

## TRADE MARKS ACT, 1996

### Decision in Hearing

IN THE MATTER OF an application for registration of Trade Mark No. 216038 and in the matter of an Opposition thereto.

**NEWMANS CHOCOLATES LIMITED**

**Applicant**

**SOCIÉTÉ DES PRODUITS NESTLÉ S.A.**

**Opponent**

#### **The application**

1. On 11 November, 1999, Newmans Chocolates Limited, a British company, of Moorside Road, Winnall, Winchester/Hampshire SO23 7SA, United Kingdom made application (No. 1999/03953) under Section 37 of the Trade Marks Act, 1996 (“the Act”) to register the word “Milkbears” as a Trade Mark in respect of “*candy, chocolate, chocolate candies and pastries in Class 30*”.
2. The application was accepted for registration and advertised accordingly under No. 216038 in Journal No. 1894 on 12 July, 2000.
3. Notice of Opposition to the registration of the mark pursuant to Section 43 of the Act was filed on 9 October, 2000 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 16 January 2001 and evidence was, in due course, filed by the parties under Rules 20 and 21 of the Trade Marks Rules, 1996 (“the Rules”).
4. The matter became the subject of a Hearing before me, acting for the Controller, on 24 April, 2006. The parties were notified on 8 May, 2006 that I had decided to dismiss the opposition and to allow the application to proceed to registration. I now state the grounds of my decision and the materials used in arriving thereat.

## **Notice of Opposition**

5. In its Notice of Opposition the Opponent refers to its proprietorship of Trade Mark Registration No. 106730, NESTLE MILKY BAR, which is registered as of 12 January, 1981 in Class 30 in respect of “*non-medicated confectionary containing milk, being in bar form*”. It claims to have a very substantial reputation in Ireland under that mark and then raises objection to the present application under the following Sections of the Act:

- Section 10(2)(b) – *likelihood of confusion on the part of the public,*
- Section 10(3) – *use of mark would take unfair advantage of, or be detrimental to, distinctive character or reputation of Opponent’s mark,*
- Section 10(4)(a) – *use of mark liable to be prevented by virtue of law protecting unregistered trade mark,*
- Section 8(1)(b) – *mark devoid of any distinctive character,*
- Section 8(3)(b) – *mark of such a nature as to deceive,*
- Section 8(4)(a) – *use of mark prohibited by enactment or rule of law,*
- Section 8(4)(b) – *application for registration made in bad faith,*
- Sections 37(2) and 42(3) – *Applicant does not use or intend to use mark in relation to goods covered by application.*

## **Counter-Statement**

6. In its Counter-Statement the Applicant denies all of the grounds of opposition and admits only the Opponent’s proprietorship of Trade Mark Registration No. 106730, although it does not accept the validity of that registration or its relevance to the present proceedings.

## **The evidence**

### *Rule 20*

7. Evidence submitted by the Opponent under Rule 20 consisted of a Statutory Declaration (and Exhibits JPM1-JPM3), dated 23 July, 2002, of Sandrine Royer, Authorised Signatory of the Opponent. She says that the Opponent’s trade mark NESTLE MILKY BAR was used in Ireland as early as the 1950’s and that, since 1996, turnover in goods sold under the mark amounted to €16,347,765. Approximately €27,000 was spent on advertising goods sold under the mark in

the years 2001 and 2002. Advertisements of the goods feature “The MILKYBAR Kid” character and television advertisements include use of the “MILKYBAR Kid song”. Ms. Royer exhibits copies of sample product packaging, copy representations of point of sale promotional material and a video recording of some television advertisements.

*Rule 21*

8. Evidence submitted by the Applicant under Rule 21 consisted of –
  - a Statutory Declaration dated 16 October, 2002 of Dr. Wolfgang Erbslöh, Managing Director of the Applicant,
  - a Statutory Declaration (and Exhibits RJB1-RJB3) dated 24 January, 2003 of Roderick John Brodie, Professor of Marketing at the University of Auckland, New Zealand, and
  - a Statutory Declaration (and Exhibits EVC1 and EVC2) also dated 24 January, 2003 of Elizabeth Clare Veber, a librarian employed by Baldwin Shelston Waters, patent attorneys and solicitors, of Auckland, New Zealand.
  
9. Dr. Erbslöh’s Declaration consists almost entirely of expressions of opinion, which I do not regard as having any evidential value, and the only assertions that he makes as to matter of fact are that there are no less than 70 registrations in Class 30 in respect of marks containing the words MILK or MILKY and that such words are commonly used to describe the quality of smoothness and/or to indicate that milk is included as an ingredient in the relevant products.
  
10. Professor Brodie’s Declaration is in the nature of expert testimony as to the likely effect on the mind of the average consumer of the respective trade marks MILKBEARS and MILKY BAR. As to the former, he says that the consumer encountering it for the first time is likely to be more influenced by the “BEARS” component which, in marketing terms, is likely to play an important part in attracting and engaging children as customers for the relevant product. He suggests that the use of the word MILK in combination with BEARS may be seen to connote feelings of intimacy, simplicity and sweetness. He characterises MILKY BAR as a bland and unmemorable mark although he allows that the use

of the word MILKY has a degree of appeal for children, being a child-like descriptive word, which may also call to mind the milky way.

11. In her Declaration, Ms. Veber does not make any averments as to matters of fact but merely exhibits the results of internet searches which she conducted for “milk chocolate” together with an extract from the 1994 edition of *Chambers Encyclopaedic English Dictionary*, which includes a definition of “chocolate”.

*No evidence in reply*

12. The Opponent chose not to file any evidence in reply under Rule 22.

### **The hearing, issues for decision and preliminary matters**

13. At the hearing the Opponent was represented by Mr. Andrew Parkes, Trade Mark Agent of Tomkins & Co. and the Applicant by Mr. Shane Smyth, Trade Mark Agent of F. R. Kelly & Co. Mr. Parkes confined his submissions to the grounds of opposition raised under Section 8(1)(b), Section 8(3)(b) and Section 10, subsections (2), (3) and (4). In the absence of any evidence or argument in support of the other grounds of opposition, I am satisfied that it is in order to consider only those just mentioned and to simply dismiss the opposition based on the other grounds as unsubstantiated. I address each of the remaining grounds of opposition below but, before doing so, there are two preliminary matters that require brief mention.

### *Request for amendment of Notice of Opposition*

14. On 13 April, 2006, i.e., 5 working days before the hearing, the Opponent requested that the Notice of Opposition be amended under Rule 75 (*general power of amendment*) to reflect a change in interpretation of Section 10(3) of the Act since the filing of the Notice. At paragraph 3 of the Notice of Opposition, as filed, the Opponent claims that the application is objectionable under Section 10(3) of the Act, asserting that the mark for which the Applicant seeks protection is similar to its earlier registered trade mark No. 106730 and that the goods of the application are **not similar** to those for which its earlier trade mark is protected. That formula – similar marks, dissimilar goods – is consistent with the wording of Section 10(3). In its letter of 13 April, the Opponent refers to decisions of the

European Court of Justice (ECJ) in two cases, namely *Davidoff v Gofkid* [2003] ETMR 534 and *Adidas v Fitnessworld* [2004] ETMR 129, to the effect that the objection to registration under Section 10(3) applies also in the case of identical or similar goods. In light of those decisions, the Opponent requests leave to amend the Notice of Opposition so as to change the reference to the goods being “not similar” to read “identical, similar or not similar”. By letter dated 21 April in response, the Office indicated that the request for an amendment would be treated as a preliminary matter at the hearing, at which both sides would have the opportunity to make submissions on the matter.

15. At the hearing, Mr. Parkes contended that the requested amendment should be allowed on the basis that the Notice of Opposition included an objection under Section 10(3) of the Act and that the objection in question was expressed in the wording of the Section and in accordance with the law as it then stood. It was only fair, therefore, to permit the amendment and to allow the Opponent to pursue the objection on the basis of the Section as subsequently interpreted by the ECJ. Owing to the fact that the request for an amendment was raised later in the day, Mr. Smyth did not have instructions to consent to it but, to his credit, he did not oppose it, recognising, I believe, that the Opponent’s position was a reasonable one. In the circumstances, I indicated that I would allow the amendment and that the Opponent could pursue its objection under Section 10(3) on the basis also that the respective goods were identical or similar. I indicated also that I did not see any need for a corresponding amendment of the Counter-Statement, in which the Applicant said that it agreed with the Opponent’s assertion that the respective goods are not similar; the Counter-Statement included a specific rebuttal of the Opponent’s claim under Section 10(3) and the Applicant was at liberty to offer any argument that it wished to make in support of that rebuttal.

*Proposed reference to document not in evidence*

16. In its letter of 13 April, the Opponent stated that it proposed to refer at the hearing to a publication entitled *Checkout Ireland Yearbook and Buyers Guide, 1998* and, specifically, to page 110 thereof, a copy of which it enclosed with its letter. At the hearing, Mr. Smyth objected to this on the basis that it would constitute the admission of further evidence without sufficient reasons being given. Mr. Parkes

responded to the effect that the publication in question was not a publication of the Opponent but was an independently produced document that should be regarded as in the nature of a reference work, similar to a dictionary, and that it would be useful to me in understanding the category of confectionery products in which the Opponent's MILKY BAR range falls and how the brand is identified by the trade.

17. I took the view that the document in question was available to the Opponent at the time of the filing of its evidence and could have been included with that evidence if the Opponent regarded it as relevant. While the document itself is independent of the Opponent and its contents are, no doubt, objectively factual, it was intended to form the basis for an assertion or assertions of fact and its admission would amount to an admission of further evidence, for which sufficient grounds did not exist. On the basis of the principles enunciated by the English High Court (Laddie J) in *Hunt Wesson Inc.'s Trade Mark Application* [1996] RPC 233, as recently affirmed by Laffoy J in the High Court in the case of *Unilever PLC v The Controller of Patents, Designs and Trade Marks and Sunrider Corporation* (unreported), I refused leave to refer to the document and decided that the hearing would proceed on the basis of the evidence filed under Rules 20 and 21 and no more.

### **Decision on the substantive issues**

#### ***Section 8(1)(b) – is the mark devoid of any distinctive character***

18. Section 8(1)(b) of the Act prohibits the registration of marks that are devoid of any distinctive character. The distinctive character required of a mark in order to escape that prohibition has been stated by the ECJ to be that which enables it to perform its essential function of identifying the goods or services of its proprietor and distinguishing them from goods or services having a different origin<sup>1</sup>. At the hearing, Mr. Parkes argued that the present mark, MILKBEARS, does no more than describe in ordinary language certain goods that fall within the specification of goods contained in the application for registration, namely, bear-shaped milk chocolate treats. It is, therefore, a word that is perfectly apt to be used by any undertaking marketing such products and would not function to identify the

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<sup>1</sup> Koninklijke Philips Electronic NV and Remington Consumer Products Ltd. (Case C-299/99), paragraphs 30 and 47 of judgement dated 18 June, 2002

Applicant's goods alone and to distinguish them from those of the Applicant's competitors. In response, Mr. Smyth contended that the objection under Section 8(1)(b) did not even get off the ground as the Opponent had filed no evidence in support of it and that it should simply be dismissed as unproven and without the need for specific rebuttal on the part of the Applicant. In any event, he said, the objection was not sustainable as the Applicant's mark consists of an invented word formed by the combination of the words "milk" and "bears", which consumers would not expect to see used in relation to the goods of other traders and which other traders could not legitimately require to use in relation to their goods.

19. In considering this aspect of the case, I have first to decide whether the Opponent is entitled to press the objection under this Section even though it has filed no evidence in support of it. In this regard, it may be observed that, as a matter of general principle, the onus lies on the party bringing an objection to the registration of another's trade mark to establish, by evidence or argument, a *prima facie* case in support of each of its grounds of objection and, if it fails to do so in respect of any particular ground, then the onus does not pass to the Applicant to prove otherwise and the objection on that ground is liable to be dismissed summarily – see paragraph 13 above. It is the case, however, that certain grounds of objection are, by their nature, more apt to be sustained by argument rather than by evidence and I think it would be wrong to hold that an absence of evidence in support of a given ground of objection must necessarily lead to it being dismissed. Where, for example, the facts that must be taken into account in determining a particular ground of objection are matters of common knowledge of which the Controller may be expected to take judicial notice, then it would not be sensible to ignore the objection and hold against the Opponent simply because he had not gone to the trouble of adducing actual evidence to prove those facts. In my opinion, such an approach could not be justified and would only have the effect of prolonging opposition proceedings before the Office and increasing the costs associated with them.

20. In a case such as this, concerning an objection under Section 8(1)(b) against a mark that is to be registered in respect of goods that are sold to consumers

generally, I think it is fair to say that the facts that bear on my decision are matters that are commonly known and do not need to be proven by evidence filed by the Opponent. It is not the same, for example, as an objection under Section 10 of the Act made by an Opponent who claims to have established a reputation under an earlier trade mark; that is a claim that must be substantiated by relevant evidence and, if disputed by an Applicant, it cannot simply be assumed to be true by a hearing officer, regardless of his own knowledge and experience of the relevant market. Furthermore, even in the case of an objection that may proceed in the absence of specific evidence, care must be taken to ensure that only matters that are plainly in the public domain are taken into account and any tendency to give the benefit of the doubt to an Opponent must be strictly avoided. With that in mind, I turn to consider the Opponent's objection under Section 8(1)(b), which I regard as valid notwithstanding that it has not been supported by any evidence.

21. In view of the ECJ's assessment of what constitutes distinctive character in a trade mark, the question that falls to be considered in this case is whether the word MILKBEARS, if applied to any of the goods covered by this application, viz., *candy, chocolate, chocolate candies and pastries*, would function to identify the Applicant's goods and to distinguish them from the like goods having a different commercial origin. In considering that question, I have had regard to the fact (though not shown by evidence) that products of this description are sometimes produced in the shapes of animals and in other shapes, particularly in the case of products marketed towards young children. Offhand, I can think of chocolate mice, jelly babies, alphabet shapes and even chocolate buttons and bull's-eyes and no doubt there are many more examples. It might be thought that the average consumer, who may be assumed to be familiar with this practice, will simply regard the word MILKBEARS as designating the nature of the goods in question, i.e., bear-shaped milk chocolate sweets, and will not, as a consequence, be able to rely on it to identify the Applicant's goods alone and to distinguish them from those of its competitors. In my opinion, that would be a very mistaken conclusion. In the first place, I have no evidence to suggest that the production of milk chocolate sweets specifically in bear-shapes is a common practice among confectioners such that the average consumer would expect such products to emanate from a number of different sources. Secondly, and more importantly, the



word MILKBEARS is not at all a direct and obvious substitute for the descriptive term “bear-shaped milk chocolates”. The word makes no reference to chocolate at all and, to the extent that it refers to other aspects of the relevant goods, it does so by means of a covert allusion that on no account could be regarded as banal or commonplace. It is, in fact, a perfectly distinctive trade mark that evokes a concept of bears composed or milk or, perhaps, bears that like to drink milk. It is essentially a fanciful concept and is certainly sufficiently novel to impress itself upon the mind of the average consumer of the relevant goods in a lasting manner. I have no doubt but that the average consumer who was once exposed to the trade mark MILKBEARS, even if used in relation to bear-shaped milk chocolates, would readily recognise the mark on a subsequent occasion of purchase and rely on it to know that the goods so marked were one and the same as those that he had previously seen offered for sale under that name. It follows that I do not agree with the Opponent’s assertion that the trade mark is devoid of any distinctive character and I dismiss the objection under Section 8(1)(b) accordingly.

***Section 8(3)(b) – is the mark deceptive in nature?***

22. Section 8(3)(b) of the Act provides that “*a trade mark shall not be registered if it is of such a nature as to deceive the public, for instance as to the nature, quality or geographical origin of the goods or service (sic)*” in respect of which registration is sought. The argument made at the hearing on this point by Mr. Parkes on behalf of the Opponent was posed in the alternative to his argument on the Section 8(1)(b) objection. So, while he had argued that the mark was descriptive of the nature of the goods to the extent that the specification of goods covered by the application could be seen as including bear-shaped milk chocolates, he asserted that it was deceptive as to the nature of the goods to the extent that the specification covered other products, i.e., goods not being made of milk chocolate and not being presented in the shape of a bear. Mr. Smyth again responded to the effect that the ground of objection had not been supported by any evidence and should be dismissed accordingly. He also asserted that no deception would arise from the use of the mark as the consumer would not necessarily expect the product to have characteristics that may be suggested by the name any more than the names of other chocolate confectionery products such as PENGUIN

and LION bars are taken to signify anything about the nature of the products themselves.

23. On the question of whether the ground of objection may be regarded as validly pressed in the absence of any evidence, I take the same view as I did in relation to the Section 8(1)(b) objection. In the present case, an objection under Section 8(3)(b) is capable of being adequately amplified by argument and there is no real need for evidence on the point. I am asked, in essence, to consider the likely effect of the use of the mark put forward for registration on goods within the specification of the application but not including bear-shaped milk chocolates and, specifically, whether that is likely to result in deception owing to the nature of the mark. I can address that question on the basis of my own knowledge and experience and it is difficult to imagine what, if any, evidence could be adduced that would assist the enquiry to any appreciable extent.

24. As to the substance of the objection, I am satisfied that it is without merit. To suggest that the word MILKBEARS is deceptive if used in relation to goods that do not contain milk chocolate and are not bear-shaped is to equate the word with the purely descriptive term “bear-shaped milk chocolates”. I have already indicated that I do not accept that the word is susceptible of use as a direct substitute for that term. Given that there is no such thing as a “milkbear”, I fail to see how the present mark could be found to be deceptive in nature as there can be no expectation on the part of the average consumer that the product will be that which it is named. As to Mr. Parkes’ suggestion that consumers will assume from the name that the product so marked consists of bear-shaped milk chocolates and will feel that they have been deceived if and when that turns out not to be the case, I can only say that to refuse registration on that basis would be to construe Section 8(3)(b) in a manner that I regard as inconsistent with its essential purpose. The Section is about keeping inherently deceptive marks off the Register in the public interest and whether or not a mark is deceptive must be determined objectively, having regard to its own nature and not to a somewhat tenuous inference that may or may not be drawn by some consumers (but not, I would suggest, by most). As I have already stated, the trade mark MILKBEARS conveys a concept that is fanciful in nature and does not, on an ordinary reading, designate any particular

characteristic of the relevant goods. It cannot, therefore, deceive consumers as to any such characteristic and it is not precluded from registration by Section 8(3)(b) of the Act.

***Section 10(2) – is there a likelihood of confusion on the part of the public?***

25. The relevant part of Section 10(2) of the Act, insofar as the present application is concerned, reads as follows:

*“A trade mark shall not be registered if because –*

*(a).....*

*(b) it is similar to an earlier trade mark and would be registered for goods ..... 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 of the later trade mark with the earlier trade mark.”*

26. For this ground of opposition, the Opponent relies on its registered trade mark No. 106730, NESTLE MILKY BAR. As noted above, that mark is registered since 1981 and is, therefore, an earlier trade mark as against the present application for registration. It is registered in respect of goods in Class 30, namely, *non-medicated confectionery containing milk, being in bar form*, which fall within the specification of goods of the present application so that the requirement for identity or similarity of goods is also satisfied. The questions to be decided are, therefore, whether the mark that the Applicant seeks to have registered is similar to the Opponent’s earlier trade mark and, if so, whether there is a resultant likelihood of confusion on the part of the public.

27. As to the first of these matters, it is established that a global appreciation of the visual, aural and conceptual similarity between trade marks must be based on the overall impression created by the marks, bearing in mind, in particular, their distinctive and dominant components<sup>2</sup>. In the present case, I think it is obvious

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<sup>2</sup> ECJ in *Sabel BV v Puma AG and Rudolf Dassler Sport* (Case C-251/95), paragraph 23 of judgement dated 11 November, 1997

that the distinctive and dominant component of the Opponent's earlier trade mark, NESTLE MILKY BAR, is the word NESTLE. Apart from the fact that MILKY BAR is plainly descriptive of the goods of the Opponent's registration (a bar of milk confectionery) and therefore possesses a low level of inherent distinctiveness, the fact is that the word NESTLE identifies the Opponent and is the word within its trade mark that directly informs the consumer of the origin of the marked goods.

28. At the hearing, Mr. Parkes sought to persuade me that the manner in which the Opponent has used its registered trade mark had served to emphasise the importance of the name MILKY BAR and to separate it from the NESTLE element in terms of the identity of the relevant products. So, for example, he pointed out that NESTLE is usually presented in a different typeface and font size to that of MILKY BAR and that the two elements are often orientated differently, one vertically and the other horizontally, on the packaging of the goods. That was important, said Mr. Parkes, because, in assessing the distinctive character of the Opponent's mark for the purpose of making a global assessment of the likelihood of confusion, regard must be had to both its inherent distinctiveness and the distinctiveness that it has acquired through use. I understood him to argue that I should pay particular attention to the MILKY BAR element of the Opponent's mark in comparing it with the Applicant's MILKBEARS because, in use, that is the name by which the Opponent's goods are known and it has, therefore, become the more distinctive component of the Opponent's earlier trade mark.

29. In my opinion, that argument cannot succeed as regards the objection to registration under Section 10(2). The protection given by that Section is to the Opponent's "earlier trade mark" within the meaning of Section 11, i.e., registration No. 106730, NESTLE MILKY BAR, and it is with that mark in its entirety that the Applicant's mark must be compared for the purpose of determining whether confusion is likely. While there is no doubt but that the use that has been made of the earlier mark determines its factual distinctiveness and that the extent of its distinctiveness is a factor to be considered when assessing likelihood of confusion, that assessment must still be made on the basis of a comparison between the sign propounded for registration and the earlier trade

mark itself, i.e., the mark as registered. The manner in which the Opponent has used the registered trade mark cannot form the basis for an argument that the inherently distinctive element of that trade mark should somehow be overlooked when the comparison is made between it and the opposed mark, simply because it has not been used as prominently as the other element. To adopt that approach would be to effectively treat MILKY BAR on its own as a registered trade mark, capable of forming the basis for an objection to registration under Section 10(2), which it is not. For this reason, I am satisfied that the comparison that must be made for the purposes of Section 10(2) is between MILKBEARS on the one hand and NESTLE MILKY BAR on the other and, as regards the latter, the main distinctive feature is the word NESTLE.

30. That word is not, of course, to be found in the Applicant's mark and nor does the mark contain any word like it. The Applicant's mark is a single-word mark and the distinctive feature of it, in my opinion, is the concept which that word evokes. As I have already noted, that concept is entirely fanciful and sufficiently striking and memorable to enable the mark to perform its essential function. The earlier mark, on the other hand, consists of three words, one of which names the Opponent, while the other two convey the simple message of a bar that is milky. As regards the dominant and distinctive features of the respective marks, there is no similarity between the word NESTLE and the concept of "milkbears". Furthermore, the Applicant's mark is plural and the Opponent's singular, creating a still greater distinction between them as regards conceptual significance.

31. Of course, there are some visual and aural similarities between the respective marks arising from the occurrence in both of the word MILK (albeit as MILKY in the Opponent's mark) and also because of the similarities between BEAR and BAR but, on an overall assessment, these are of very minor significance. In my opinion, the most that can be said is that they are sufficient only to cause a similarity between the marks that may be regarded as above the level of *de minimis*. They are certainly not sufficient to displace the effect of the very significant differences between the marks and, while I would not say that the marks are so dissimilar that the objection under Section 10(2) cannot apply, I

propose to treat them as only slightly similar for the purposes of the assessment of likelihood of confusion.

32. In making that assessment, I have had regard to the decision of the ECJ dated 22 June, 1999 in the case of *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* (Case C-342/97) and to the criteria set out at paragraphs 17-27 thereof. Shortly stated, those criteria are that the likelihood of confusion must be appreciated globally, having regard to all of the relevant factors, including the degree of similarity between the respective marks and the respective goods, the distinctiveness of the earlier mark and the likely perceptions of the average consumer of the relevant category of goods, who is to be regarded as reasonably observant and circumspect but who will rarely have the opportunity to make a direct comparison between the marks and must rely on the imperfect picture of them that he keeps in his mind.
33. Applying those criteria to the present case, it can be said that the comparison is between only slightly similar marks used in relation to identical or similar goods, which goods are of low value and are purchased by consumers generally, primarily by reference to brand name and without the application of very serious consideration to the purchase decision. As regards this latter aspect, Mr. Parkes pointed out that the Opponent's goods are aimed at very young children<sup>3</sup> and that such consumers may be particularly apt to confuse the respective marks as their literary skills would not be fully developed, if at all. Mr. Smyth replied to this argument to the effect that children may be expected to be particularly brand aware and discerning in the selection and purchase of confectionery products, thus lessening any likelihood of confusion.
34. In my estimation, it is reasonable to regard children as constituting the greater proportion of customers for the goods marketed under the respective marks and to consider the average child as the average consumer, for the purposes of the assessment of likelihood of confusion. I would not go so far, however, as to hold that the average consumer should be taken to be a very young child who has yet to

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<sup>3</sup> the material exhibited with the Opponent's evidence demonstrates this

learn how to read and who may not be expected to discern the differences between the respective marks when perceived visually. It seems to me that a child of that stage of development is unlikely to engage in the purchase of the relevant goods without some assistance from a parent or other adult and to pose the question of whether confusion is likely when looked at solely from the perspective of such a child would be to engage in an unrealistic enquiry. In any event, even very young children may be expected to know whether they want MILKBEARS or a MILKY BAR (even if the NESTLE name is set aside) and the occurrence in each of those marks of similar character strings would be of no significance whatsoever to a child who has yet to learn the alphabet.

35. So, assuming the average consumer to be the average child of reading age who is reasonably observant and circumspect, what is the likelihood that he will be confused by the simultaneous use by unrelated undertakings of the respective trade marks NESTLE MILKY BAR and MILKBEARS in relation to low cost confectionery products? In my opinion, it is negligible. The appearances of those marks and the messages conveyed by them are so different as to render it highly unlikely that a child of average intelligence, exercising even minimal care, would think that there is any relationship between the respective products. I am fortified in that belief by the Applicant's evidence to the effect that there are already a significant number of marks containing the word MILK or MILKY on the Register within Class 30, which, although fairly criticised by Mr. Parkes at the hearing, establishes at the least that different marks containing those words can co-exist on the Register. As regards goods of this nature, I think there can be no doubt but that such marks can also co-exist in the marketplace without confusion.

36. For the reasons that I have indicated, I do not think it likely that there would be any confusion on the part of the public as between these marks and I dismiss the opposition under Section 10(2) accordingly. Before leaving the point, I wish to refer briefly to a submission made by Mr. Parkes at the hearing and based on the decision dated 23 October, 2002 of the Court of First Instance of the European Communities (Fourth Chamber) in the case of *Matratzen Concord GmbH v Office for Harmonisation in the Internal Market (Trade Marks and Designs) and Hukla Germany SA*. In that case, the Court recognised that a complex trade mark, i.e.,

one containing several elements, may be regarded as similar to another trade mark which is identical or similar to one of the components of the complex trade mark if the component in question forms the dominant element within the overall impression created by the complex mark. It was suggested at the hearing that this was authority for finding confusing similarity between the present marks on the basis that the Applicant's mark is very similar to the MILKY BAR element of the Opponent's complex mark. I reject that submission for the reason that I have already stated, *viz.*, I do not accept that "MILKY BAR" forms the dominant element within the overall impression created by the Opponent's mark. If anything, the *MATRATZEN* decision supports that finding as the Court observes, at paragraph 41 of its decision, that "*... an element of a complex trade mark which is descriptive of the goods covered by that mark cannot, in principle, be considered to be the dominant element of the latter*".

***Section 10(3) – will the Applicant's use of the mark take unfair advantage of, or be detrimental to, the distinctive character or reputation of the Opponent's mark?***

37. Section 10(3) of the Act provides as follows:

*"A trade mark which –*

*(a) is identical with or similar to an earlier trade mark, and*

*(b) is to be registered for goods or services which are not similar to those for which the earlier trade mark is protected,*

*shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the State (or, in the case of a Community trade mark, in the Community) and the use of the later trade mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or reputation of the earlier trade mark.*

38. As mentioned in paragraphs 14 and 15 above, it has now been established that the prohibition against registration contained in this Section, notwithstanding its wording, applies equally in the case of identical or similar goods and the Opponent presses its objection under the Section on that basis. To sustain that objection, the Opponent must first establish that its earlier mark has the requisite reputation and the starting point for the enquiry is, therefore, the Opponent's



evidence, being the Statutory Declaration of Ms. Royer filed under Rule 20. That Declaration contains averments as to the period of use of the Opponent's registered trade mark NESTLE MILKY BAR, the extent of sales of products under that mark and the extent of advertising and promotion undertaken by reference to it. The Opponent has adduced no independent evidence of the fame or notoriety of its trade mark in the way of consumer surveys, statements from persons in the trade or references to the mark in trade publications or academic works. In essence, the Opponent asks me to infer that, because it has been using its trade mark since the 1950's and because it has achieved substantial sales under it, the mark has acquired the broad reputation that Section 10(3) seeks to protect. Not surprisingly, that proposition was attacked by Mr. Smyth at the hearing who pointed to the paucity of evidence put in by the Opponent and asserted that, in any event, no potential damage to the Opponent's claimed reputation could be established. I think that I need do no more than record that I agree entirely with that submission. As indicated in paragraph 20 above, the onus lies on the Opponent to substantiate its claim under Section 10(3) of the Act and, in view of its failure to do so, I dismiss the objection under that Section without further ado.

***Section 10(4) – is the use of the mark by the Applicant liable to be prevented by virtue of the law of passing off?***

39. The relevant part of Section 10(4) of the Act, as far as the present opposition is concerned, reads as follows:

*“A trade mark shall not be registered if, or to the extent that, its use in the State 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,”*

40. The Opponent's claim under this section, as articulated by Mr. Parkes at the hearing, is that, by virtue of its use over many years of the unregistered trade mark MILKY BAR in relation to a range of confectionery products, the Opponent has acquired a goodwill in that name such that it could prevent the use by the Applicant of the similar name MILKBEARS in relation to the same category of

goods by means of an action for passing-off. In response, Mr. Smyth asserted that the Opponent's evidence was to the effect that it had sold goods under its registered trade mark, NESTLE MILKY BAR, and that there was no evidence of a separate reputation under the name MILKY BAR, *per se*. He also reiterated his assertion that the respective trade marks are sufficiently different to avoid any confusion of the public so that the Opponent would not suffer any damage from the Applicant's use of its trade mark.

41. I am satisfied that the determination of the objection under this Section requires consideration of whether, on 11 November, 1999 (the relevant date), the Opponent would have been able to establish the basic elements required to be shown to ground an action for passing-off if the Applicant had used the mark propounded for registration as a trade mark for any goods covered by the application. That follows from the reference in the Section to the use of the mark being "*liable to be prevented*". Adopting the test as enunciated by Lord Oliver in the House of Lords in *Reckitt & Colman Products Ltd. v Borden Inc . & Ors.* [1990] RPC 406, and expressing it in the terms of this case, the questions to be considered may be put in the following terms:

- (i) *Did the Opponent have a goodwill or reputation attached to goods which it supplied by association in the mind of the purchasing public with the name MILKY BAR?*
- (ii) *If so, would the sale by the Applicant under the name MILKBEARS of any goods covered by the application for registration have constituted a misrepresentation leading or likely to lead the public to believe that those goods were the goods of the Opponent?*
- (iii) *If so, would the Opponent have suffered damage by reason of that erroneous belief?*

42. As to the first of these matters, Mr. Smyth was correct to point out that Ms. Royer gave evidence only of the use of the Opponent's registered trade mark NESTLE

MILKY BAR and that there is no direct evidence of the sale of products by the Opponent under the trade mark MILKY BAR alone and certainly no evidence as to the extent or volume of any such sales. Nevertheless, I agree with the submission made by Mr. Parkes that the exhibits to Ms. Royer's Statutory Declaration show that the registered trade mark has been used in such a way as to separate the respective elements NESTLE and MILKY BAR such that the latter can fairly be said to have been used as an independent trade mark and I accept that it constitutes an unregistered trade mark for the purposes of Section 10(4) of the Act. I also accept that a range of confectionery items have been sold under that mark over and above milk confectionery in bar form, being the sole item in respect of which the registered trade mark is protected. Taken in its totality, I accept Ms. Royer's evidence as establishing sufficient use of the unregistered trade mark MILKY BAR over a prolonged period of time such that the purchasing public would have associated that mark with goods supplied by the Opponent. That being the case, the Opponent may be regarded as having had the requisite goodwill or reputation under that mark as of the relevant date.

43. Whether, in those circumstances, the sale by the Applicant of candies, chocolates, etc. under the name MILKBEARS would have constituted a misrepresentation leading the public to believe that the goods in question were those of the Opponent requires consideration of whether the relevant public would be likely to confuse the respective marks MILKY BAR and MILKBEARS. I have already identified the factors to be taken into account in determining that question in the context of the comparison between the Opponent's registered trade mark NESTLE MILKY BAR and the Applicant's MILKBEARS and I do not need to repeat those here. I find it sufficient to say that I do not regard it as likely that consumers, even those who are not particularly perspicacious, would confuse the mark MILKBEARS, if used in a normal and fair manner, with the Opponent's MILKY BAR. The assumption of normal and fair use of the Applicant's mark is important as the judgement that I have to make is not, of course, the same as would be faced by the Court in the context of an actual action for passing-off. In such a case, the matter would depend entirely on the particular facts, including, in particular, whether the word was used in a type face and font size that were imitative of the Opponent's trade mark and whether other identifying insignia or get-up were also

copied. For my purposes, I must confine myself to the single question of whether MILKBEARS is sufficiently similar to MILKY BAR as to lead to confusion between the respective goods, regardless of other factors. I am satisfied that it is not. Despite having seven of eight letters in common and despite the fact that those letters are identically arranged within the respective marks, nevertheless, the two marks convey entirely different notions and the concept conveyed by the Applicant's mark is particularly distinctive and sufficiently striking, in my opinion, to obviate the likelihood of confusion. Nor is the Opponent's case helped greatly by the fact that both marks refer to milk; that word is descriptive of a quality of the relevant goods and is common to the trade so that it could not realistically be relied upon in support of an action for passing-off. In my view, the matter would turn upon whether, judged on their distinctive as opposed to descriptive elements, the marks were confusingly similar and, on that assessment, I think it is clear that they are not.

44. In light of that finding, I must conclude that the use by the Applicant of the mark propounded for registration would not have been liable to be prevented by virtue of the law of passing off as of the relevant date and I dismiss the opposition under Section 10(4) accordingly.

### **Conclusion**

45. The opposition has failed on every ground and the mark may proceed to registration.

Tim Cleary  
Acting for the Controller

9 June, 2006