

**O-149-15**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF TRADE MARK APPLICATION 3036474  
BY ADDA HOTELS  
TO REGISTER THE FOLLOWING TRADE MARK IN CLASS 43**

**AppleJack's**

**AND**

**OPPOSITION THERETO (NO. 401938) BY  
JOSEPH ARTHUR FRYER AND VALERIE CHRISTINE FRYER**

## **Background and pleadings**

1. This dispute concerns whether the trade mark **AppleJack's** should be registered for "bar and restaurant services; all provided in hotels" in class 43. The mark was filed by Adda Hotels ("the applicant") on 2 January 2014 and was published for opposition purposes on 31 January 2014.

2. Registration is opposed by Joseph Arthur Fryer and Valerie Christine Fryer ("the opponents"). Their grounds are under sections 5(2)(b) and 5(4)(a) of the Trade Marks Act 1994 ("the Act"), based on the following:

i) Under section 5(2)(b), the opponents rely on UK trade mark registration 2515860 for the series of two trade marks: **Apple Jacks** and **APPLE JACKS**. It is not necessary to differentiate between the two marks in the series for the purpose of my decision, so I will refer to **Apple Jacks** in the singular. The mark was filed on 14 May 2009 and registered on 21 August 2009. It is registered in class 41 for the following services:

Theme park services; amusement park services; leisure park services; entertainment services relating to theme parks and amusement parks; theme park ride services; amusements and amusement arcade services; recreation services; amusement services; sporting activities; production and presentation of shows and other performance entertainment; parks and gardens for recreational purposes; provision and/or operation of facilities for entertainment, recreational, leisure and sporting activities; rental of equipment for use in amusement parks; information in the fields of entertainment, recreation and leisure; advisory, consultancy and information relating to the above; all of the aforementioned relating to theme parks, amusement parks, leisure parks; none of the aforesaid relating to consumer electronics, computers and/or computer related goods and services.

The claim is that the marks are either identical or highly similar, that the services are similar, and that as a consequence of this there is a likelihood of confusion.

ii) Under section 5(4)(a), the opponents rely on the use, since 1 July 2003, of the sign **Apple Jacks** in relation to:

"Services for the provision of food and drink; restaurant services; cafe, take-away and fast foot services; theme park services; amusement park services; leisure park services; entertainment services relating to theme parks and amusement parks' theme park ride services; recreation services; amusement services; provision and/or operation of facilities for entertainment, recreation, leisure and sporting activities; information in the fields of entertainment, recreation and leisure; advisory and consultancy and information relating to the above"

The claim is that the opponents have obtained a goodwill and reputation as a result of the above use, and that the use of the applicant's mark would

amount to a misrepresentation which would cause damage to the opponents' business.

3. The applicant filed a counterstatement denying the claims. The main aspects of the defence are that:

- a) The marks are not identical. The applicant does not, however, explicitly accept or deny that the marks are similar.
- b) The services are not similar such that there exists a likelihood of confusion.
- c) There will be no passing-off.
- d) The applied for mark is intended to be used in relation to bar/restaurant services inside hotels.
- e) The name AppleJack's alludes to the English dictionary word Applejack referring to a spirit drink distilled from cider.

4. The opponents are represented by Revomark, the applicant by Wildbore & Gibbons LLP. Both sides filed evidence (which also contained some arguments about the merits of the respective cases). Neither side requested a hearing. Neither side filed written submissions in lieu of a hearing.

### **The evidence**

#### *The opponents' evidence*

5. Mr Fryer gives evidence on behalf of the opponents. He explains that he and his wife Valerie started their business in 2003 when they opened an adventure/theme park called Apple Jacks in Warrington. It has grown in popularity and approximately 80,000-100,000 people now visit each year. It has a number of attractions including mazes, a roller rink, rides, zip wires, archery, play areas and shows. Annual turnover has grown from £500,000 in 2006 to £1.5 million in 2013. In the same period annual marketing and advertising costs have risen from £50,000 to £120,000. Exhibit JF1 contains a number of brochures/pamphlets promoting the adventure park. Although some are headed Apple Jacks Farm, others (the majority) identify the park as Apple Jacks Adventure Park. The brochures highlight the various attractions the adventure park offers.

6. The adventure park provides food and drink. Exhibits JF2 and JF3 contain the following: a park guide (which lists "The Grill" in a fairly central location), photographs of the outlet (which show use of "Apple Jacks Grill" as the primary name and "Apple Jacks" used on menus and other signs) and a photograph of a member of staff at the outlet wearing an "Apple Jacks" top. It is clear from the evidence that the park has grown over the years. Consequently, it is not clear if the food outlet was there from the beginning (or if not, when it opened). Mr Fryer does not say. The brochures in JF1 shed some light on this because one of them (from 2006) refers to "Jacks Grill" (not Apple Jacks Grill) being new for that year.

7. Exhibit JF4 contains a copy of an advertisement that was shown on ITV. It is a short advertisement of around 10 seconds. The voice over track mentions “Apple Jacks Adventure Park” and “Apple Jacks Farm” The primary visual sign is “Apple Jacks Adventure Park”. The advertisement was shown a fairly large number of times in 2013 (it was also shown in 2014, but after the relevant date) including during the commercial breaks of some well known television programmes. It is not clear whether the ITV advertisements were regional or national. There has also been radio advertising. Exhibit JF7 contains the relevant voice over directions and order contracts from 2008 placed with Wire FM (based in Warrington). The evidence is not particularly clear as to the frequency of the radio advertising, but it appears to have been on a reasonable scale at least in 2008.

8. Other promotional activity includes leaflet distribution. An example is given from 2009 when 52,000 leaflets were distributed. Evidence about this is contained in Exhibit JF7. This contains a map showing targeted regions including areas as far away from Warrington as North Wales and Shropshire. The leaflets appear to have been of the sort placed in tourism stands such as those in motorway services, tourist information centres etc. Exhibit JF8 contains details of a 2008 promotional campaign for “Spooky World” in various places such as Chester, Liverpool, Manchester, and Norwich. Spooky World appears to be part of Apple Jacks, however, the leaflet filed in evidence (which I assume is a fair reflection of how Spooky World is promoted) gives more significance to the name Spooky Word than the name Apple Jacks. Further press and promotional materials are shown in Exhibit JF9. Although the Apple Jacks name is used, some, again, give greater prominence to other signs such as Spooky World and Alpine XL (a ski attraction). There are some references to Apple Jacks Farm. Exhibit JF10 shows the park’s Facebook page which has a recorded number of likes of 12,698 and visits of 15,363.

9. Mr Fryer then provides an in depth summary of the case-law surrounding section 5(2)(b) and his opinion on confusion. These are borne in mind rather than summarised here. What I do summarise, though, are his views on the similarity between the services. He states that theme parks or amusement parks have facilities for providing food and drink in the form of restaurants, cafes, fast food outlets and bars. He considers that a theme park cannot really exist without such facilities and that it would not be uncommon for a restaurant within a theme or amusement park to operate under the name of the park itself. He also states that many theme parks provide hotel accommodation, such as Legoland, Alton Towers, Disneyland etc. Evidence supporting this is shown in Exhibit JF12. He therefore considers that theme/amusement park services are closely aligned with food and drink services provided within hotels.

#### *The applicant’s evidence*

10. The applicant’s evidence is given by Mr Martin Bradnam, manager of Hilton York (Adda Hotels t/a Hilton York). He gives evidence about the origins of the applicant’s trade mark. How the mark was coined is not particularly pertinent, but, in summary, it was created for a hotel in York because its current bar/restaurant name needed to be changed due to a franchise agreement expiring. It is a sports bar/restaurant and is American themed. It is explained that Applejack is the name of a strong alcoholic beverage produced in America, popular in the American colonial period (Exhibit 2

contains a Wikipedia extract in support). This was what led to the naming of the bar/restaurant. A search was carried out before the mark was used (Exhibit 1) with no results being found other than a “dead” mark for a stylised version of Apple Jacks in class 43 (Exhibit 3); no results were found on Google. It seems that the search was limited to the field of bars/cafés/diners/restaurants etc.

11. Mr Bradnam gives his views on confusion. They are based on the distance between his city centre hotel in York and the adventure park in rural Warrington and, also, the precise nature of the opponents’ use against the applicant’s intended use (signage is provided in Exhibit 4). He highlights that the opponents’ name refers to a character called Apple Jack (a photo from Tripadvisor showing the character is provided) whereas the applicant’s mark refers to a drink. He highlights that the park is de-branded to Spooky World during Halloween. He highlights that you would only visit the opponents’ food outlet if you were visiting the adventure park. He highlights that the opponents’ mark co-existed with the now “dead” trade mark. He refers to an attraction close to York called Piglets (a web print of this business is shown in Exhibit 5) and that this is similar to the opponents’ adventure park and that it is aimed at young families and would not be confused with a high street hotel’s restaurant/bar.

#### **Section 5(4)(a) – passing off**

12. Section 5(4)(a) of the Act reads:

“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

(b)...

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of “an earlier right” in relation to the trade mark.”

13. Halsbury’s Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165 provides the following analysis of the law of passing-off. The analysis is based on guidance given in the speeches in the House of Lords in *Reckitt & Colman Products Ltd v. Borden Inc.* [1990] R.P.C. 341 and *Erven Warnink BV v. J. Townend & Sons (Hull) Ltd* [1979] AC 731. It is (with footnotes omitted) as follows:

“The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

(1) that the plaintiff’s goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;

(2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by the defendant are goods or services of the plaintiff; and

(3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant's misrepresentation.

The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House's previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal definition of passing off, and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House."

14. Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:

"To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

(1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and

(2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

(a) the nature and extent of the reputation relied upon;

(b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;

(c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;

(d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.”

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.”

### **The relevant date**

15. Whether there has been passing-off must be judged at a particular point (or points) in time. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC, sitting as the Appointed Person, stated:

“39. In *Last Minute*, the General Court....said:

‘50. First, there was goodwill or reputation attached to the services offered by LMN in the mind of the relevant public by association with their get-up. In an action for passing off, that reputation must be established at the date on which the defendant began to offer his goods or services (*Cadbury Schweppes v Pub Squash* (1981) R.P.C. 429).

51. However, according to Article 8(4) of Regulation No 40/94 the relevant date is not that date, but the date on which the application for a Community trade mark was filed, since it requires that an applicant seeking a declaration of invalidity has acquired rights over its non-registered national mark before the date of filing, in this case 11 March 2000.’

40. Paragraph 51 of that judgment and the context in which the decision was made on the facts could therefore be interpreted as saying that events prior to the filing date were irrelevant to whether, at that date, the use of the mark applied for was liable to be prevented for the purpose of Article 8(4) of the CTM Regulation. Indeed, in a recent case before the Registrar, *J Sainsbury plc v. Active: 4Life Ltd* O-393-10 [2011] ETMR 36 it was argued that *Last Minute* had effected a fundamental change in the approach required before the Registrar to the date for assessment in a s.5(4)(a) case. In my view, that would be to read too much into paragraph [51] of *Last Minute* and neither party has advanced that radical argument in this case. If the General Court had meant to say that the relevant authority should take no account of well-established principles of English law in deciding whether use of a mark could be prevented at the application date, it would have said so in clear terms. It is unlikely that this is what the General Court can have meant in the light of its observation a few paragraphs earlier at [49] that account had to be taken of national case law and judicial authorities. In my judgment, the better interpretation of *Last Minute*, is that the General Court was doing no more than emphasising that, in an Article 8(4) case, the *prima facie* date for determination of the opponent’s goodwill was the date of the application. Thus interpreted, the approach of the General Court is no different from that of

Floyd J in *Minimax*. However, given the consensus between the parties in this case, which I believe to be correct, that a date prior to the application date is relevant, it is not necessary to express a concluded view on that issue here.

41. There are at least three ways in which such use may have an impact. The underlying principles were summarised by Geoffrey Hobbs QC sitting as the Appointed Person in *Croom's TM* [2005] RPC 2 at [46] (omitting case references):

- (a) The right to protection conferred upon senior users at common law;
- (b) The common law rule that the legitimacy of the junior user's mark in issue must normally be determined as of the date of its inception;
- (c) The potential for co-existence to be permitted in accordance with equitable principles.

42. As to (b), it is well-established in English law in cases going back 30 years that the date for assessing whether a claimant has sufficient goodwill to maintain an action for passing off is the time of the first actual or threatened act of passing off: *J.C. Penney Inc. v. Penneys Ltd.* [1975] FSR 367; *Cadbury-Schweppes Pty Ltd v. The Pub Squash Co. Ltd* [1981] RPC 429 (PC); *Barnsley Brewery Company Ltd. v. RBNB* [1997] FSR 462; *Inter Lotto (UK) Ltd. v. Camelot Group plc* [2003] EWCA Civ 1132 [2004] 1 WLR 955: "date of commencement of the conduct complained of". If there was no right to prevent passing off at that date, ordinarily there will be no right to do so at the later date of application.

43. In *SWORDERS TM* O-212-06 Mr Alan James acting for the Registrar well summarised the position in s.5(4)(a) proceedings as follows:

'Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made.'

16. The filing date of the subject trade mark is 2 January 2014. Whilst there is evidence to show how the applicant coined its mark, there is nothing to show if and when use began or the extent of such use. There is, therefore, no pre-filing use to consider. Accordingly, the matter need only be assessed as of 2 January 2014.

### **Was there goodwill at the relevant date?**

17. In *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL) the following was stated in respect of goodwill:



“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start.”

18. In *Hart v Relentless Records* [2003] FSR 36, Jacob J. (as he then was) stated that:

“62. In my view the law of passing off does not protect a goodwill of trivial extent. Before trade mark registration was introduced in 1875 there was a right of property created merely by putting a mark into use for a short while. It was an unregistered trade mark right. But the action for its infringement is now barred by s.2(2) of the Trade Marks Act 1994. The provision goes back to the very first registration Act of 1875, s.1. Prior to then you had a property right on which you could sue, once you had put the mark into use. Even then a little time was needed, see per Upjohn L.J. in BALI Trade Mark [1969] R.P.C. 472. The whole point of that case turned on the difference between what was needed to establish a common law trade mark and passing off claim. If a trivial goodwill is enough for the latter, then the difference between the two is vanishingly small. That cannot be the case. It is also noteworthy that before the relevant date of registration of the BALI mark (1938) the BALI mark had been used “but had not acquired any significant reputation” (the trial judge's finding). Again that shows one is looking for more than a minimal reputation.”

19. However, a small business which has more than a trivial goodwill can protect signs which are distinctive of that business under the law of passing-off even though its reputation may be small. In *Stacey v 2020 Communications* [1991] FSR 49, Millett J. stated that:

“There is also evidence that Mr. Stacey has an established reputation, although it may be on a small scale, in the name, and that that reputation preceded that of the defendant. There is, therefore, a serious question to be tried, and I have to dispose of this motion on the basis of the balance of convenience.”

See also: *Stannard v Reay* [1967] FSR 140 (HC); *Teleworks v Telework Group* [2002] RPC 27 (HC); *Lumos Skincare Limited v Sweet Squared Limited and others* [2013] EWCA Civ 590 (COA)

20. I think it clear from the evidence that the opponents run a business with a more than trivial goodwill. Their adventure park has been in operation for over ten years and the business has grown during that time. The business is in the field of a theme/adventure park aimed at young children and their families. The opponents do not have a separate goodwill in the field of food and drink services. Although, I accept that the opponents' customers will know that they operate a food outlet in the park and that potential customers will assume that some form of food outlet is likely to be on offer. Whilst the food outlet forms part of the business, it is the theme/adventure park that customers are going to visit. Customers are not seeking

out the food service per se. It is the goodwill associated with the adventure park that acts as the attractive force that brings in custom.

21. That the opponents' business is operated in just one location is a point to consider as such a fact could have given rise to the question as to whether the goodwill is purely a local one. However, given the normal draw that a theme/adventure park would have, and given the type of promotional activities that have taken place, I am satisfied that the goodwill exists not just in Warrington, but also in the surrounding areas and even beyond to surrounding counties. The further the distance from Warrington, the weaker the goodwill will likely be.

22. The primary form of use is of Apple Jacks Adventure Park. There is also use of Apple Jack's Farm. Even though in some of the publicity material the significance of the Apple Jacks name is diminished, it is still present. I consider that the name Apple Jacks is the thing most associated with the opponents' goodwill. Such goodwill will be of a reasonable level. The theme/adventure park it operates may not be the biggest or the most well known in the country, but it is a long way from being trivial. **The opponents' business has a protectable goodwill associated with the name Apple Jacks, as characterised above.**

### **Misrepresentation**

23. The test for misrepresentation was outlined by Morritt L.J. in *Neutrogena Corporation and Another v Golden Limited and Another*, [1996] RPC 473 as follows:

"There is no dispute as to what the correct legal principle is. As stated by Lord Oliver of Aylmerton in *Reckitt & Colman Products Ltd. v. Borden Inc.* [1990] R.P.C. 341 at page 407 the question on the issue of deception or confusion is

"is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the public will be misled into purchasing the defendants' [product] in the belief that it is the respondents'[product]"

The same proposition is stated in Halsbury's Laws of England 4th Edition Vol.48 para 148 . The necessity for a substantial number is brought out also in *Saville Perfumery Ltd. v. June Perfect Ltd.* (1941) 58 R.P.C. 147 at page 175 ; and *Re Smith Hayden's Application* (1945) 63 R.P.C. 97 at page 101."

And later in the same judgment:

"... for my part, I think that references, in this context, to "more than *de minimis* " and "above a trivial level" are best avoided notwithstanding this court's reference to the former in *University of London v. American University of London* (unreported 12 November 1993) . It seems to me that such expressions are open to misinterpretation for they do not necessarily connote the opposite of substantial and their use may be thought to reverse the proper emphasis and concentrate on the quantitative to the exclusion of the qualitative aspect of confusion."

24. The services in question must be factored in. Although there is no requirement in passing-off for there to be a common field of activity, it is nevertheless a highly relevant factor, as can be seen from the judgment in *Harrods Ltd v Harrodian School* [1996] RPC 697, where Millett LJ stated:

“The absence of a common field of activity, therefore, is not fatal; but it is not irrelevant either. In deciding whether there is a likelihood of confusion, it is an important and highly relevant consideration.”

and

“The name "Harrods" may be universally recognised, but the business with which it is associated in the minds of the public is not all embracing. To be known to everyone is not to be known for everything.”

and

“It is not in my opinion sufficient to demonstrate that there must be a connection of some kind between the defendant and the plaintiff, if it is not a connection which would lead the public to suppose that the plaintiff has made himself responsible for the quality of the defendant’s goods or services.”

25. In his witness statement Mr Bradnam compared the actual trading circumstances of the opponents (its adventure park in a rural area near Warrington) with the applicant’s proposed use (a sportsbar/restaurant within a hotel on a high street in York). This is not the correct approach. Whilst it is correct to consider the actual trade of the opponents, the applicant’s mark must be considered on a notional and fair basis, not limited to a sportsbar/restaurant in a York City Centre hotel. He is also incorrect on the way in which he characterized the concepts of the words Apple Jacks (as used by the opponents) and Apple Jack’s as intended to be used by the applicant. Even though the opponents’ adventure park may have a character called Apple Jack in it, its customers will not conceptualise the name of the park solely by reference to this character. In terms of the applicant’s intended use, even though applejack may be an alcoholic drink, I have serious reservations as to how well known such a beverage is in the UK. Mr Fryer refers to the fact that some theme parks have hotels, a fact I accept. However, the opponents’ park does not. Mr Fryer also states that theme/adventure parks would not be able to operate without food outlets. Whilst I am sure that they could operate, I accept his point that food outlets are routinely found in such parks and that members of the public would expect to find some form of food outlet in one. However, as stated earlier, this does not mean that the opponents have a separate or independent goodwill in food/drink related services. The goodwill is in the business of an adventure park which has a food outlet as part of it.

26. The question that must be answered is whether a significant number of persons, upon encountering a bar or restaurant called Apple Jack’s inside a hotel, would assume that the bar/restaurant is being operated by the opponents or that there is some form of economic link between the operator and the opponents (such as a licence agreement). I come to the view that the question must be answered in the negative. The opponents do not have a hotel themselves. The food outlet it offers

appears to be fairly rudimentary. It would, in my view, be counterintuitive to believe that a member of the public (those familiar with the opponents goodwill) would, based on the nature of the opponents' goodwill at the relevant date, believe that they have expanded to begin operating food services in hotels. This is not a natural extension of trade. There will be no assumption that the hotel is operated by the opponents because the opponents do not even operate a hotel as part of its adventure park offering. Even though the names in question are virtually identical, this will be put down to two separate undertakings happening upon the same name. **The claim under section 5(4)(a) of the Act is dismissed.**

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

27. Section 5(2)(b) 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 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.

### **Average consumer and the purchasing act**

29. 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.”

30. The average consumer of bar/restaurant services in hotels will be a member of the public (including businessman). The services are unlikely to be selected with the highest degree of care and attention, but a reasonable level of care and attention will nevertheless be deployed. The services will be chosen after perusal of websites, advertisements (be it in the hotel or elsewhere) and the mark will also be displayed on signage etc. This suggests the mark having more visual significance than aural,

but the aural comparison will not be overlooked, particularly bearing in mind that the services could be booked over the phone.

31. The opponents' services are varied, but the limitation at the end of the specification places them all firmly in the theme/amusement/leisure park field. The average consumer will be a member of the general public. Unlike the assessment under section 5(4)(a), the context should not be limited to families with young children. The assessment here is the notional and fair use of both marks. All sorts of people attend theme/amusement/leisure parks. The mark will be used on brochures, leaflets, websites etc and on signage at the park itself. This strongly suggests a more visual approach.

### **Comparison of marks**

32. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

“.....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

33. It would be wrong, therefore, to artificially dissect the trade marks, although, it is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.

34. The marks are **Apple Jacks** v **AppleJack's**. I agree with the opponents that the differences between the marks reside in such small details that they could go unnoticed by the average consumer, so meaning that the marks may be considered as identical<sup>1</sup>. Even if this were not so, it is self evident that, given that the difference between the marks is limited to an apostrophe and spacing, the marks are similar to an extremely high degree.

### **Distinctive character of the earlier marks**

35. 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*

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<sup>1</sup> As per the judgment of the CJEU in *LTJ Diffusion SA v Sadas Vertbaudet SA* (Case C-291/00) [2003] FSR 34

AG, paragraph 24). In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 the CJEU stated that:

“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).”

36. From an inherent perspective, the trade mark Apple Jacks makes no real allusion or suggestion towards the services for which the earlier mark is registered. It may make an extremely mild nod towards some form of rural significance, but not one which affects its distinctive character. I assess that as being reasonably high. The use of the opponents’ mark is borne in mind, however the significance of the mark is likely to be geographically limited, and the further away from Warrington one gets the weaker that significance becomes. I do not consider that what is already a distinctive character of a reasonably high degree is materially enhanced through use.

### **Comparison of services**

37. 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.”

38. 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.”

39. 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 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).”

40. In *Sanco SA v OHIM*, Case T-249/11, the General Court indicated that certain things may be complementary and therefore similar to a degree in circumstances where the nature and purpose of them are very different (i.e. in that case *chicken* against *transport services for chickens*). The purpose of examining whether there is a complementary relationship is to assess whether the relevant public are liable to believe that responsibility for the goods/services lies with the same undertaking or with economically connected undertakings. As Mr Daniel Alexander Q.C. noted as the Appointed Person in *Sandra Amelia Mary Elliot v LRC Holdings Limited* BL-0-255-13:

“It may well be the case that wine glasses are almost always used with wine – and are, on any normal view, complementary in that sense - but it does not follow that wine and glassware are similar goods for trade mark purposes.”

whilst on the other hand:

“.....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.



41. 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”<sup>2</sup> 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 should not be given an unnaturally narrow meaning<sup>3</sup>. 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 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.”

42. The comparison to be made here involves just services, so I keep in mind the words of Jacob J in *Avnet Incorporated v Isoact Limited* [1998] F.S.R. 16 where he stated:

“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.”

43. The opponents’ case is that the provision of food and drink is a key part of a theme (and other) park service. It does not believe that the addition of “provided in hotels” to the applicant’s service helps given that theme parks often have hotels in them. However, the fact remains that the earlier mark’s services are for theme (and other) park services, not the services of providing food and drink or hotel services. The purpose is very different, one uses the opponents’ services for the purpose of entertainment by making use of the various attractions on offer whereas one uses the applicant’s services to enjoy a meal and a drink. One would not naturally describe a bar or a restaurant as an entertainment service. The nature and method of use of the services is very different. There could be an argument that the services are similar to some degree on the basis of common channels of trade and complementarity. In relation to the former, the argument is weak because the potential for overlap in trade channels represents the exception rather than the rule - there will only be a few hotels in the UK (containing bar and restaurant services) in theme parks whereas there will be significantly more outside of this environment.

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<sup>2</sup> See *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281

<sup>3</sup> See *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another* [2000] FSR 267

Similarly, when it comes to complementarity, whilst theme (and other) parks may have food and drink outlets within a park hotel, this is, again the exception. Other than the very limited examples of a hotel within the park itself, no one would likely assume that restaurants/bars in hotels would ordinarily be the responsibility of a theme (and other) park operator. Bearing in mind the *Avnet* principle, my conclusion is that the respective services are not similar. If I am wrong on that then any similarity must be of a very low degree.

### **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. If my primary finding that the services are not similar is correct then there can be no likelihood of confusion. A successful finding under this ground requires some similarity, as per, for example, *Waterford Wedgwood plc v OHIM – C-398/07*. However, in case I am wrong then I will make an assessment on the basis of the very low degree of similarity between the services that may be in play. The marks, of course, are either identical or similar to the very highest degree. This has the potential to off-set the low degree of similarity between the services. However, notwithstanding this, I consider there to be no likelihood of confusion. The link between the services, even when identical marks here are in play, would not inform the average consumer that the services are from the same or related undertaking. I consider the average consumer would simply believe that the respective undertakings have simply happened upon the same name. I accept that if the applicant opened a bar/restaurant in a hotel in the park offered by the opponent then confusion may arise. But this is not only hypothetical to the extreme, it is also highly unlikely to happen and is, in my view, beyond the realm of notional and fair use of the applicant's mark. **The opposition under section 5(2)(b) is dismissed.**

### **Outcome**

46. Both grounds of opposition have failed and the applicant's mark may proceed to registration.

### **Costs**

47. The applicant has succeeded and is entitled to a contribution towards its costs. My assessment is as follows:

*Preparing a statement and considering the other side's statement - £300*  
*Filing and considering evidence - £500*

48. I therefore order Joseph Arthur Fryer and Valerie Christine Fryer (being jointly and severally liable) to pay Adda Hotels the sum of £800. This 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 7th day of April 2015**

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