

O-025-15

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK APPLICATION 2653270
BY TESCO STORES LIMITED
TO REGISTER THE FOLLOWING TRADE MARK IN CLASSES 32 & 33:**

SIMPLY

AND

**AN OPPOSITION THERETO (NO. 400812) BY
INTERNATIONAL SUPERMARKET STORES**

Background and pleadings

1. This dispute concerns trade mark application 2653270 which consists of the word **SIMPLY**. The mark was filed by Tesco Stores Limited (“the applicant”) on 20 February 2013 and it was published for opposition purposes on 7 June 2013. Registration is sought for:

Class 32: Beers; syrups and other preparations for making beverages; beverages containing added minerals; beverages containing added trace elements; beverages containing milk; beverages enriched with added minerals; beverages enriched with added trace elements; beverages enriched with added vitamins; preparations for making beverages; non-alcoholic cocktails; non-alcoholic cider; whey beverages; energy drinks; isotonic drinks; recovery drinks; alcoholic ginger ale and beer; not including fruit drinks or fruit juices.

Class 33: Alcoholic beverages (except beers); alcoholic beverages containing fruit; alcoholic energy drinks; alcoholic essences; alcoholic extracts; alcoholic punches; aperitifs; bitters; blended whisky; bourbon whisky; brandy; calvados; carbonated alcoholic beverages; cider; cocktails; cream liqueurs; curacao; digesters [liqueurs and spirits]; distilled beverages and spirits; flavoured spirits; gin; grappa; hydromel [mead]; kirsch; liqueurs; liqueurs containing cream; low alcoholic drinks; low alcoholic wine; malt whisky; mulled wines; peppermint liquers; perry; port; port wines; pre-mixed alcoholic beverages, other than beer based; rice alcohol; rum; rum punch; sake; sangria; schnapps; sherry; sparkling wines; spirits [beverages]; tequila; vermouth; vodka; whisky; wine; wine coolers [drinks]; wine punch.

2. International Supermarket Stores (“the opponent”) opposes the registration under section 5(2)(a) of the Trade Marks Act 1994 (“the Act”). It relies upon Community Trade Mark (“CTM”) no. 5410998 which also consists of the word **SIMPLY**. The opponent’s mark was filed on 24 October 2006 and it completed its registration procedure on 24 April 2008. Although registered for a wide range of goods and services, the opponent only relies upon the following:

Class 35: Retail services in relation to food products, household or kitchen goods.

3. The opponent’s earlier mark completed its registration procedure before the five year period ending on the date of publication of the applicant’s mark, so meaning that the use conditions set out in section 6A of the Act must be met. The opponent made a statement of use that its earlier mark has been used for all of the services upon which it relies. In its statement of case the opponent states that its retailing service relates to the goods in classes 32 and 33 covered by the applicant’s specification and, thus, the services and the goods are similar. On account of this, together with the identity of the marks, the opponent considers that, at the very least, the public are likely to believe that there is an economic link between the respective undertakings.

4. The applicant filed a counterstatement in which it: i) denies that its goods are similar to the opponent's services, ii) denies that there is a likelihood of confusion and, iii) puts the opponent to proof of use in respect of the services it relies upon.

5. Only the opponent filed evidence. A hearing took place before me on 15 December 2014. The opponent was represented by Mr Terry Rundle of Wilson Gunn and the applicant by Mr Julius Stobbs of Stobbs.

The proof of use provisions

Legislation and leading-case-law

6. The earlier CTM must meet the use conditions in respect of the services relied on. The use conditions are set out in section 6A of the Act as follows:

“(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 [.....]”

(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 [.....]

(5) “In relation to a Community trade mark [.....], any reference in subsection (3) [.....] to the United Kingdom shall be construed as a reference to the European Community”.

7. Section 100 is also relevant, it reads:

“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.”

8. In *Stichting BDO and others v BDO Unibank, Inc and others* [2013] EWHC 418 (Ch), Arnold J commented on the case-law of the Court of Justice of the European Union (“CJEU”) in relation to genuine use of a trade mark:

“In *SANT AMBROEUS Trade Mark* [2010] RPC 28 at [42] Anna Carboni sitting as the Appointed Person set out the following helpful summary of the jurisprudence of the CJEU in Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, Case C-259/02 *La Mer Technology Inc v Laboratories Goemar SA* [2004] ECR I-1159 and Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759 (to which I have added references to Case C-416/04 P *Sunrider v OHIM* [2006] ECR I-4237):

"(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]; *Sunrider*, [70]; *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]; *Sunrider*, [70]-[71].

(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]; *Sunrider*, [72]"

9. The earlier mark is a CTM, therefore, in accordance with section 6A(5) of the Act, the earlier mark must have been put to genuine use in the EC (now known as the EU). In its judgment in *Leno Marken BV v Hagelkruis Beheer BV* C-49/11 ("ONEL") the CJEU stated:

“28 The Court has already - in the judgments in *Ansul* and *Sunrider v OHIM* and the order in *La Mer Technology* - interpreted the concept of 'genuine use' in the context of the assessment of whether national trade marks had been put to genuine use, considering it to be an autonomous concept of European Union law which must be given a uniform interpretation.

29 It follows from that line of authority that there is 'genuine use' of a trade mark where the mark is used in accordance with its essential function, which is 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; genuine use does not include token use for the sole purpose of preserving the rights conferred by the mark. When assessing whether use of the trade mark is genuine, regard must be had to all the facts and circumstances relevant to establishing whether there is real commercial exploitation of the mark in the course of trade, particularly the usages regarded as warranted in the economic sector concerned as a means of maintaining or creating market share for the goods or services protected by the mark, the nature of those goods or services, the characteristics of the market and the scale and frequency of use of the mark (see *Ansul*, paragraph 43, *Sunrider v OHIM*, paragraph 70, and the order in *La Mer Technology*, paragraph 27).

30 The Court has also stated that the territorial scope of the use is only one of several factors to be taken into account in the determination of whether that use is genuine or not (see *Sunrider v OHIM*, paragraph 76).

31 That interpretation may be applied by analogy to Community trade marks since, in requiring that the trade mark be put to genuine use, Directive 2008/95 and Regulation No 207/2009 pursue the same objective.”

10. Regarding the territorial scope of the use, the CJEU went on to state:

“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.

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).”

The relevant period

11. As per section 6A(3)(a) of the Act, the relevant period in which genuine use must be established is the five period ending on the date of publication of the applied for mark, so, in these proceedings, the relevant period is 8 June 2008 to 7 June 2013.

The opponent's evidence of use

12. The evidence comes from the opponent's General Manager, Mr Philippe Saudo. His commentary is brief. He provides the following information in terms of the use made in the EU:

- The opponent is the holding company of Group Auchan which operates supermarkets (sometimes through franchises/partnerships) in France, Italy, Spain and Poland “under the Simply Market store brand”.
- The business has operated since 2005 in respect of the services relied on.
- As of June 2013, there were 330 outlets in France, 123 in Spain, 268 in Italy and 31 in Poland.
- Between 2009 and 2012 annual turnover ranged between €4.8 and €5.8 million. In the first six months of 2013 it was €2.8 million and in the last six months of 2008 it was €888k.
- The mark has been advertised in “trade literature including catalogues and advertising in trade journals” (a long list of the latter is provided in respect of publications in France, Italy, Spain and Poland).

- During the five year period “2008 through 2013” the relevant advertising spend has been: €4.9 in Poland, €20.4 in France, €12.8 in Spain and €12.1 in Italy.

13. Mr Saudo also provides two exhibits. Exhibit 1 is described as containing copies of catalogues and other trade literature, which includes:

- i) Three copies of “SimplyNews” (Simply is given emphasis) from 2012. The word “Simply” also appears on the front cover in stylised form. These are foreign language documents which have not been translated. The context of the documents is not clear. For example, it is not clear if these are internal publications or not. There are pictures on the inside of what appears to be a supermarket (although the products being sold are not clear) and some pictures of vegetables.
- ii) A traditional looking advertisement from 2013. The month appears to be “Julio”. I assume this to be July (in Spanish) which is after the relevant period. The advertisement depicts food products such as meat, fish, fruit and vegetables. The mark is used in the following stylised form:



- iii) A website print from www.simply-market.pl (it is safe to assume this to be a Polish website). The word SIMPLY is used at the top of the page “SIMPLY – Market: Newsy”) and in text “Poznaj SIMPLY” and alongside what appears to be a company name and address. Fruit and vegetables are depicted on the page. The page itself is not dated, but was downloaded on 4 July 2013, after the relevant date.
- iv) Another advertisement which features the stylised form as above in a number of positions. The mark is also used as a word in conjunction with two own brand goods being advertised (tuna and milk). The advertisement carries a date of sometime in 2012.
- v) A page of text in what appears to be Spanish. The stylised mark is depicted at the top of the page and it is used as a word throughout the document. However, what this document is, its context, or what it says is not known.
- vi) A website print from www.simplymarket.it (it is safe to assume this to be an Italian website). Again, the page is not dated, but was downloaded after the relevant period. The mark in the stylised form appears prominently a number of times. The word SIMPLY in plain words appears at the top of the page alongside the word “Locator” and in the document alongside the word “ricette”. The print does not appear to be promoting and retailing particular products. It appears to contain some recipes.

- vii) A website print from www.simply.es (it is safe to assume this to be a Spanish website). The word SIMPLY is used most prominently in the stylised form. It also appears as a word at the top of the page (“SIMPLY MARKET”). The context of the page is not clear. There are no particular goods being promoted or retailed. The page is dated 21 March 2013.
- viii) What appears to be a flyer for an outlet in France dated 21 “Octobre” (I assume October) 2010. The flyer is headed “Actu’ Simply”. No translation of this phrase (or any other text) has been provided. There are pictures of the outside of the outlet which feature the stylised form of the mark. There is one internal photograph showing bananas with what appears to be some other fruit next to it.

14. Mr Saudo’s Exhibit 2 contains what is described as “trade literature and advertisements”. There are a good number which are dated within the relevant period. However, most are, again, in foreign languages and no translations are provided. The mark is most often used in the stylised form but there are some uses as a plain word. In terms of assistance to the tribunal in so far as the goods being retailed, I note the following (the page numbers relate to the page numbers of the exhibit):

- ix) Page 1 contains an extract (dated from 2009) from the opponent’s corporate website. The page is in English and relates to the activities of “Simply Market”. It states that the focus is “squarely on food”, the key strength, apparently, being fresh produce.
- x) Page 4 contains an extract from a forwarded email (dated 2009) showing an advertisement featuring bottles of detergent.
- xi) Page 5 contains another extract from the corporate website (dated 2010) with a picture of the inside of an outlet featuring fresh fruit and vegetables.
- xii) Pages 7-9 relate to an article from IGD about “which retailers are making the cut?”. Reference is made to “Auchan’s Simply Market” which it refers to as a “discount-supermarket model”.
- xiii) Page 11 contains an advertisement from 2007 (before the relevant period) featuring a number of products: flour, bread sticks, mustard, pastry, cheese and some ready-made meat products. These are also what appear to be some cosmetic products.
- xiv) Page 12 contains a web print showing a cocoa product for sale. This is dated 2009. There are similar prints (pages 13 and 14) for fruit drinks.
- xv) Page 18 contains what appears to be part of some form of corporate brochure which shows the inside of an outlet. The fresh fruit and vegetable area is depicted. It is difficult to see any other goods being retailed.

- xvi) Page 19 contains an advertisement for SIMPLY (stylised form) with no date showing third party olive oil and what appears to be some processed meat.
- xvii) Page 39 contains some form of French publication (its context is not clear) dated 2009. There is a picture of fresh meat, the stylised form is also shown on this page.

The non-English exhibits

15. Mr Stobb's primary submission was that most of the exhibits to Mr Saudo's witness statement should be disregarded because they were not in English nor had they been translated into English. Mr Stobbs referred me to the Tribunal's own work manual on the topic, as follows:

"4.8.4.2 Statements in foreign languages

Statements made in foreign languages will normally be accepted as being valid under local law unless successfully challenged by the other party. If a challenge is made it should be supported with the reasons to explain the basis of the challenge. Any challenge should be made as soon as possible. Unless the person making the declaration has a good command of the English language, they will be unable to testify in English. In such cases, the declaration may be filed in their mother tongue accompanied by a certified translation prepared by a competent translator. Exhibits must similarly be translated if they are to be relied upon*. The translator should prepare their own witness statement, statutory declaration or affidavit stating that they are (at least) familiar with English and the other language. As an exhibit to the declaration, the translator should file copies of the foreign declaration and its translation."

16. The "*" in the above text is a reference to the decision of Prof Ruth Annand, sitting as the Appointed Person, in *Pollini* (BL O/146/02) where she stated:

"29. The hearing officer's first objection to CP's invoice evidence was that it was in Italian. Although Dr. Trott hazarded a guess at the meaning of a few of the words appearing on the invoices, he expressed himself unable to assess the nature of any protectable goodwill.

30. Mr. Hacon told me that his researches had revealed little relevant to the issue of exhibits in a foreign language. I referred him to the Practice Direction to Part 32 of the Civil Procedure Rules, in particular, 32PD-010.2, which provides:

Where an affidavit is in a foreign language:

(1) the party wishing to rely on it –

(a) must have it translated, and

(b) must file the foreign language affidavit with the court, and

(2) the translator must make and file with the court an affidavit verifying the translation and exhibiting both the translation and a copy of the foreign language translation.

Similar provision is made in relation to witness statements by 32PD-023.2. There is also Rule 72(1) of the Trade Marks Rules 2000 (“TMR”), which states that the registrar may require any document filed with or sent to her to be translated into English. In *Bayer AG v. Harris Pharmaceuticals Limited* [1991] RPC 170, Hoffmann J. held that there is no obligation on a person giving discovery of a document in a foreign language to provide a translation of that document.

31. Rule 55(4) of the TMR applies the practice and procedure of the High Court with regard to witness statements to proceedings in the registry. Moreover, as has been remarked recently (see, for example, Pumfrey J. in *WUNDERKIND Trade Mark*, 28 November 2001) proceedings before the registrar are intended closely to resemble proceedings in court.

32. It seems to me that exhibits in a foreign language ought to be treated in the same way as the statutory declaration, affidavit or witness statement in conjunction with which they are used. Accordingly, where an exhibit is in a foreign language, a party seeking to rely on it in registry proceedings must provide a verified translation into English.”

17. I do not consider that either the Work Manual or Prof Annand’s decision creates a hard and fast rule that a non-English exhibit to a witness statement should be automatically disregarded if it has not been translated. To do so would be to drive a cart horse through the road of common-sense. I say this because there will be a good many occasions where it is plain, on the face of the exhibit, that something can be taken from it. In these proceedings, it is plain, as Mr Rundle submitted, that at the very least a stylised version of the word SIMPLY has been used on the materials exhibited. I accept, though, that the absence of a translation means that sometimes the context of the exhibited document may not be clear. I have reflected such concerns in my summary above, and will also come back to them later. Subject to the caution I have expressed, the non-English exhibits will not be disregarded.

Variant forms of use

18. Mr Stobbs argued that the various forms of use had been presented in a form which differed in distinctive character from the mark as registered. This is a reference to section 6(3)(a) of the Act which states that: “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”. The question arises, therefore, whether these forms of use may be relied upon. The Court of Appeal dealt with what I will describe as the use of a “variant mark” in *Bud/Budweiser Budbrau* [2003] RPC 25. Of relevance are the statements of Lord Walker of Gestingthorpe where he stated:

“43. ...The first part of the necessary inquiry is, what are the points of difference between the mark as used and the mark as registered? Once those differences have been identified, the second part of the inquiry is, do they alter the distinctive character of the mark as registered?”

44. The distinctive character of a trade mark (what makes it in some degree striking and memorable) is not likely to be analysed by the average consumer, but is nevertheless capable of analysis. The same is true of any striking and memorable line of poetry: ‘Bare ruin’d choirs, where late the sweet birds sang’ is effective whether or not the reader is familiar with Empson’s commentary pointing out its rich associations (including early music, vault-like trees in winter, and the dissolution of the monasteries).

45. Because distinctive character is seldom analysed by the average consumer but is capable of analysis, I do not think that the issue of ‘whose eyes? -registrar or ordinary consumer?’ is a direct conflict. It is for the registrar, through the hearing officer’s specialised experience and judgement, to analyse the ‘visual, aural and conceptual’ qualities of a mark and make a ‘global appreciation’ of its likely impact on the average consumer, who: “Normally perceives a mark as a whole and does not proceed to analyse its various details.” The quotations are from para [26] of the judgement of the Court of Justice in Case C-342/97 *Lloyd Schuhfabrik Meyer GmbH v Klijsen Handel BV* [1999] E.C.R. I-3819; the passage is dealing with the likelihood of confusion (rather than use of a variant mark) but both sides accepted its relevance.”

Also of relevance are the comments of Sir Martin Nourse; he stated at paragraph 12:

“Mr Bloch accepted that, in relation to a particular mark, it is possible, as Mr Salthouse put it, for the words to speak louder than the device. However, he said that it does not necessarily follow that the entire distinctive character of the mark lies in the words alone. That too is correct. But there is yet another possibility. A mark may have recognisable elements other than the words themselves which are nevertheless not significant enough to be part of its distinctive character; or to put it the other way round, the words have dominance which reduces to insignificance the other recognisable elements....”

19. Mr Stobbs referred to the test laid down by Mr Arnold QC (sitting as the Appointed Person) in *NIRVANA Trade Mark* (O/262/06) and in *REMUS trade mark* (O/061/08). In these cases Mr Arnold (as he then was) undertook a thorough analysis of the relevant case law, including judgments of the CJEU and the GC, and he then put forward the following questions, the answers to which will assist in determining whether a variant form of use represents an acceptable variant (the text is from *NIRVANA* but it is also adopted in *REMUS*):

“33. The first question [in a case of this kind] is what sign was presented as the trade mark on the goods and in the marketing materials during the relevant period...”

34. The second question is whether that sign differs from the registered trade mark in elements which do not alter the latter's distinctive character. As can be seen from the discussion above, this second question breaks down in the subquestions, (a) what is the distinctive character of the registered trade mark, (b) what are the differences between the mark used and the registered trade mark and (c) do the differences identified in (b) alter the distinctive character identified in (a)? An affirmative answer to the second question does not depend upon the average consumer not registering the differences at all...."

20. Mr Stobbs also referred to the decision of Mr Hobbs QC, sitting as the Appointed Person, in *Catwalk*, where, in agreeing with the Hearing Officer that a registered plain word mark's distinctiveness has been altered when used in a stylised form, he stated:

"18. The stylised form of the word **CATWALK** is indeed a variant of the word **CATWALK** as registered. The way in which the former individualises the latter may perhaps be analogised to the way in which a signature individualises the name it represents. It appears to me that in terms of its visual impact, there is visual individualisation to a degree which causes the stylised form of the word **CATWALK** to differ distinctively from the word **CATWALK** in ordinary letterpress. I agree with the Hearing Officer in thinking that the stylised form was not an immaterial variant of the mark as registered for the purposes of Section 46(2) of the Act."

21. The primary form of use is as follows:



22. Mr Stobbs argued that the distinctiveness of the registered word mark SIMPLY resides, for obvious reasons, in that word per se, but, further, its distinctiveness was very limited. He argued that the way in which the mark is presented above was much more than just putting it into some form of stylisation, highlighting the green contrasting square dot in the letter "i" and the way in which the tail of the letter "Y" swoops below the whole of the word. In some cases the word "MARKET" fills the tail. He argued that as the distinctiveness in the word per se was limited, the stylisation added significantly to the distinctive character of the mark. Mr Rundle, on the other hand, not only disagreed with Mr Hobbs' decision in *CATWALK*, he also disagreed with Mr Stobbs' assessment here. Mr Rundle argued that the mark as used was still a "SIMPLY" mark but that it had just been used in a particular way.

23. I agree with Mr Stobbs. There is in my view a clear alteration of distinctive character. The mark as registered is a plain word which (as I will come on to say) has a low level of distinctive character. The differences are plain to see, as highlighted by Mr Stobbs. The mark SIMPLY is made much more distinctive on account of its form of use. In the words of Mr Hobbs, it individualises the word SIMPLY and is not an immaterial variant. The form of use above may not be relied upon. The same applies to the forms of use where the word MARKET appears in the

tail of the letter Y and in the forms of use where the mark is presented all in the colour green. In reaching this finding I have taken into account the guidance given in Case C-252/12 *Specsavers v Asda Stores Ltd* (and the Court of Appeal's subsequent application of that guidance) and Case C-12/12 *Colloseum Holding* [2012] ECR I-0000 neither of which alters my view.

24. I acknowledge that the evidence does present the word simply alone in some of the materials. However, such use is not only limited in nature, but in many of the exhibits the context of the use is not clear and may not have been presented to the public in any material way. Some of the documents may be internal or are not presented to the consumers of the service (such as group annual reports). Some of the documents do not appear to be retailing anything. Some of the documents are not within the relevant period. There is insufficient use that can be relied upon to show the word simply being presented to the relevant public so as to meet the test for genuine use. The same applies to the use of the phrase SIMPLY MARKET. The use is even more limited and the context similarly unclear and/or not consumer facing. Furthermore, the combination of the words "simply market" may be seen as a complete phrase as opposed to the brand "simply" and a description of the relevant service so this may also alter the distinctive character from SIMPLY alone.

25. The net effect of my findings is that there has been no genuine use of the opponent's mark. The mark cannot be relied upon which, consequently, means that the opposition fails.

26. In case I am wrong on the above then I will go on to give my views in relation to the section 5(2)(a) claim. For the purpose of such assessment, I should add that if I am wrong on my primary finding that the logo depicted in paragraph 21 above is not an acceptable variant and that its use should not be disregarded, the evidence would have demonstrated genuine use. It is clear from Mr Saudo's commentary that the opponent operates a reasonably large operation in a number of EU Member States and that the logo form of the mark is the one most often used. Whilst the exact nature of the goods sold as part of the retailing service is not that clear, it is clear enough to show that a range of food products have been sold. I would, therefore, have been prepared to find that genuine use would have been shown in relation to the retailing of food products. The other goods retailed are less clear so the opponent would not be able to rely on that part of the service.

Section 5(2)(a)

27. Section 5(2)(a) of the Act states that:

"5.-(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."

28. The following principles (although I accept that not all of them are relevant to a section 5(2)(a) claim) are gleaned from the judgments of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

(a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors;

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, 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, and whose attention varies according to the category of goods or services in question;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;

(f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;

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

(i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;

(j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

(k) if the association between the marks creates a risk that the public will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

29. I begin by observing that this a ground under section 5(2)(a) of the Act which requires that the competing marks are identical. In this case they clearly are, both consisting of the plain word SIMPLY. There is no dispute about that.

Average consumer and the purchasing act

30. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer, Case C-342/97*. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

“60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median.”

31. The average consumer in this case is a member of the general public either choosing a service provider from whom to purchase food (in the case of the opponent's service) or choosing a drink (of various forms) to purchase (in the case of the applicant's goods). Neither will be selected with a degree of care and consideration that is materially higher or lower than the norm. For both the service and the goods, the mark will be encountered through a range of, primarily, visual means, although, I do not rule out aural use completely.

Comparison of goods/services

32. When making a comparison, all relevant factors relating to the goods/services should be taken into account. In *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* 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.”

33. Guidance on this issue has also come from Jacob J In *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281 where the following factors were highlighted as being relevant when making the comparison:

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

34. In terms of being complementary (one of the factors referred to in *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer*), this relates to close connections or relationships that are important or indispensable for the use of the other. In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM) Case T- 325/06 it was stated:

“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 (see, to that effect, Case T-169/03 *Sergio Rossi v OHIM – Sissi Rossi (SISSI ROSSI)* [2005] ECR II-685, paragraph 60, upheld on appeal in Case C-214/05 P *Rossi v OHIM* [2006] ECR I-7057; Case T-364/05 *Saint-Gobain Pam v OHIM – Propamsa (PAM PLUVIAL)* [2007] ECR II-757, paragraph 94; and Case T-443/05 *El Corte Inglés v OHIM – Bolaños Sabri (PiraÑAM diseño original Juan Bolaños)* [2007] ECR I-0000, paragraph 48).”

35. In relation to complementarity, I also bear in mind the guidance given by Mr Daniel Alexander QC, sitting as the Appointed Person, in case B/L O/255/13 *LOVE* where he warned against applying too rigid a test:

“20. In my judgment, the reference to “legal definition” suggests almost that the guidance in *Boston* is providing an alternative quasi-statutory approach to evaluating similarity, which I do not consider to be warranted. It is undoubtedly right to stress the importance of the fact that customers may think that responsibility for the goods lies with the same undertaking. However, it is neither necessary nor sufficient for a finding of similarity that the goods in question must be used together or that they are sold together. I therefore think

that in this respect, the Hearing Officer was taking too rigid an approach to *Boston*.”

36. I also bear in mind the principle that derives from the judgment of the General Court in *Gérard Meric v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-133/05 – “Meric”* in that, when comparing goods/services, if a term clearly falls within the ambit of a term in the competing specification then identical goods/services must be considered to be in play.

37. A key debate between the representatives related to whether the term “food” included drink or whether the terms were different. The reason this is important is because if the former view is correct, the goods being retailed by the applicant are identical to the actual goods of the opponent.

38. Mr Rundle relied on a dictionary definition from the Oxford English Dictionary which defines food as “any nutritious substance that people or animals eat or **drink**...” (emphasis added). He also highlighted that in the Food Safety Act 1990 food is specifically defined as including drink for the purpose of that Act. He also relied on the fact that in French the relevant services read “...produits alimentaires” and that according to the French language *Ekopedia* (which appears to be the French version of Wikipedia), “Liste de produits alimentaires includes “Boissons [drinks]”. Mr Stobbs argued that the Ekopedia extract should have been filed as evidence if it were to be relied upon – I agree. In terms of the dictionary definition he highlighted that the meaning in the Oxford Dictionary is not replicated in Collins, with one of the main definitions being “nourishment in more or less solid form as opposed to liquid form”. He argued that food and drink were distinct things and that a consumer who was hungry and required food would be extremely disappointed if they were given a drink instead.

39. In relation to understanding what terms used in specifications mean/cover, the case-law informs me that “in 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 the trade”¹ and that I must also bear in mind that words should be given their natural meaning within the context in which they are used; they cannot be given an unnaturally narrow meaning². I also note the judgment of Mr Justice Floyd in *YouView TV Limited v Total Limited* where he stated:

“..... 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) (IPTRANSLATOR)* [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

¹ See *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281

² See *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another* [2000] FSR 267

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.”

40. Having considered the representative’s submissions, I agree with Mr Stobbs’ argument. It would, in my view, be a stretch of natural language to regard food as drink. Food is something which is generally eaten in either solid or semi-solid form for the purpose of staving off hunger (and associated metabolic purposes) whereas drink is for quenching one’s thirst. Both can be consumed for social purposes, but the general principle is still applicable. Regardless of precise definitions in dictionaries, this is how the public will regard the terms. In any event, the definition provided by Mr Rundle is not as clear as he makes out. Whilst the definition is indicative that a nutritious substance can be eaten or drunk, it does not say that a drink is a type of food. Nutritious substances can, as I have already suggested, be in semi-solid form and the consumption could be classed as an act of drinking, but it does not follow that the goods in classes 32 and 33 would constitute such semi-solid substances. Neither does the legislation referred to by Mr Rundle assist as that is simply a definition for legal purposes associated with that Act referred to, nothing more, nothing less.

41. Regardless of the above, it does not follow that a retail service for food lacks any similarity with drink products (in classes 32 & 33) simply on account of the fact that the goods being retailed are not identical to the goods applied for³. Had the retail service been in respect of goods which are identical to the goods applied for then there would have been an obvious point of similarity on the basis of own branding etc, a common practice for food/drink retailers. However, in the situation here there is a further step in that the goods being retailed are only similar (at best) to the goods applied for. In some cases, for example spirits in class 33, there is not even any real similarity with food products per se. I must keep in mind, though, that what one is comparing is the food retail services with the class 32 and 33 goods. There is a potential overlap in channels of trade and users, but this is fairly superficial. There is also a fairly superficial degree of similarity in that the end purpose is for the average consumer to acquire (either through the use of the food retail service or the acquisition of the applied for goods) something to eat or drink. However, the nature and method of use differ and they are not in competition. I consider that any similarity between the goods and the service to be very low.

Distinctive character of the earlier trade mark

42. The degree of distinctiveness of the earlier mark must be assessed. This is because the more distinctive the earlier mark, based either on inherent qualities or because of use made, the greater the likelihood of confusion (see *Sabel BV v. Puma AG*, paragraph 24). In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 the CJEU stated that:

³ See, to that effect, the decision of Anna Carboni, sitting as the Appointed Person, in *Giant* (BL O-264-14)

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

43. From an inherent perspective, the word SIMPLY has a clear meaning and well understood meaning. In term of the services relied upon, it is strongly suggestive of a service that is simple to use, or provides the basic and simple products that one needs. Mr Rundle accepted that the mark had a lower than normal level of inherent distinctiveness. He also accepted that its use did not assist. I consider that this mark falls squarely as a type of mark with a weak or low level of distinctive character.

Likelihood of confusion

44. The factors assessed so far have a degree of interdependency (*Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*, paragraph 17), a global assessment of them must be made when determining whether there exists a likelihood of confusion (*Sabel BV v. Puma AG*, paragraph 22). However, there is no scientific formula to apply. It is a matter of considering the relevant factors from the viewpoint of the average consumer and determining whether they are likely to be confused.

45. The marks are identical but the goods and services have only a very low degree of similarity. The earlier mark has only a low degree of distinctive character. The low distinctive character resides from its clear and obvious suggestive meaning, a meaning that will be shared in the applicant’s mark. I consider that the average consumer would not be surprised to find two different undertakings using such a mark to send the suggestive message described. Given that the degree of similarity between the goods and the service is very low, I consider that the identity in the marks will be put down to an unsurprising co-incidence as opposed to economic connection. I therefore agree with Mr Stobbs that there is no likelihood of confusion. The opposition fails.

Costs

46. The applicant has been successful and is entitled to a contribution towards its costs. I award the applicant the sum of £1200 as a contribution towards the cost of the proceedings. The sum is calculated as follows:

Preparing a statement and considering the other side's statement - £300

Considering evidence - £400

Attending the hearing - £500

Total - £1200

47. I therefore order International Supermarket Stores to pay Tesco Stores Limited the sum of £1200. The above sum should 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 16th day of January 2015

**Oliver Morris
For the Registrar,
The Comptroller-General**