promotions of its brands, including sponsorships, that the Opponent invests in, use of the mark[s] now opposed by the Applicant would clearly be “free riding on the coat tails” of the Opponent. The Applicant, by using the mark[s] now opposed, would benefit from the power of attraction, the reputation and the prestige of the Opponent’s mark and would unfairly exploit the marketing efforts of the Opponent. In addition, the use of the mark now opposed by the Applicant in relation to the goods covered by the application would, without due cause, be detrimental to the distinctive character and repute of the Opponent’s trade marks. In particular, if the quality of the goods provided by the Applicant were to be poor, this would reflect badly on the Opponent’s reputation for high quality goods and services and would weaken the strength of the distinctive character of the Opponent’s marks. For all these reasons, the economic behaviour of consumers of the Opponent could be affected as they might well be less inclined to seek out the goods and services of the Opponent and instead make purchases from alternative suppliers, including the Applicant.”

6. Section 5(4)(a) 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, or

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.”

The opponent states that it enjoys substantial goodwill and reputation in the sign HAPPY MEAL through its use in the UK since at least 1986. It claims that use of the applications would constitute a misrepresentation to consumers and is liable to cause damage to the opponent. The opponent claims that use of the applications is liable to be prevented under the law of passing off

7. The applicant filed counterstatements in which it denies that the marks are similar. It reserved its position in relation to similarity of goods and services pending the opponent’s evidence to prove use of its marks. The applicant denies all the grounds of opposition.

8. The oppositions were consolidated and both sides filed evidence. The matter then came to be heard before me on 10 December 2012, by video conference.

Mr Alan Bernard, of Cleveland, represented the applicant. Mr Julius Stobbs, of Ipulse, represented the opponent.

## **Evidence**

9. The opponent's evidence comes from Leona Jacobson, who is the opponent's European Counsel IP/Marketing, responsible for all the opponent's intellectual property matters in Europe. Ms Jacobson states that she has complete knowledge of the use of the mark HAPPY MEAL, which she states was first used in the UK in 1986. Ms Jacobson explains that HAPPY MEAL is used for a children's menu which typically also includes a toy. She states that exhibit LJ1 provides examples of advertisements and packaging from the UK showing use of the mark HAPPY MEAL. The relevant dates for the opponent to prove use of its marks are 25 June 2006 to 24 June 2011. Several of the pictures showing HAPPY MEAL in this exhibit date from 2002, 2003, 2004 and 2005. There are a range which date from 2007 to 2012, according to a covering sheet, but there are no dates shown on the pictures of the advertisements and packaging.

10. Page 31 of the exhibit is a covering sheet for "additional examples of UK advertisements and promotional materials". Page 32, undated, shows a picture of bite-size pieces of chicken, beneath which is printed Happy Meal and fifteen thumbnail pictures of food and drink items, such as burgers in buns, "Chicken McNuggets", carrot sticks, "fruit bag", fish fingers, a bag of French fries showing the McDonald's M, cups of drink bearing the trade marks of third parties (Coca Cola, Sprite and Fanta), a bottle of Robinsons Fruit Shoot and a bottle of Tropicana orange juice.

11. The only item which shows the words HAPPY MEAL upon it is a bottle of milk. Other than this, where there are trade marks, they are either the McDonald's M, or the marks of third parties. The inference from the sheet is that the items shown are HAPPY MEAL menu choices. The sheet is undated, but the bottle of milk shows the mark in a circular "M Happy Meal" form. Page 33 of the exhibit shows an undated photograph of a carton of "Chicken McNuggets" which includes a yellow and red version of the circular "M Happy Meal" mark. Page 36 refers to The Pirates Happy Meal, but it is clear from the small print in the offer that the promotion ran in 2012, which is after the relevant date.

12. The remainder of the exhibit is comprised of an article from *The Daily Telegraph*, dated 11 January 2012, together with McDonald's own publicity and information pages (possibly from a website). The latter includes references to the Happy Meal menu. The pages are not dated, but there are dates in the text referring to 2007 (although pages 41 to 44 appear to have been produced in 2005). Pages 45 and 46 have a copyright date of 2010 and are headed

"Make up your own mind McDonald's Happy Meal unpacked

Lots of parents have questions about McDonald's Happy Meals. They want to know what's in the food, how it compares to other meals, and how McDonald's approaches the toys and marketing....We hope you find all of this helpful, and we'd really value your views on McDonald's and Happy Meals."

The page goes on to refer to Chicken McNuggets as being a component of the Happy Meal menu and that "other popular choices for our Happy Meals are hamburgers and cheeseburgers."

13. The article from The Daily Telegraph is after the relevant date. However, its text casts light backwards:

"McDonald's will briefly become the country's biggest retailer of children's books, after it decided to replace the usual plastic toy in a Happy Meal with a book. The fast food chain will give out 9 million Mudpuddle Farm books, written by Michael Morpurgo, over the next four weeks, after it signed a tie-up with the publisher Harper Collins...Its Happy Meals, which cost about £2.20, have come under fire in the past for encouraging 'pester power'. Alongside a burger or chicken nuggets, chips and a drink children are given a toy, usually tied in to the latest cinema release. McDonald's started to include bags of fruit after accusations that the Happy Meals were unhealthy...Eight out of ten of all families with young children visit the fast-food company at least once over the course of the year, so there was a strong chance they would end up with a book."

14. Ms Jacobson gives figures for the number of HAPPY MEAL menus sold in the UK:

2005	111,582,323
2006	116,383,636
2007	113,121,444
2008	116,745,046
2009	119,453,760
2010	120,162,557

15. The applicant's evidence comes from Nicola Amsel and Alan Bernard. Ms Amsel is a partner at Amsel & Co, a firm of commercial investigators which specialises in brand names. Ms Amsel states that the applicant's professional advisors in these proceedings, Cleveland, requested her firm to conduct an investigation over the Internet for brands being advertised in the UK which include the word HAPPY on food products. The search was undertaken in July 2012. The investigation was to exclude instances of HAPPY MEAL by McDonald's and HAPPY EGG, which the applicant owns. The search found, amongst other entries, HAPPY BREAD (for bread), HAPPY CHEF (a restaurant),

HAPPY COW (for butter), HAPPYHEREFORDS (beef and beef products), HAPPY HOT DOG SAUSAGE EMPORIUM, HAPPY SHOPPER (various goods), HAPPY FRIES (fish and chips), HAPPY BEEF (beef), HAPPY EATING (bakery goods), HAPPY SNAX (crisps), THE HAPPY PLAICE (fish and chips) and HAPPY BEANS (Chinese takeaway).

16. Alan Bernard, the applicant's trade mark attorney, has filed evidence of a search of the UK Trade Mark register which he arranged to be conducted on 22 June 2012, by Thomson Reuters. The search was for registrations in classes 29 or 30 which included the word HAPPY. The results (exhibit AB2) run to some four hundred pages. I will not list them here, but will refer to their relevance later in this decision.

## **Decision**

### **Proof of use**

17. At the hearing, Mr Stobbs refined the scope of goods and services, in relation to the statement of use, relied upon by the opponent, as follows:

1258878 in class 29: hamburgers, cheeseburgers, cooked chicken, all for human consumption; milk.

1258879 in class 30: sandwiches.

1258880 in class 31: fresh fruits and fresh vegetables.

CTM 58230:

Class 29: foods prepared from meat, fish, poultry and game, but not pork; preserved fruits and vegetables; milk;

Class 30: edible sandwiches and meat sandwiches;

Class 32: non-alcoholic beverages, syrups and other preparations for making beverages;

Class 42: preparation of carry-out foods ("at least").

18. Section 6(A) Act states:

"(1) This section applies where—

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



- (b) there is an earlier trade mark 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 period of five years ending with the date of publication.
- (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 period of five years ending with the date of publication of the application 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 differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, 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) In relation to a Community trade mark, any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Community.
- (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.
- (7) Nothing in this section affects—
  - (a) the refusal of registration on the grounds mentioned in section 3 (absolute grounds for refusal) or section 5(4)(relative grounds of refusal on the basis of an earlier right), or
  - (b) the making of an application for a declaration of invalidity under section 47(2) (application on relative grounds where no consent to registration).”

19. The onus is on the opponent to prove genuine use of its marks between 25 June 2006 and 24 June 2011, in relation to the limited range of goods and services listed in paragraph 17, because section 100 of the Act 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.”

20. Ms Anna Carboni, sitting as the appointed person in, *PASTICCERIA E CONFETTERIA SANT AMBROEUS S.R.L. v G&D RESTAURANT ASSOCIATES LIMITED* [2010] RPC 28, summarised a set of principles from the following leading Court of Justice of the European Union (“CJEU”) cases on the issue of genuine use: *Ansul BV v AjaxBrandbeveiliging BV*, Case C-40/01, [2003] ETMR 85; *La Mer Technology Inc v Laboratoires Goemar SA*, Case C-259/02, [2004] FSR 38; and *Silberquelle GmbH v Maselli-Strickmode GmbH* Case C-495/07, [2009] ETMR:

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

(2) The use must be more than merely “token”, which means in this context that it must not serve solely to preserve the rights conferred by the registration: *Ansul*, [36].

(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, without any possibility of confusion, to distinguish the goods or services from others which have another origin: *Ansul*, [36]; *Silberquelle*, [17].

(4) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, i.e. exploitation that is aimed at maintaining or creating an outlet for the goods or services or a share in that market: *Ansul*, [37]-[38]; *Silberquelle*, [18].

(a) Example that meets this criterion: preparations to put goods or services on the market, such as advertising campaigns: *Ansul*, [37].

(b) Examples that do not meet this criterion: (i) internal use by the proprietor: *Ansul*, [37]; (ii) the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle*, [20]-[21].

(5) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including in particular, the nature of the goods or services at issue, the

characteristics of the market concerned, the scale and frequency of use of the mark, whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them, and the evidence that the proprietor is able to provide: *Ansul*, [38] and [39]; *La Mer*, [22] - [23].

(6) Use of the mark need not always be quantitatively significant for it to be deemed genuine. There is no *de minimis* rule. Even minimal use may qualify as genuine use if it is the sort of use that is appropriate in the economic sector concerned for preserving or creating 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: *Ansul*, [39]; *La Mer*, [21], [24] and [25].”

21. An assessment as to whether there has been use which amounts to real commercial exploitation of the mark on the market for the goods and services means that there must have been exploitation that is aimed at maintaining or creating an outlet for the goods and services or a share in that market. That assessment must include consideration as to the nature of the opponent’s goods and services and the characteristics of the market concerned.

22. Mr Stobbs submitted that I should regard the overall evidential picture as sufficient to prove genuine use in the UK of Happy Meal on the goods and services listed in paragraph 17 of this decision. The opponent’s evidence is a mixture of extremely high sales figures (by meal sold) and a distinct paucity of exhibits to support the figures. In 2010, over 120 million Happy Meals were sold in the UK. Ms Jacobson states that these are aimed at children. It is a notorious fact that McDonald’s is prevalent in UK towns and cities. There are 60 million people in the UK. The sales figures must surely mean that there cannot be many children who have not eaten a Happy Meal (or know about them, bearing in mind the Telegraph article referring to ‘pester power’) and, therefore, there are also many parents and grandparents who have purchased Happy Meals for children (or who have resisted ‘pester power’).

23. With such overwhelming sales figures, it ought to have been possible for the opponent to have provided a good selection of exhibits to show how the mark has been used. Mr Stobbs said that HAPPY MEAL is such a massive brand for the opponent that it takes it for granted that everyone knows the product. This might explain why there are not many supporting exhibits, although in this regard I bear in mind the words of Jacob J in *Laboratoire De La Mer Trade Marks* [2002] FSR 51:

“9 In the present cases, use was not proved well. Those concerned with proof of use should read their proposed evidence with a critical eye – to

ensure that use is actually proved – and for the goods or services of the mark in question. All the t's should be crossed and all the i's dotted.”

24. The opponent's best evidence is the undated Happy Meal menu sheet, which shows a bottle of milk bearing HAPPY MEAL (in a circle with the McDonald's M) and the *Telegraph* article which casts light backwards, particularly in relation to McDonald's having come under fire in the past in relation to Happy Meal 'pester power'. Added to this are the pictures of packaging bearing the words HAPPY MEAL, which Ms Jacobson has grouped under 2007 to 2012, and the website information for parents which falls within the relevant period. When these exhibits are added to the sales figures, I conclude that, based on the overall picture, HAPPY MEAL has been used (I say more about the particular goods and services below). The words HAPPY MEAL appear with the McDonald's "M". The words are positioned beneath the M, and have the appearance of a subsidiary brand, the M being the primary branding. In *Castellblanch SA v Office for Harmonisation in the Internal Market ("OHIM") Case T-29/04 [2005] ECR II-5309*, the General Court ("GC") said:

“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.”

Where there is use of HAPPY MEAL, with the McDonald's M, it falls into the *Castellblanch* category of use. It is therefore within the parameters of section 6(A)(4)(a) of the Act (“use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered”).

#### Use “in relation to”

25. Having established that HAPPY MEAL has been used as a trade mark within the relevant period, I need to decide in relation to what goods and/or services the

use has taken place. Section 6A(3)(a)<sup>1</sup> states that the use conditions are met if “within the period of five years ending with the date of publication of the application 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”. The words “in relation to” are important because whilst a trade mark may not actually have been affixed to goods, it may nevertheless have been genuinely used in relation to the goods. Where services are concerned, trade marks cannot be affixed to them because they are not tangible objects. The only item in the Happy Meal Menu exhibit which shows the mark HAPPY MEAL is the bottle of milk. However, it is a reasonable inference from the various pieces of evidence that the items on the menu sheet form a list of menu choices from which the customer can select. The chosen items go into the box which bears the trade mark HAPPY MEAL. An issue which therefore arises is whether the mark has been used in relation to goods or a service, or both. Ms Jacobson states “The mark HAPPY MEAL is used for a children’s menu which typically also includes a toy”. “Use on a children’s menu” could be use in relation to goods, in relation to retail of goods and/or in relation to the service of providing food and drink. Ms Jacobson does not give any further explanations as to how the mark has been used.

26. In *The Light*, BL O/472/11, Daniel Alexander QC, sitting as the Appointed Person, considered whether a shopping centre called The Light could sustain its claim to have made genuine use of the mark (The Light) in relation to the provision of food and drink when third parties, under their own prominent signage, such as Starbucks, Browns, Café Rouge and Nandos, were the providers of these services within the shopping centre. He said (footnotes omitted):

“18. In *Céline SARL v. Céline SA*, Case C-17/06 (*Céline*), the Court of Justice gave guidance as to the meaning of “use in relation to” goods for the purpose of the infringement provisions in Article 5(1) of the Directive. Considering a situation where the mark is not physically affixed to the goods, the court said at [23]:

“...even where the sign is not affixed, there is use “in relation to goods or services” within the meaning of that provision where the third party uses that sign in such a way that a link is established between the sign which constitutes the company, trade or shop name of the third party and the goods marketed or the services provided by the third party.”

19. The General Court has, on more than one occasion, proceeded on the basis that a similar approach applies to the non-use provisions in Article 43 of the Community Trade Mark Regulation. For example, in *Strategi Group*, Case T-92/091, the General Court said:

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<sup>1</sup> The provision is mirrored in Section 46(1)(a) of the Act.

23. In that regard, the Court of Justice has stated, with regard to Article 5(1) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989, L 40, p. 1), that the purpose of a company, trade or shop name is not, of itself, to distinguish goods or services. The purpose of a company name is to identify a company, whereas the purpose of a trade name or a shop name is to designate a business which is being carried on. Accordingly, where the use of a company name, trade name or shop name is limited to identifying a company or designating a business which is being carried on, such use cannot be considered as being 'in relation to goods or services' (*Céline*, paragraph 21).

24 Conversely, there is use 'in relation to goods' where a third party affixes the sign constituting his company name, trade name or shop name to the goods which he markets. In addition, even where the sign is not affixed, there is use 'in relation to goods or services' within the meaning of that provision where the third party uses that sign in such a way that a link is established between the sign which constitutes the company, trade or shop name of the third party and the goods marketed or the services provided by the third party (see *Céline*, paragraphs 22 and 23).

20. Those passages must be read together with the general requirements of proof of use in *Ansul* at [43] that there is genuine use of a trade mark where the mark is used in accordance with its essential function namely to guarantee the identity of the origin of the goods or services for which it is registered, in order to create or preserve an outlet for those goods or services.

21. The approach which requires the tribunal to consider whether there is a link, having regard to the essential function of a trade mark, is consistent with English authorities prior to *Céline*.

22. In *Premier Brands UK Ltd. v Typhoon Europe Ltd & Anor* [2000] EWHC 1557 (Ch) [2000] FSR 767, Neuberger J (as he then was) said:

In my judgment, when considering whether the mark has been used "in relation to" goods within the meaning of Section 46(1), it is right to go back to the nature and purpose of a trade mark, and in this connection the observations of the ECJ in *Canon* are of assistance, as indeed, is the guidance given by the Court of Appeal in *Bach Flower Remedies* in the passages which I quoted. Although Mr Arnold took issue with this, contending that what mattered was not how members of the public perceive the usage, but "whether the mark is in fact acting as an indication of quality control", it appears to me that the difference between the two approaches is

more apparent than real. In a sense, the two ways of looking at the matter can be conflated: does the use of the TY.PHOO mark on the Goods convey to members of the public that the source of the well known TY.PHOO mark or tea is responsible for, and in some way guarantees, the quality of the Goods?

23. In *Euromarket Designs Incorporated v. Peters & Anor* [2000] EWHC 453 (Ch), [2001] FSR 20 Jacob J, as he then was, drew attention to the range of factors relevant to whether there was use in relation to given goods or services, including public perception of what the marks denoted. He said:

[57] In this connection it should be borne in mind that the Directive does not include an all-embracing definition of "use", still less of "use in relation to goods." There is a list of what may inter alia be specified as infringement (Art.5(3), corresponding to s.10(4)) and a different list of what may, inter alia, constitute use of a trade mark for the purpose of defeating a non-use attack (Art.10(2), equivalent to s.46(2)). It may well be that the concept of "use in relation to goods" is different for different purposes. Much may turn on the public conception of the use. For instance, if you buy Kodak film in Boots and it is put into a bag labelled "Boots", only a trade mark lawyer might say that that Boots is being used as a trade mark for film. Mere physical proximity between sign and goods may not make the use of the sign "in relation to" the goods. Perception matters too. That is yet another reason why, in this case, the fact that some goods were sent from the Crate & Barrel US shops to the UK in Crate & Barrel packaging is at least arguably not use of the mark in relation to the goods inside the packaging. And all the more so if, as I expect, the actual goods bear their own trade mark. The perception as to the effect of use in this sort of ambiguous case may well call for evidence.

24. Both these cases demonstrate that in considering whether use is in relation to given goods or services, the tribunal may take into account a number of factors, including whether the goods were in fact obtained from the proprietor, the presence or absence of other branding on the goods, how the goods were sold and so on. An approach which entitles the tribunal to make an overall assessment of this aspect of use is similar to that of *Ansul*, which requires regard to all the facts and circumstances in evaluating whether use was genuine.

25. The effect of these authorities, both at EU and at national level, is therefore that this aspect of the non-use provisions requires the tribunal to consider whether, having regard to all the facts and circumstances, the mark been used to identify to the average consumer the proprietor as the

origin of, including, having responsibility for, the particular goods or services in question.”

27. Mr Stobbs referred to paragraphs 21 to 23 of *Céline*, submitting that the mark “is not a divorced service name that is totally unrelated to the products in question. The mark is even on some of the products within the meal...It is on the packaging. It is the name for the menu where you have the choices...Consumers are used to seeing multiple brands used in relation to products all the time”. Following Mr Alexander’s guidance in paragraph 21 of his decision, I need to decide whether there is a link in the sense that the use of the mark conveys to the consumer that the source of the goods and/or the service is responsible for or guarantees the quality of the goods and/or service. Amongst the goods in relation to which the opponent claims genuine use, are *non-alcoholic beverages, syrups and other preparations for making beverages*. The drinks in class 32 which are shown in the evidence are all branded with Coca Cola, Sprite, Fanta, Robinsons and Tropicana trade marks. What the opponent does is include them as part of the overall Happy Meal package, which goes into the carry-out box which bears the trade mark HAPPY MEAL. Unlike, for example, the close, integral relationship between a greengrocer’s service of retailing of loose fruit and vegetables and the quality of his goods, the average consumer will not consider McDonalds/HAPPY MEAL to be responsible for the quality of Coca Cola, Sprite, Fanta, Robinsons or Tropicana. These are very famous brands which identify their owner’s goods and which can be bought in many places. Having regard to all the facts and circumstances, and bearing in mind the Kodak film in a Boots bag example in *Euromarket Designs Incorporated v. Peters & Anor*, this is use of HAPPY MEAL in relation to the service of providing drink (as part of a meal package), not use of HAPPY MEAL in relation to drink goods *per se*. The opponent cannot rely upon the class 32 goods of its CTM.

28. I consider that a direct link will be made between the goods (food items) and the mark HAPPY MEAL used in relation to the service of preparation of carry-out foods because of the close, integral relationship between them. There is genuine use for *milk* (which is the only food item which shows the mark HAPPY MEAL) and *preparation of carry-out foods* (in the CTM specification). In relation to *cooked chicken, fresh fruits and fresh vegetables*, it is necessary to decide what is a fair specification these goods, and the other goods in relation to which the opponent claims genuine use and to which Mr Stobbs specifically refined that claim at the hearing: *foods prepared from meat, fish, poultry and game; preserved fruits and vegetables; sandwiches, edible sandwiches and meat sandwiches*. Although there is evidence of use on hamburgers and cheeseburgers (all for human consumption), there is a classification issue, which I deal with below. I will therefore refrain, for the moment, from making a finding as to whether there has been genuine use in relation to these goods.



## Fair specifications

29. In deciding upon a fair specification, the description must not be pernicky<sup>2</sup>. I need to consider how the relevant public would be likely to describe the goods or services<sup>3</sup>. The General Court (“GC”) in *Reckitt Benckiser (España), SL v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-126/03 (Aladin)* held:

“43 Therefore, the objective pursued by the requirement is not so much to determine precisely the extent of the protection afforded to the earlier trade mark by reference to the actual goods or services using the mark at a given time as to ensure more generally that the earlier mark was actually used for the goods or services in respect of which it was registered.

44 With that in mind, it is necessary to interpret the last sentence of Article 43(2) of Regulation No 40/94 and Article 43(3), which applies Article 43(2) to earlier national marks, as seeking to prevent a trade mark which has been used in relation to part of the goods or services for which it is registered being afforded extensive protection merely because it has been registered for a wide range of goods or services. Thus, when those provisions are applied, it is necessary to take account of the breadth of the categories of goods or services for which the earlier mark was registered, in particular the extent to which the categories concerned are described in general terms for registration purposes, and to do this in the light of the goods or services in respect of which genuine use has, of necessity, actually been established.

45 It follows from the provisions cited above that, if a trade mark has been registered for a category of goods or services which is sufficiently broad for it to be possible to identify within it a number of sub-categories capable of being viewed independently, proof that the mark has been put to genuine use in relation to a part of those goods or services affords protection, in opposition proceedings, only for the sub-category or subcategories relating to which the goods or services for which the trade mark has actually been used actually belong. However, if a trade mark has been registered for goods or services defined so precisely and narrowly that it is not possible to make any significant sub-divisions within the category concerned, then the proof of genuine use of the mark for the goods or services necessarily covers the entire category for the purposes of the opposition.

46 Although the principle of partial use operates to ensure that trade marks which have not been used for a given category of goods are not rendered unavailable, it must not, however, result in the proprietor of the

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<sup>2</sup> See *Animal Trade Mark* [2004] FSR 19.

<sup>3</sup> See *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32.

earlier trade mark being stripped of all protection for goods which, although not strictly identical to those in respect of which he has succeeded in proving genuine use, are not in essence different from them and belong to a single group which cannot be divided other than in an arbitrary manner. The Court observes in that regard that in practice it is impossible for the proprietor of a trade mark to prove that the mark has been used for all conceivable variations of the goods concerned by the registration. Consequently, the concept of 'part of the goods or services' cannot be taken to mean all the commercial variations of similar goods or services but merely goods or services which are sufficiently distinct to constitute coherent categories or sub-categories.

53 First, although the last sentence of Article 43(2) of Regulation No 40/94 is indeed intended to prevent artificial conflicts between an earlier trade mark and a mark for which registration is sought, it must also be observed that the pursuit of that legitimate objective must not result in an unjustified limitation on the scope of the protection conferred by the earlier trade mark where the goods or services to which the registration relates represent, as in this instance, a sufficiently restricted category."

30. In *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited*, Mr Geoffrey Hobbs QC, sitting as the appointed person said:

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

31. In the case of the opponent's *foods prepared from meat, fish, poultry and game*, this is a very broad category, covering all manner of foods. The sheet showing pictures of item choices for the HAPPY MEAL product shows "Cheeseburger", "Chicken McNuggets® (4 pieces)", "Fish Fingers" and "Hamburger". Mr Stobbs referred me to page 39 of Ms Jacobson's exhibit, which is undated. There are dates within the text, which suggest, however, that it falls within the relevant period. The passage to which Mr Stobbs drew my attention says:

"We have expanded our menu to increase the number and range of options available for our customers, on both the children's Happy Meal menu and on our main menu. Customers can now choose from a range of additional items that have not previously been available, including porridge, Little Tasters, Deli sandwiches, fruit bags, carrot sticks, salads,

Tropicana orange juice, Fruit shoot drinks, organic semi-skimmed milk and mineral water.”

Some of these goods I have described above as being items which are on the Happy Meal menu. Page 40 (which appears to date from 2007) says this:

“We’re now one of the UK’s largest suppliers of pre-packed fruit, selling over 33 million fruit bags since they were introduced.

Page 44 appears to date from 2005, the year before the beginning of the relevant period. However, it is not without relevance because it refers to the introduction of certain choices and values relating to the Happy Meal, which it can be inferred from page 40 (detailed above) continued, such as:

“In March 2005, we announced a £7.4 million package of steps which we believe will make a difference:

- We have added five new food and drink items to our children’s Happy Meal™ menu bringing more variety and making fruit, vegetables and no-added-sugar choices tasty and fun for children, including carrot sticks and Chicken Grills.
- We feature at least one serving of fruit or vegetables in all Happy Meal television advertising.
- We have doubled the number of Happy Meal combinations, 76 of which have at least one of the recommended ‘five-a-day’ portions of fruit or veg”.

32. The authorities cited above refer to it being necessary to take account of the breadth of the categories of goods or services for which the opponent’s marks are registered, and whether they have been registered for a category of goods or services which is sufficiently broad for it to be possible to identify within it a number of sub-categories capable of being viewed independently. I should take care not to define the particular examples of goods or services, but identify particular categories of goods or services which they could realistically be taken to exemplify. Where a trader shows use of a trade mark in relation to a range of goods or services, the name of the category of goods or services may be an appropriate description, even though there are goods or services in that category for which no use is shown. I need to stand back and take account of the overall picture provided by the evidence, even if I have had to take a somewhat forensic analysis to get to the overall picture. Although it is fair to say that the opponent has not dotted all its i’s and crossed all its t’s, I must not let a forensic analysis lead to a pernicky reduction of the specification.

33. I do not place a great deal of weight upon the list of goods contained within the article in the *Telegraph*, although it may be useful for casting light backwards as to the repute of the mark. The journalist refers to “Alongside a burger or chicken nuggets, chips and a drink”, but this is journalistic shorthand, not to be taken as evidence of the extent to which the opponent has used its mark. In relation to the class 31 goods (1258880) *fresh fruits and vegetables*, there is no use. The fruit bags and carrot sticks are prepared. Mr Stobbs refined the claim to genuine use in relation to the CTM as “preserved fruits and vegetables”, rather than fresh<sup>4</sup>. The carrot sticks and the fruit are all shown inside bags which, presumably, preserve them from immediate deterioration. The other parts of the evidence, which I have referred to above, refers to salads, advertising of fruit and vegetables, and the doubling of Happy Meal combinations which include fruit and vegetables. I consider that the opponent can rely upon its *preserved fruits and vegetables*, as covered by the CTM. There are clear references to chicken pieces and to grilled chicken, so the opponent may also rely upon cooked chicken, as covered by 1258878, and “foods prepared from poultry” covered by the CTM because it would be pernicky to reduce it to chicken, which is a major part of the category of poultry. Although the only reference to “foods prepared from fish” is fish fingers, it would be pernicky to reduce the goods to this description, because it shuts out foods prepared from fish which are made in other shapes. Therefore, the opponent may rely upon “foods prepared from pieces of fish (covered by the CTM). There is no evidence of foods prepared from game. In relation to “foods prepared from meat”, the only evidence of meat (as opposed to chicken) is what appears in the evidence as burgers; that is to say, meat patties between two halves of a bun.

34. Mr Stobbs submitted that the opponent’s term *sandwiches* covers its burger products; i.e. a meat patty between two halves of a bun or roll. He submitted that:

- the meaning of sandwich is two bits of bread and a filling
- a lot of people call burgers sandwiches or at least call a hamburger a hamburger sandwich
- a burger may be a subset of sandwiches
- it is difficult to draw a distinction between meat sandwiches and hamburgers

35. This raises the issue of how the relevant public would be likely to describe the opponent’s goods. In *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32, the court advised:

“31 ... The court, when deciding whether there is confusion under s.10(2), adopts the attitude of the average reasonably informed consumer of the products. If the test of infringement is to be applied by the court having

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<sup>4</sup> Page 3 of the transcript.

adopted the attitude of such a person, then I believe it appropriate that the court should do the same when deciding what is the fair way to describe the use that a proprietor has made of his mark. Thus, the court should inform itself of the nature of trade and then decide how the notional consumer would describe such use.”

36. In *British Sugar Plc v James Robertson & Sons Ltd* [1996] RPC 281, Jacob J said:

“When it comes to construing a word used in a trade mark specification, one is concerned with how the product is, as a practical matter, regarded for the purposes of trade. After all a trade mark specification is concerned with use in trade.”

37. In *Animal Trade Mark* [2004] FSR 19, Jacob J said:

“20 The reason for bringing the public perception in this way is because it is the public which uses and relies upon trade marks. I do not think there is anything technical about this: the consumer is not expected to think in a picky way because the average consumer does not do so. In coming to a fair description the notional average consumer must, I think, be taken to know the purpose of the description. Otherwise they might choose something too narrow or too wide. Thus, for instance, if there has only been use for three-holed razor blades imported from Venezuela (Mr T.A. Blanco White's brilliant and memorable example of a narrow specification) "three-holed razor blades imported from Venezuela" is an accurate description of the goods. But it is not one which an average consumer would pick for trade mark purposes. He would surely say "razor blades" or just "razors". Thus the "fair description" is one which would be given in the context of trade mark protection. So one must assume that the average consumer is told that the mark will get absolute protection ("the umbra") for use of the identical mark for any goods coming within his description and protection depending on confusability for a similar mark or the same mark on similar goods ("the penumbra"). A lot depends on the nature of the goods--are they specialist or of a more general, everyday nature? Has there been use for just one specific item or for a range of goods? Are the goods on the High Street? And so on. The whole exercise consists in the end of forming a value judgment as to the appropriate specification having regard to the use which has been made.”

38. In *Nirvana Trade Mark* BL O/262/06 and *Extreme Trade Mark* BL O/161/07, Mr Richard Arnold QC, sitting as the appointed person, said:

“(1) The tribunal's first task is to find as a fact what goods or services there has been genuine use of the trade mark in relation to during the relevant period: *Decon v Fred Baker* at [24]; *Thomson v Norwegian* at[30].

(2) Next the tribunal must arrive at a fair specification having regard to the use made: *Decon v Fred Baker* at [23]; *Thomson v Norwegian* at [31].

(3) In arriving at a fair specification, the tribunal is not constrained by the existing wording of the specification of goods or services, and in particular is not constrained to adopt a blue-pencil approach to that wording: *MINERVA* at 738; *Decon v Fred Baker* at [21]; *Thomson v Norwegian* at [29].

(4) In arriving at a fair specification, the tribunal should strike a balance between the respective interests of the proprietor, other traders and the public having regard to the protection afforded by a registered trade mark: *Decon v Fred Baker* at [24]; *Thomson v Norwegian* at [29]; *ANIMAL* at [20].

(5) In order to decide what is a fair specification, the tribunal should inform itself about the relevant trade and then decide how the average consumer would fairly describe the goods or services in relation to which the trade mark has been used: *Thomson v Norwegian* at [31]; *West v Fuller* at [53].

(6) In deciding what is a fair description, the average consumer must be taken to know the purpose of the description: *ANIMAL* at [20].

(7) What is a fair description will depend on the nature of the goods, the circumstances of the trade and the breadth of use proved: *West v Fuller* at [58]; *ANIMAL* at [20].

(8) The exercise of framing a fair specification is a value judgment: *ANIMAL* at [20].

39. In *Extreme*, Mr Arnold referred to the GC's judgments in *ALADIN* and *Mundipharma AG v OHIM*, Case T-256/04, noting that paragraph 29 of *Mundipharma* indicates that the matter is to be approached from the consumer's perspective:

"29. The Court notes in this respect 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 in question 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."

40. Referring to the English authorities quoted in *Nirvana*, Mr Arnold said:

“[54] The essence of the domestic approach is to consider how the average consumer would fairly describe the goods in relation to which the trade mark has been used....”

55. To the extent that there is a difference between them, I remain of the view expressed in *NIRVANA* that I am bound by the English authorities interpreting section 46(5) of the 1994 Act and Article 13 of the Directive and not by the CFI’s interpretation of Article 46(2) of the CTM Regulation since, as already noted above, there are differences between the two legislative contexts. Nevertheless I consider that English tribunals should endeavour to follow the latter so far as it is open to them to do so. *Mundipharma* suggests that, within the spectrum of domestic case law, the slightly more generous approach of Jacob J in *ANIMAL Trade Mark* [2003] EWHC 1589 (Ch), [2004] FSR 19 is to be preferred to the slightly less generous approach of Pumfrey J in *DaimlerChrysler AG v Alavi* [2001] RPC 42.”

41. Does *sandwiches* cover “burgers contained in bread rolls”? The authorities state that the approach must be take into account the average consumer’s viewpoint I do not know if this is an American term, the opponent being an American company. I do not know what ‘sandwich’ means to the average American consumer, nor to the average consumers of all the member states covered by the CTM (the CTM was filed in Dutch and English). I can, however, say, as an average UK consumer of sandwiches, what the word ‘sandwich’ means to the average UK consumer of sandwiches. It is possible that, in comparison with other countries, the UK’s perception of the word sandwich is peculiar to the UK; after all, it was a concept invented on UK soil long ago. *Collins English Dictionary* (2000 edition) gives the following definition:

“*noun*

1. two or more slices of bread, usually buttered, with a filling of meat, cheese, etc.

2. anything that resembles a sandwich in arrangement.

*verb* (transitive)

3. to insert tightly between two other things.

4. to put into a sandwich.

5. to place between two dissimilar things.

[C18: named after John Montagu, 4th Earl of Sandwich (1718-92), who ate sandwiches rather than leave the gambling table for meals].”

(The noun is more relevant than the verb in the context of trade mark specifications.)

42. At a very general level, Mr Stobbs is right: a sandwich is two bits of bread with a filling in between. The current edition of the Nice Classification contains the following entry, in class 30: “cheeseburgers [sandwiches]”. It would be

surprising, however, if, having been offered a sandwich in the UK, one then received a burger contained within a roll. I think that would be an unexpected result, despite the similar nature of a burger within a roll and a filling within two pieces of bread. The use shown by the opponent is all of a meat pattie within a roll or bun; there is no use of sandwiches as would be understood by the UK average consumer. The opponent cannot rely upon *sandwiches; edible sandwiches and meat sandwiches*.

43. Notwithstanding the fact that its earlier UK mark 1258878 in class 29 specifies hamburgers and cheeseburgers, but the current Nice Classification Guide (10<sup>th</sup> edition, 1 January 2013) places them in class 30, I consider that the opponent can rely upon *hamburgers and cheeseburgers (all for human consumption)* covered by 1258878. Classification is an administrative process which should not affect the owner's rights provided that the owner has accurately described the goods and has not limited them by adding a "falling in this class" type of limitation, which is not an issue here. Provided that 'hamburgers' and 'cheeseburgers' accurately describe the product shown in the use, it does not mean that because the registrar accepted the term in class 29 instead of class 30 the opponent cannot rely upon those goods. If the applicant had mis-classified the hamburgers and cheeseburgers and there were several classes which manifestly applied at the time of filing, on the basis of *Altecnic Ltd's Trade Mark Application (CAREMIX)* [2002] R.P.C. 639<sup>5</sup>, the opponent's (applicant at the time) indication of the class number could be taken to indicate the type of hamburger for which registration was sought. The current edition of the Nice Classification contains the following entry, in class 30: "cheeseburgers [sandwiches]". There are no entries for burgers or hamburgers. The 6<sup>th</sup> edition

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<sup>5</sup> In *Proctor & Gamble Company v. Simon Grogan*, O-176-08, Anna Carboni, sitting as the appointed person, referred to *Caremix* and said: "32. The International Classification system also applies to Community trade marks. Rule 2(4) of Commission Regulation 2868/95/EC implementing the Regulation on the Community trade mark (40/94) states as follows:

(4) The classification of goods and services shall serve exclusively administrative purposes. Therefore, goods and services may not be regarded as being similar to each other on the ground that they appear in the same class under the Nice Classification, and goods and services may not be regarded as being dissimilar from each other on the ground that they appear in different classes under the Nice Classification.

33. It is thus made plain under the Community trade mark system that class numbers are irrelevant to the question of similarity of goods and services.

34. There is no similarly plain provision in the Act or the Directive. The Court of Appeal has held that, although the purpose of classifying goods and services is primarily administrative, that does not mean that the class numbers in an application have to be totally ignored in deciding, as a matter of construction, what is covered by the specification: *Altecnic Ltd's Trade Mark Application (CAREMIX)* [2001] EWCA Civ 1928, [2002] RPC 639. But neither the Court of Appeal, nor the ECJ, nor any other court or tribunal in the United Kingdom, has gone so far as to state that class numbers are determinative of the question of similarity of goods in the case of national trade marks. On the contrary, they are frequently ignored."



was in force when the opponent's CTM was filed and the 4<sup>th</sup> edition was in force when the opponent's earlier national registrations were filed. Although only the class headings and explanatory notes are available for viewing on the website of the World Intellectual Property Organisation's website ("WIPO", which is responsible for the international classification system) for these earlier editions, I note that there were no entries in the 7<sup>th</sup> edition for burgers, cheeseburgers and hamburgers, nor in the 8<sup>th</sup> and 9<sup>th</sup> editions<sup>6</sup>. The classification position at the time of filing was not clear, so it cannot be said that cheeseburgers and hamburgers manifestly fell into several classes at the time of filing. Therefore the opponent's choice of class, at the time of filing, is not an aid to interpretation. 1258878 is a national registration and, so far as UK marks are concerned, the registrar's classification decision is final (section 34(2)). Therefore, I will take the description in class 29 (hamburgers; cheeseburgers) and give it its normal and natural meaning unhampered by classification. The opponent may rely upon its *hamburgers; cheeseburgers (all for human consumption)* of 1258878. Additionally, as burgers (the meat part) are the main component of burgers in buns, the opponent's use covers burgers per se. So, the opponent's goods *foods prepared from meat* in class 29 in its CTM, can be relied upon, but reduced to 'burgers prepared from meat', subject to the final question, which is genuine use in relation to a CTM.

#### Use of a Community mark

44. In *Leno Merken BV v Hagelkruis Beheer BV* Case C-149/11, the CJEU stated:

"52 Some of the interested persons to have submitted observations to the Court also maintain that, even if the borders of the Member States within the internal market are disregarded, the condition of genuine use of a Community trade mark requires that the trade mark should be used in a substantial part of the Community, which may correspond to the territory of a Member State. They argue that such a condition follows, by analogy, from Case C- 375/97 *General Motors* [1999] ECR I- 5421, paragraph 28, Case C- 328/06 *Nieto Nuño* [2007] ECR I- 10093, paragraph 17, and Case C- 301/07 *PAGO International* [2009] ECR I- 9429, paragraph 27).

53 That argument cannot be accepted. First, the cases in question concern the interpretation of provisions relating to the extended protection conferred on trade marks that have a reputation or are well known in the Community or in the Member State in which they have been registered. However, the requirement for genuine use, which could result in an opposition being rejected or even in the trade mark being revoked, as provided for in particular in Article 51 of Regulation No 207/2009, pursues a different objective from those provisions.

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<sup>6</sup> From the years 1997, 2002 and 2007, respectively.

54 Second, whilst it is reasonable to expect that a Community trade mark should be used in a larger area than a national mark, it is not necessary that the mark should be used in an extensive geographic area for the use to be deemed genuine, since such a qualification will depend on the characteristics of the product or service concerned on the corresponding market (see, by analogy, with regard to the scale of the use, *Ansul*, paragraph 39).

55 Since the assessment of whether the use of the trade mark is genuine is carried out by reference to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark serves to create or maintain market shares for the goods or services for which it was registered, it is impossible to determine a priori, and in the abstract, what territorial scope should be chosen in order to determine whether the use of the mark is genuine or not. A de minimis rule, which would not allow the national court to appraise all the circumstances of the dispute before it, cannot therefore be laid down (see, by analogy, the order in *La Mer Technology*, paragraphs 25 and 27, and the judgment in *Sunrider v OHIM*, paragraphs 72 and 77).

57 The answer to the questions referred is therefore that Article 15(1) of Regulation No 207/2009 must be interpreted as meaning that the territorial borders of the Member States should be disregarded in the assessment of whether a trade mark has been put to 'genuine use in the Community' within the meaning of that provision.

58 A Community trade mark is put to 'genuine use' within the meaning of Article 15(1) of Regulation No 207/2009 when it is used in accordance with its essential function and for the purpose of maintaining or creating market share within the Community for the goods or services covered by it. It is for the referring court to assess whether the conditions are met in the main proceedings, taking account of all the relevant facts and circumstances, including the characteristics of the market concerned, the nature of the goods or services protected by the trade mark and the territorial extent and the scale of the use as well as its frequency and regularity."

45. The opponent has shown use of HAPPY MEAL only in the UK; i.e. a single member state. There is no information as to whether the mark HAPPY MEAL is used in other Member States, or if the mark is adapted to foreign language equivalents. Despite the fact that the goods and services are not those for which the market is restricted to the UK, I take into account the vast scale of use, a reasonable inference of which is that the mark has achieved UK-wide near

saturation levels for the relevant consumer and the use is frequent<sup>7</sup> and regular. The UK is, in comparison with some other member states which are territorially larger, densely populated. All things considered, the opponent has established genuine use of its CTM in relation to the goods and services shown below.

#### Goods and services which can be relied upon

46. In summary, the opponent has proven genuine use, and may rely upon, the following goods and services:

1258878: Hamburgers, cheeseburgers, cooked chicken, all for human consumption; milk.

CTM 58230: Burgers prepared from meat, but not from pork; foods prepared from pieces of fish; foods prepared from poultry; preserved fruits and vegetables; milk; preparation of carry-out foods.

#### Section 5(2)(b)

47. The leading authorities which guide me in relation to section 5(2)(b) of the Act are from the CJEU: *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77, *Marca Mode CV v Adidas AG & Adidas Benelux BV* [2000] E.T.M.R. 723, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH* C-120/04 and *Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) C-334/05 P (LIMONCELLO)*. It is clear from these cases that:

(a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors; *Sabel BV v Puma AG*,

(b) the matter must be judged through the eyes of the average consumer for the goods/services in question; *Sabel BV v Puma AG*, who is deemed to be reasonably well informed and reasonably circumspect and observant - but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind; *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel B.V.*,

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details; *Sabel BV v Puma AG*,

(d) the visual, aural and conceptual similarities of the marks must therefore be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components; *Sabel BV v Puma AG*,

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<sup>7</sup> Mr Stobbs conjectured that some 200,000 "HAPPY MEALS" would be sold in the UK during the course of the hearing.

e) assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark; the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components; *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*

f) it is only when all other components of a complex mark are negligible that it is permissible to make the comparison on the basis of the dominant element; *Shaker di L. Laudato & C. Sas v OHIM*.

(g) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*,

(h) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either per se or because of the use that has been made of it; *Sabel BV v Puma AG*,

(i) in determining whether similarity between the goods or services covered by two trade marks is sufficient to give rise to the likelihood of confusion, the distinctive character and reputation of the earlier mark must be taken into account; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*,

(j) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Section 5(2); *Sabel BV v Puma AG*,

(k) further, 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; *Marca Mode CV v Adidas AG and Adidas Benelux BV*,

(l) but if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*.

#### Comparison of goods and services

48. In comparing the respective specifications, all relevant factors should be considered, as per *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*. where the CJEU stated at paragraph 23 of its judgment:

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have

pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary.”

‘Complementary’ was defined by the General Court (“GC”) in *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-325/06:

“82 It is true that goods are complementary if 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...”

49. Additionally, the criteria identified in *British Sugar Plc v James Robertson & Sons Limited (“Treat”)* [1996] R.P.C. 281 for assessing similarity between goods and services also include an assessment of the channels of trade of the respective goods or services.

50. In *Avnet Incorporated v Isoact Limited* [1998] F.S.R. 16 Jacob J held that:

“In my view, specifications for services should be scrutinised carefully and they should not be given a wide construction covering a vast range of activities. They should be confined to the substance, as it were, the core of the possible meanings attributable to the rather general phrase.”

In *YouView TV Ltd v Total Ltd* [2012] EWHC 3158 (Ch) at [12] Floyd J said:

“... Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the observations of the CJEU in Case C-307/10 *The Chartered Institute of Patent Attorneys (Trademarks) (IP TRANSLATOR)* [2012] ETMR 42 at [47]-[49]. Nevertheless the principle should not be taken too far. *Treat* was decided the way it was because the ordinary and natural, or core, meaning of 'dessert sauce' did not include jam, or because the ordinary and natural description of jam was not 'a dessert sauce'. Each involved a straining of the relevant language, which is incorrect. Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question.”

51. The parties' goods and services are:

Opponent	Applicant
<p>Class 29: Hamburgers, cheeseburgers, cooked chicken, all for human consumption; milk.</p> <p>Class 29: Burgers prepared from meat, but not from pork; foods prepared from pieces of fish; foods prepared from poultry; preserved fruits and vegetables; milk;</p> <p>Class 42: Preparation of carry-out foods.</p>	<p><b>HAPPY SANDWICHES</b> Class 30: Sandwiches; filled sandwiches; open sandwiches; fillings and spreads for sandwiches.</p> <p><b>HAPPY QUICHE</b> Class 30: Quiches, flans, tarts.</p>

HAPPY SANDWICHES

52. Hamburgers and cheeseburgers are the closest of the opponent's goods to the applicant's goods sandwiches and filled sandwiches. Hamburgers, cheeseburgers and sandwiches share some similarities in nature. Hamburgers and cheeseburgers are traditionally round in shape and the bread is a bread roll or bun, while sandwiches are traditionally square and consist of slices of bread; however, at a more general level, they all consist of a top and bottom bread component with a filling in between. Burgers are sold as a hot food item and sandwiches may be either hot or cold. Their method of use is the same in that they are held in the hand in such a way as to keep the filling from falling out while being eaten. There is some shared purpose because they both represent a convenient way to eat a savoury item without the need for cutlery (that they are food items for eating is too general a comparison to make). The users are the general public. Both could be bought from the same outlet. Consumers may choose either type of food if looking for something quick to eat, such as takeaway food, and they are therefore in competition. There is a **good degree** of similarity between the opponent's hamburgers and cheeseburgers and the applicant's sandwiches and filled sandwiches. There is a **high degree** of similarity between the applicant's sandwiches and the opponent's preparation of carry-out food because of shared channels of trade, users, purpose (to eat a sandwich), and the complementary and/or competitive relationship between sandwich bars, covered by the opponent's service, and sandwiches.

53. There are a few more differences where open sandwiches are concerned because the top bread component is missing in an open sandwich, meaning that cutlery is required. There is still some similarity in nature, though, because of the bread and the filling or topping and they may be hot. The users are the same,

the channels of trade may coincide and even though open sandwiches do not lend themselves to takeaway eating, there is still an element of competition because they are a typical lunchtime food. There is a **reasonable level** of similarity between the opponent's hamburgers and cheeseburgers and the applicant's open sandwiches.

54. The opponent has cover for cooked chicken and for foods prepared from poultry, which include, for example, slices of cooked chicken and chicken pastes for putting into sandwiches. The opponent has notional cover for sandwich fillings made from poultry, and the applicant's goods are in the nature of sandwich fillings, although in class 30 they will not be meat fillings. The purpose of the parties' goods is for making sandwiches. The method of use is the same as they are for putting between slices of bread. Such goods are sold in supermarkets, although they may not be side by side in the same sections. They are in competition because there are many choices to make between different types of sandwich fillings. There is a **good degree** of similarity between the applicant's fillings and spreads for sandwiches and the opponent's cooked chicken foods and foods prepared from poultry.

#### HAPPY QUICHE

55. The applicant's goods, quiches, flans and tarts are pastry cases which include a filling. They do not share the same nature as the opponent's goods which are not fillings within a pastry case. Although some of the opponent's goods could be ingredients for a quiche, flan or tart, being an ingredient does not necessarily make the goods similar; it depends upon the facts<sup>8</sup>. In this case, the average consumer will not consider that quiches, chicken and milk are complementary goods 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. There is an element of competition between the applicant's goods and the opponent's cooked chicken and foods prepared from pieces of fish and from poultry because they will both be available from the chilled and takeaway cabinet areas of supermarkets, representing prepared meal choices to be made by the consumer. There is a moderate degree of similarity between the opponent's goods cooked chicken, foods prepared from pieces of fish and foods prepared from poultry, and the applicant's goods.

56. In comparing the applicant's goods with the opponent's services of the preparation of carry-out foods there is a difference between the nature of a

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<sup>8</sup> The GC considered the relationship between finished article and component parts in *Les Editions Albert René v OHIM* Case T-336/03: "The mere fact that a particular good is used as a part, element or component of another does not suffice in itself to show that the finished goods containing those components are similar since, in particular their nature, intended purpose and the customers for those goods may be completely different."

product and the nature of a service, which also affects the method of use comparison. Bearing in mind the guidance in *Avnet* and *YouView*, the core meaning of preparation of carry-out foods is that there would be an expectation that the food is in a ready-to-eat state. The applicant's goods are quiches, flans and tarts which, although atypical of foods traditionally bought from takeaways, are nevertheless prepared foods which are ready to eat. Supermarkets have diversified into providing meals which are comparable to those available in take-aways and provide foods in a ready to eat state, such as pies, flans, quiches, hot whole chicken and "meal deals". There is therefore a potential for channels of trade to coincide and for a competitive/complementary relationship between the goods and the service. The users will be those who seek prepared food. There is a reasonable degree of similarity between the opponent's preparation of carry-out foods and the goods.

Average consumer

57. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect, but his/her level of attention is likely to vary according to the category of goods. The average consumer for the parties' goods and services is the general public. A takeaway meal or a sandwich will be purchased with a relatively low level of attention, but not the very lowest level, because regard will still be had to taste preferences, and quality of ingredients. Quiches, flans and tarts are everyday food purchases and will be bought with an average degree of care. The purchasing process will be primarily visual, but oral use of the mark is likely also to play a part in relation to the opponent's preparation of carry-out food.

Comparison of trade marks

58. The marks to be compared are:

<b>Opponent's mark</b>	<b>Applicant's marks</b>
HAPPY MEAL	HAPPY SANDWICHES  HAPPY QUICHE

59. The authorities direct that, in making a comparison between the marks, I must have regard to each mark's visual, aural and conceptual characteristics. I have to decide which, if any, of their components I consider to be distinctive and dominant, without engaging in an artificial dissection of the marks, because the average consumer normally perceives a mark as a whole and does not analyse its details, as per *Sabel BV v Puma AG*, paragraph 23:



“That global appreciation of the visual, aural or conceptual similarity of the marks in question, must be based on the overall impression given by the marks, bearing in mind, in particular, their dominant and distinctive components.”

60. The parties’ marks all consist of two words<sup>9</sup>. The first word is identical in all three marks (HAPPY) and the other words are all completely different. As a result of the position of the identical common element as the first word in all three marks, there is a reasonable amount of visual and aural similarity, despite the other words being visually and aurally so different from one another. The conceptual meaning of the food items (meal, sandwiches and quiche) are different, but the position of HAPPY as an adjective describing food creates an anthropomorphic impression of a meal, sandwiches or a quiche which is content, or at least an impression of food connected to a happy or pleasurable feeling. Even though the types of food will be recognised as different, the concept of the marks is HAPPY + prepared food descriptor. The similar impression conveyed by Happy + prepared food descriptor points more towards conceptual similarity than differences point away from conceptual similarity. Consequently, the parties’ marks are conceptually similar to a good degree.

61. In *Ella Valley Vineyards (Adulam) Ltd v OHIM*, Case T-32/10, the GC stated:

“43 Although, as the Board of Appeal stated, in the mark applied for the word ‘ella’ is larger than ‘valley’ and it is positioned above the latter, it must be held that the configuration of the mark applied for is such that those two words cannot be perceived separately. It must be held that the words ‘ella’ and ‘valley’ are both contained within the black rectangle and are written with the same font and the same colour. Thus, on account of the contiguity of those two words in the black rectangle, and their identical font and colour, and despite the difference in size, the relevant public will perceive the expression ‘ella valley’ as an indissociable whole. In that connection, it should be recalled that, according to settled case-law, the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details (Case C-532/10 P *adp Gauselmann v OHIM* [2011] ECR I-0000, paragraph 24 and the case-law cited).”

HAPPY is at the beginning of each mark, is unusual as an adjective describing food; and meal, sandwiches and quiche are entirely descriptive words for the parties’ goods and services. There is, accordingly, a degree of dominance and distinctiveness to HAPPY, whilst acknowledging that the two words in each mark work together so that the impact on the average consumer would be composite phrases.

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<sup>9</sup> The opponent’s UK mark 1258878 disclaims rights to “Meal”; this disclaimer affects infringement rights. However, it does not affect the comparison of the trade marks. Disclaimers do not go into the market place and consumers are not aware of them. The trade marks have to be compared in their entireties.

62. Overall, the parties' marks are similar to a good degree.

#### Distinctiveness of the earlier mark

63. I should consider the distinctive character of the opponent's mark because the more distinctive it is, either by inherent nature or by use (nurture) the greater the likelihood of confusion<sup>10</sup>. The distinctive character of a trade mark must be assessed by reference to the goods or services in respect of which registration is sought and by reference to the way it is perceived by the relevant public<sup>11</sup>. HAPPY MEAL has a good deal of inherent distinctive character. To be happy is to experience an emotion of contentment. A meal cannot experience emotion, so this is an unusual concept, but the average consumer may approximate the significance of happy to a happy feeling caused by the experience of eating the meal. The opponent's sales figures indicate that HAPPY MEAL is extremely well known for providing children's fast food. The opponent has a strong reputation in, and is therefore entitled to claim an enhanced level of distinctive character for, HAPPY MEAL. The reputation is principally in relation to the service of preparation of carry-out food, and to a lesser extent the individual food items which go to make up the carry-out package because the consumer will make a close connection between the goods, except for the third-party drinks, and the service.

#### Likelihood of confusion

64. The applicant has adduced evidence of an Internet search for brands advertised with the word HAPPY on food products in order to demonstrate that HAPPY is commonly used on food products, and in relation to food, and is therefore not strong in distinctive character and/or the marks can co-exist in the marketplace without confusion. I do not find the search results of HAPPY BREAD (for bread), HAPPY CHEF (a restaurant), HAPPY COW (for butter), HAPPYHEREFORDS (beef and beef products), HAPPY HOT DOG SAUSAGE EMPORIUM, HAPPY SHOPPER (various goods), HAPPY FRIES (fish and chips), HAPPY BEEF (beef), HAPPY EATING (bakery goods), HAPPY SNAX (crisps), THE HAPPY PLAICE (fish and chips) and HAPPY BEANS (Chinese takeaway) persuasive because of the lack of information about the scale of these businesses, the nature of the use, whether they are all trading, and the localities of trade (if they are trading). Some of them refer to a person or animal who is happy, or a verb rather than a product, so there are differences in concept. The other search which was undertaken by the applicant is the search of the trade mark register, which produced evidence running to four hundred pages. Mr Bernard relied upon the decision of Mr Daniel Alexander QC, sitting as a deputy judge of the High Court, in *Digipos Store Solutions Group Ltd v Digi International*

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<sup>10</sup> *Sabel BV v Puma AG* [1998] RPC 199.

<sup>11</sup> *Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91.

*Inc* [2008] RPC 24 as support for his position that state of the register evidence is acceptable when the number of relevant registered marks is large. Actually, what was said in that case is “It does not seem to me to be illegitimate, as a matter of principle, to deploy material of this kind for that limited purpose and, for that purpose, it is of some value as part of a larger body of material”. Mr Bernard submitted that the marks co-existed because HAPPY is a weak element, both inherently and because many businesses use it. However, as Mr Bernard accepted, the evidence only shows what is on the trade mark register and not what the position is in the marketplace; this does not establish that consumers have become accustomed to distinguishing between undertakings with HAPPY in their trade marks. In the *Digipos* case, evidence showed Digi- was “unlikely to be apt uniquely to identify the goods or services of a given undertaking”. I do not accept that HAPPY is weak inherently or because of the search results. Happy is not a normal way to describe an inanimate object; it has a capacity to distinguish. If it is a popular choice to include as an element in trade mark applications, that does not mean, of itself, that it has failed to keep that capacity to distinguish. Even if HAPPY was inherently weak, as Mr Alexander stated at paragraph 43, the ‘weakness’ of an earlier mark or an element of an earlier mark is not conclusive but is just one factor in the global assessment (as per the CJEU in *L’Oréal SA v OHIM* Case C-235/05 P).

65. In deciding whether there is a likelihood of confusion between the marks, I must weigh the various factors I have identified. This includes keeping in mind the whole mark comparison and the principle of interdependency, whereby a lesser degree of similarity between the goods and services may be offset by a greater degree of similarity between the trade marks, and vice versa (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.* The approach must be on the basis of notional and fair use for the specifications set out in paragraph 46 (the “far specifications”). I think it unlikely that there will be direct confusion between the marks because of the different second words. However, I also have to consider the position in relation to indirect confusion (association/economic connection).

66. I do not think that the fact that it is the word MEAL, rather than the name of an actual food, will help to put a distance between the conceptual hooks created by the parties’ marks; what will be remembered is HAPPY + prepared food descriptor. The particular combination of HAPPY + prepared food descriptor is the conceptual hook for the average consumer, whose level of attention will not be high when purchasing low cost food items or using a carry-out food service. It is the combination which is important, not Happy by itself. For this reason, I do not consider that the opponent’s case falls easily into the *Medion* variety, as submitted by Mr Stobbs, i.e. the appropriation of an element of independent distinctive character (I have borne in mind the comments of Mr Justice Arnold in *Aveda Corporation v Dabur India Limited* [2013] EWHC 589 (Ch) in this respect).

67. Mr Iain Purvis QC, sitting as the appointed person in *L.A. Sugar Trade Mark* BL O/375/10<sup>12</sup> explained indirect confusion in the following terms:

“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.”*

17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:

(a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right (“26 RED TESCO” would no doubt be such a case).

(b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as “LITE”, “EXPRESS”, “WORLDWIDE”, “MINI” etc.).

(c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension (“FAT FACE” to “BRAT FACE” for example).”

68. Although I have found that HAPPY is unusual when used as a descriptor for prepared food, I do not go so far as to say it is strikingly distinctive. I think the present case falls somewhere between (b) and (c). This is because when HAPPY is used in conjunction with prepared food items, given its inherent and enhanced level of distinctive character, there is a likelihood that the change of prepared meal identity (i.e. the second words) in the parties’ marks will be seen as logical brand extensions. I think the opponent’s stronger case is against HAPPY SANDWICHES, but I have concluded that, even in relation to HAPPY QUICHE where the similarity of goods and services is at a lower level than for

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<sup>12</sup> All BL-prefixed decisions are available for viewing on the Intellectual Property Office’s website.

HAPPY SANDWICHES, the combination of the levels of consumer attention, the significant levels of distinctive character (inherent and enhanced) of HAPPY MEAL and the degree of similarity between the marks will lead to an assumption by the average consumer of logical brand extension. There is a likelihood of indirect confusion.

### **Outcome**

**69. There is a likelihood of confusion under section 5(2)(b). Both oppositions succeed.**

70. With regard to the other grounds (sections 5(3) and 5(4)(a)), the opponent will not be in any better position under these grounds than under its section 5(2)(b) ground. This is because the global assessment has been undertaken on the basis of notional and fair use of its goods and services, rather than the actual manner in which the opponent has used its mark and the consequences thereof.

### **Costs**

71. The opponent has been successful and is entitled to an award of costs. Both Mr Bernard and Mr Stobbs indicated that the scale of costs, published in Tribunal Practice Notice 4/2007, was appropriate. I award costs on the following basis:

Preparing a statement and considering the counterstatement	£300
Opposition fee	£200
Filing evidence and considering the applicant's evidence	£800
Preparing for and attending a hearing	£500
<b>Total:</b>	<b>£1800</b>

72. I order Noble Foods Limited to pay McDonald's International Property Company, Limited the sum of £1800. This sum is 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 21st day of March 2013**

**Judi Pike  
For the Registrar,  
the Comptroller-General**