

TRADE MARKS ACT, 1996

Decision in Hearing

IN THE MATTER OF an application for registration of Trade Mark No. 217468 and in the matter of an Opposition thereto.

MAYNARDS CONFECTIONERY B.V.¹

Applicant

SOCIÉTÉ DES PRODUITS NESTLÉ S.A.

Opponent

Application for registration

1. On 21 September, 1998, Trebor Bassett Limited, a British company of 25 Berkeley Square, London W1X 6HT, England (predecessor in title of the Applicant) made application (No. 1998/03796) under Section 37 of the Trade Marks Act, 1996 (“the Act”) to register the word CARAMBAR as a trade mark in respect of a specification of goods in Class 30 that was amended in the course of the examination of the application to read “*confectionery*”.
2. The application was accepted for registration and advertised accordingly under No. 217468 in Journal No. 1911 on 7 March, 2001².
3. Notice of opposition to the registration of the mark pursuant to Section 43 of the Act was filed on 6 June, 2001 by Société des Produits Nestlé S.A., a société anonyme organised and existing under the laws of Switzerland of Case Postale 353, 1800 Vevey, Switzerland. The Applicant filed a counter-statement on 24 September, 2001 and evidence was subsequently filed by the parties under Rules 20, 21 and 22 of the Trade Marks Rules, 1996 (“the Rules”).
4. The matter became the subject of a Hearing before me, acting for the Controller, on 14 December, 2006. The parties were notified on 12 January, 2007 that I had

¹ of Telestone 8 – Teleport, Naritaweg 165, 1043 BW Amsterdam, The Netherlands

² the advertisement of the application carried a noting to the effect that it was proceeding with the consent of the proprietor of Trade Mark No. 160672 - CARAMBA, also in Class 30

decided to uphold the opposition and to refuse the application for registration. I now state the grounds of my decision and the materials used in arriving thereat.

Scope of the opposition

5. While the notice of opposition filed by the Opponent cites eight different grounds of opposition under Sections 8, 10, 37 and 42 of the Act, several of these were not subsequently substantiated in any way by the evidence that was filed by the Opponent. In reality, only two of the grounds of opposition included in the notice of opposition as filed are pressed by the Opponent, namely, that the application is objectionable under Section 10(2)(b) and Section 10(4)(a) of the Act in light of the Opponent's earlier registration and use of the trade mark CARAMAC, which is registered as of 27 March, 1961 under No. 63327 in respect of all goods in Class 30. The Applicant denies both of these grounds of opposition (and all others included in the notice of opposition).

The evidence³

Rule 20

6. Evidence submitted by the Opponent under Rule 20 consisted of a statutory declaration (and Exhibits SD1-SD6), dated 19 December, 2002 of Sarah Dixon, a legal adviser in the Legal Department of Nestlé UK Ltd and authorised agent of the Opponent. She says that,
 - the trade mark CARAMAC was first used in Ireland on a confectionery product in 1959,
 - sales of confectionery under the mark in the period 1996-2001 amounted to approximately €470,000,
 - there has been little, if any, advertisement of the mark directed specifically at the Irish market but television advertisements were run in the period 1959-1993 on UK Independent Television, the regional affiliates of which are received in Ireland,

- it appears that the range of products sold under the trade mark has been restricted to caramel flavoured bars and seasonal items such as Easter eggs.

Rule 21

7. Evidence submitted by the Applicant under Rule 21 consisted of a declaration (and Exhibits CAR1 and CAR2) dated 30 March, 2004 of Mark Jonathan Hodgin, attorney in fact of the Applicant. He says that,

- the Applicant has used the trade mark CARAMBAR in Ireland since 1998,
- the value of confectionery sold under the mark in the period 1998-2001 amounted to approximately €850,000,
- a search was undertaken of the Irish trade marks database (the results of which are exhibited) and there are a number of co-existing registrations having the prefix CARA as well as three registrations which include the word “caramel”.

Rule 22

8. Evidence in reply submitted by the Opponent under Rule 22 consisted of a statutory declaration dated 1 July, 2005 of Rachel Delamere, Regional intellectual Property Advisor in the Intellectual Property Department of Nestlé UK Ltd. and an authorised agent of the Opponent. In my opinion, it does not add anything of significance to the facts already in evidence.

The hearing and arguments of the parties

9. At the hearing the Opponent was represented by Mr. Simon Gray, Trade Mark Agent of Tomkins & Co. and the Applicant by Mr. Norman MacLachlan, Trade Mark Agent of MacLachlan & Donaldson.

10. Mr. Gray argued the case in support of the opposition on the basis of what he claimed were the strong visual and aural similarities between the respective trade marks CARAMAC and CARAMBAR, the identity of the first (and more

³ review of the evidence confined to matters or relevant fact or claimed fact

significant) parts of the respective words and the relatively low level of attention likely to be paid by the average consumer to the selection and purchase of the goods in question. He also adverted to the Opponent's evidence of long and extensive use of its mark CARAMAC, which he claimed must be regarded as having acquired a highly distinctive character by virtue of that use. Mr. MacLachlan responded to the effect that the conceptual or connotative significance of the CARAM element of the respective marks was descriptive of the relevant goods, i.e., indicating that they contain caramel, and that they could not be regarded as confusingly similar on the basis of that element alone. Rather the focus must be on the respective endings of the marks, which are clearly different. He also referred to the fact that no instances of confusion had been identified notwithstanding the evidence to the effect that the marks were both in use in the marketplace in relation to the same goods and he argued that, if the Opponent's CARAMAC is distinguishable from the word "caramel", which is commonly applied to confectionery, then it must be distinguishable from CARAMBAR. He denied that the Opponent's evidence supported its claim that its trade mark enjoyed a high level of factual distinctiveness, noting that the Applicant's turnover in goods sold under its mark was considerably higher than the Opponent's for the period during which products bearing the respective marks have been on sale here, i.e., since 1998.

11. A further point of difference between the parties at the hearing related to the pronunciation of the mark that is the subject of the application for registration. Mr. Gray pronounced it with approximately equal stress on each of its three syllables so that it had a similar rhythm and aural progression to that of the Opponent's mark CARAMAC. Mr. MacLachlan consistently referred to it as *CARAMBAR*, i.e., similar to the pronunciation of the Spanish word "caramba".

Grounds of decision

Section 10(2)(b) – likelihood of confusion

12. Section 10(2)(b) of the Act prohibits the registration of a trade mark if, because it is similar to an earlier trade mark and would be registered for goods or services in respect of 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 of

the later trade mark with the earlier trade mark. There is no question but that the basic ingredients of an objection under the section exist in this case, i.e., an earlier trade mark, a similarity between it and the mark propounded for registration and an identity of goods. The only question is whether there is a resulting likelihood of confusion on the part of the public.

13. In determining that question, I have taken guidance from the several decisions of the European Court of Justice (ECJ) that were referred to by the parties' representatives at the hearing, including those in the cases of *Sabel BV –v- Puma AG and Rudolph Dassler Sport (Case C-251/95)*, *Canon Kabushiki Kaisha –v- Metro-Goldwyn Mayer Inc. (Case C-39/97)* and *Lloyd Schuhfabrik Meyer & Co. GmbH –v- Klijsen Handel BV (Case C-342/97)*. In those decisions, the ECJ has established that the likelihood of confusion must be appreciated globally, having regard to all of the relevant factors and circumstances. Those factors include the degree of similarity between the respective trade marks and that between the respective goods/services in question, the degree of distinctiveness of the earlier trade mark, the nature of the goods/services in question and the circumstances of the trade in those goods/services, as well as the presumed expectations of the average consumer of them, who must be deemed to be reasonably observant and circumspect but who rarely has a chance to make a direct comparison of the trade marks and must rely, rather, on the imperfect picture of them that he keeps in his mind. Furthermore, in assessing the degree of similarity between marks, one must consider the visual, aural and conceptual similarities between them and the relative significance of each of those elements, having regard to the category of goods and the way in which they are marketed. That assessment must be made on the basis of the overall impressions created by the respective marks as the average consumer normally perceives a trade mark as a whole and does not proceed to analyse it in detail.

14. While the principles just enunciated have become very familiar to all practitioners in the field and inevitably result in minute and painstaking examination of every point of similarity and dissimilarity between trade marks in the submissions made on behalf of opposing parties at hearings, it is important to remember that the question of likelihood of confusion is a practical matter that must be looked at in

the context of the actual marketplace that exists and through the eyes of the average consumer of the goods in question. Put another way, the ECJ's guidance to decision-makers as to how to assess likelihood of confusion might read as follows: *Imagine a typical purchasing scenario involving the average person who already knows the product sold under the earlier trade mark and ask yourself whether it is likely that he will select and purchase a product bearing the mark put forward for registration in the mistaken belief that it is the product he knows by the earlier mark (direct confusion) or that it is related to that product (indirect confusion by association).* It is not necessary to find that every consumer would be confused and nor is it sufficient to find that some consumers might be confused in order to refuse registration of a trade mark under the section. The question is whether it is likely or unlikely that the average person would be confused in the course of the typical purchasing scenario. In the present case, I have decided that confusion is likely for the reasons set out hereunder.

15. First of all, there is, in my opinion, a high degree of similarity between the respective trade marks CARAMAC and CARAMBAR. Considering that those words contain seven and eight letters, respectively, and that six of those letters are common to both and the first five are identically arranged in each, it is obvious that there is a high degree of visual similarity between them. They also sound very alike because of the repeated “ah” sound of each of the three syllables of each word. In this regard, I take the view that the average Irish person would be likely to pronounce the Applicant's mark with approximately equal stress on each of its three syllables, i.e., not as CARAMBAR, as used by Mr. MacLachlan at the hearing. Having no evidence before me on that question, I must rely on my own best assessment of the matter and I think it is right to assume a “neutral” pronunciation in which no one syllable is stressed more than the others.

16. Nor do I agree with the Applicant that each mark will be understood as a reference to the fact that the respective products contain caramel so that the fact that each begins with the element “CARAM” is of less significance in terms of the likelihood of confusion between them. In the context of its use in relation to confectionery products, the word CARAMAC does not, in my opinion, convey in an obvious or readily perceived manner the message that the products in question

contain caramel. The word does not obviously break into the elements CARAM (signifying caramel) and AC (having no meaning) and there is no reason to believe that the average consumer would understand it in that way. While I have no doubt but that Mr. MacLachlan was correct when he stated at the hearing that the word was coined to signify “Mackintosh’s caramel” in reference to the Opponent’s predecessor in title, John Mackintosh & Sons Limited, there is no evidence to the effect that the average consumer knows the origin of the trade mark or would perceive any connotative significance in it whatsoever. As to CARAMBAR, it may be that some consumers will perceive that word as signifying “a caramel bar” but I am not persuaded that that is the likely perception of the average person. In my experience, it is not usual for the word “bar” to form part of a trade mark, and to be used on packaging, for items of chocolate confectionery sold in bar form, notwithstanding that same are colloquially referred to as “Mars bars”, “Snickers bars”, “Yorkie bars”, etc.. It seems unlikely, therefore, that the word CARAMBAR appearing on such a product would be subconsciously dissected into the component parts CARAM (signifying caramel) and BAR by the average person. In my opinion, both CARAMAC and CARAMBAR are words that are likely to be perceived in their entirety by the average person as essentially meaningless, invented names for the relevant products, even if the products in question are caramel confections. For that reason, I do not think that the marks should be regarded as similar or dissimilar from a conceptual aspect, i.e., the effect of that factor on the overall assessment of the degree of similarity between the marks is neutral.

17. Along with the high degree of similarity between the respective marks, the other main reason for my belief that there is a likelihood of confusion on the part of the public is the nature of the goods in question here, namely confectionery, in particular in the form of chocolate bars to which the marks of both the Applicant and the Opponent are applied and the fact that the average consumer may not be expected to exercise particular care in selecting and purchasing such goods. A chocolate bar is a low cost, non-essential food item, which is likely to be purchased on a regular basis by the average consumer, who may be expected to take some care to select a brand that he likes and to avoid brands that do not appeal to his taste. However, he is likely to rely almost entirely on brand name

and product get-up to make his selection and may not be expected to carefully examine a product or to read the list of ingredients in small print before making his selection. Such products are normally purchased for consumption between meals, usually when the consumer is “on the move” between appointments and other engagements. Of its nature, therefore, the typical purchasing scenario is somewhat hurried and the selection of one brand name over another is done on the basis of what may be called an “at a glance” level of attention. In such circumstances, there is a strong probability of the Applicant’s CARAMBAR being mistaken for the Opponent’s CARAMAC, especially because the beginnings of both words are the same and words are naturally perceived visually from left to right as one reads them.

18. Another common purchasing scenario in respect of these goods is that in which an adult selects and purchases the product for consumption by a small child who is not yet of an age to be trusted to make the purchase himself. Now while small children are often very discerning and certain of what they want when it comes to confectionery, nevertheless a clear likelihood of confusion exists also in that scenario arising from the aural similarities between the marks. It is not at all fanciful to think that a parent, having been instructed to purchase CARAMAC, will instead choose CARAMBAR, either through mishearing of the instruction given or through imperfect recollection when he finds himself at the shop counter. No doubt, the errant parent will be suitably admonished when the wrong product is presented but, by then, the sin has been committed and the child is likely to be simply told to make do with what he has. Indeed, he may well find that the CARAMBAR confection is very much to his liking, thereby compounding the damage done to the Opponent by the single lost sale.

19. It will be apparent from the foregoing that I perceive a very real likelihood of confusion in practice between these two trade marks arising from the very close visual and aural similarities between them. Of course, that likelihood of confusion might well be reduced, although I would not say obviated, if the get-ups of the products marketed under the respective trade marks were markedly different. I cannot, however, make any assumptions as to that aspect of the matter and must make my assessment on the basis of the trade marks only. Assuming a fair and

normal use of the respective marks in which each functions as the primary identifier of the relevant goods, I am satisfied that there is a sufficient likelihood of direct confusion on the part of the public to warrant refusal of the application under Section 10(2)(b) of the Act.

20. In reaching this conclusion, I have not had to attribute to the Opponent's mark the claimed high level of factual distinctiveness which the Opponent says results from its long and extensive use as a trade mark for its goods. The marks are inherently confusingly similar in the context of the relevant goods, and the opposition succeeds on that basis alone. In passing, I would say that the longevity of the use of the Opponent's mark is offset somewhat by the relatively low levels of sales in recent years and, in my opinion, more would need to be shown to justify the Opponent's claim that its trade mark enjoys a high level of recognition among consumers. Nor have I been persuaded by the Applicant's argument to the effect that no evidence of actual confusion between the products has been given despite the fact that they have co-existed in the marketplace for some years. In my opinion, it is unlikely that the average person who had mistaken one brand for the other would actually return to the shop to complain or correct the error and the absence of evidence of confusion is not a reliable basis on which to conclude that confusion is unlikely in a case such as this.

Section 10(4)(a) – use liable to be prevented by virtue of law of passing off

21. Section 10(4)(a) of the Act prohibits the registration of a trade mark the use of which is liable to be prevented by virtue of any rule of law protecting an unregistered trade mark or other sign used in the course of trade, in particular the law of passing off. While the Opponent's trade mark on which it bases its opposition against this application is a registered trade mark, it is, of course, equally capable of grounding an action for passing off on the basis of the use that the Opponent has made of it to identify and distinguish its goods. For the purposes of these proceedings the only additional question that arises for consideration under Section 10(4)(a), over and above those that I have already considered under Section 10(2)(b), is whether the Opponent has shown that its trade mark had been used to a sufficient extent to have acquired a goodwill or reputation in the State prior to the date of filing of the present application. While I

have already found that the Opponent has not proven that its mark enjoyed a high level of recognition among consumers, nevertheless, I think it is obvious that the use of the trade mark over a long period of time prior to the date of this application is more than sufficient to establish the kind of goodwill required to ground an action for passing off. That being the case, and having already found that CARAMBAR is confusingly similar to CARAMAC in the context of the goods in question, it follows that the use of the Applicant's mark was liable to have been prevented by virtue of the law of passing off as of the date of filing of the application for registration and that the application must also be refused under Section 10(4)(a) of the Act.

Tim Cleary
Acting for the Controller

31 January, 2007