

O-321-11

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION 2534359  
BY NEVID AHMED AND SONER KANAL TO REGISTER THE TRADE MARK**



**IN CLASSES 29, 30 & 32**

**AND IN THE MATTER OF OPPOSITION  
THERE TO UNDER NO 100452  
BY MILK LINK LTD**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF Application No 2534359  
by Nevid Ahmed & Soner Kanal to register the trade mark**



**and**

**IN THE MATTER OF opposition thereto under No 100452 by Milk Link Ltd**

**BACKGROUND AND PLEADINGS**

1. On 15<sup>th</sup> December 2009, Nevid Ahmed and Soner Kanal, both of 22 New Road, Ascot, SL5 8QQ (hereafter, "A & K") applied to register the above mark for the following goods:

**Class 29:**

Beverages made from milk.


**Class 30:**

Chocolate beverages containing milk.

**Class 32:**

Soft drinks.

2. The application was allocated number 2534359 and was published in the Trade Marks Journal on 29<sup>th</sup> January 2010, and on 29<sup>th</sup> April 2010 Milk Link Ltd of 3120 Great Western Court, Hunts Ground Road, Stoke Gifford, Bristol BS34 8HP (hereafter, "ML") lodged an opposition against the goods specified in classes 29 and 30 only.
3. ML has opposed on the basis of section 5(2)(b), citing the following earlier marks:

Mark. Filing and registration dates	Goods and services relied upon under section 5(2)(b)
<p>2348236 ('236)</p>  <p>8<sup>th</sup> November 2003 6<sup>th</sup> June 2008</p>	<p>Class 29 Milk and milk products</p>
<p>2366460 ('460)</p> <p><b>MOO</b></p> <p><b>Moo</b></p> <p><b>moo</b></p> <p>23<sup>rd</sup> June 2004 6<sup>th</sup> June 2008</p>	<p>Class 29 Milk and milk products, yogurt, flavoured yogurt, drinks flavoured with chocolate having a milk base, frozen milk and milk products, organic milk, organic milk products, organic yogurt and yogurt products, organic frozen milk and milk products.</p>

2367462 ('462)

MOO MILK

MOO milk

Moo milk

moo milk

6<sup>th</sup> July 2004

6<sup>th</sup> June 2008

Class 29

Milk and milk products, yogurt, flavoured yogurt, drinks flavoured with chocolate having a milk base, frozen milk and milk products, organic milk, organic milk products, organic yogurt and yogurt products, organic frozen milk and milk products

2391356 ('356)



Class 29

Long life milk

10<sup>th</sup> May 2005

13<sup>th</sup> June 2008

2391710 ('710)



Class 29

Organic milk

12 <sup>th</sup> May 2005 15 <sup>th</sup> August 2008	
---	--

4. ML has also opposed on the basis of Section 5(3), claiming a reputation in the above marks and says the applicant is taking unfair advantage of this reputation which would lead to dilution of its earlier marks. The result of A & K's use of its mark will be loss of sales of ML's drinks as these sales will be diverted to A & K, causing potential damage to ML's reputation and goodwill in its brands.
5. Finally, ML has opposed on the basis of Section 5(4)(a), saying it has built up a substantial goodwill and reputation with the public, trade and food services sector in the signs, MOO, cow device and 'MINI MOO' brands. As regards the MOO and cow device signs, these were first used in 2004 throughout the UK in connection with milk and milk related products, including organic milk, long life milk, flavoured milk, milk shakes and cream. Such usage is in respect of packaging, the opponent's websites and in advertising and publicity material.
6. As regards the 'MINI MOO' sign, this has been used since 2005 to sell its flavoured milk drinks aimed specifically at children.
7. ML say the 'Mooch' element of the applicant's mark is a contraction of 'Moo' and the 'ch' of chocolate milk, the inclusion of the cow device enhancing the visual impression. The applicant's mark includes ML's distinctive mark 'MOO' in its entirety. ML say further that the 'Moo' 'element' of 'Mooch' comprises the distinctive, dominant element in the applicant's mark which is 'drawn out' by the presence of the device of a cow immediately above it and the fact that the letters forming 'Moo' are smaller than those forming the letters 'ch'.
8. A & K filed a counterstatement denying the grounds of opposition. They put ML to proof of any reputation or goodwill in any of ML's marks or the sign 'MINI MOO'. They say all the marks and signs are dissimilar to their application and there would be no likelihood of confusion. Under section 5(3) they deny each and every requirement in that section, specifically that use by them would be use 'without due cause' and that such use would take unfair advantage or be detrimental to the reputations of ML's trade marks. Under section 5(4), they deny that use of their mark would constitute a material

misrepresentation liable to damage any goodwill (the existence of which itself is denied) in 'MINI MOO', and thus such use would not be liable to be prevented by the law of passing off.

9. Evidence of fact was filed by both parties which insofar as it is relevant I shall summarise below. Submissions were also filed by both parties which I shall also take into account. No hearing was requested by either party and so I give my decision based upon a careful reading of the papers.

### **Opponent's evidence**

10. This takes the form of a witness statement dated 8<sup>th</sup> October 2010 from Karen Young who is Company Secretary for ML. She explains that ML is entirely owned by British dairy farmers and supplies all major food retailers, food processors and food service organisations and also manufactures a wide range of dairy products including, long life milk and creams, extended shelf life (ESL) products, flavoured milks, custards, milk powders, soft cheeses and cultured ingredients. The profits generated by the business are returned to the farmer members. ML was formed in 2000 and employs around 1,200 people at 8 processing and packaging facilities. From April 2009 – March 2010 it generated a turnover of £550m.
11. In January 2004 ML launched a new brand called 'MOO'. The initial launch between January and October 2004 was of 1-litre cartons of MOO skimmed, semi-skimmed and whole long life milk. Sales in this period totalled 871,668 litres to customers in locations across the UK, including supermarkets such as WAITROSE, SAINSBURY'S, SOMERFIELD and KWIK SAVE. In addition to its existing MOO products, between November 2004 - May 2005, ML trialled 1-litre cartons of Brazilian Cappuccino flavoured semi-skimmed milk but decided not to persevere with this line. In this period sales of all MOO products totalled 792,228 litres.
12. In July 2005 the MOO range was significantly expanded by the introduction of 1-litre cartons of organic semi-skimmed and skimmed long-life milk, and 200ml cartons of semi-skimmed, strawberry ripple, banana split and toffee banoffee flavoured long-life milk which are sub-branded as 'MINI-MOOS', on account of their smaller size of packaging and because the product is targeted primarily at children.
13. At this time, or shortly thereafter, MINI-MOOS were sold into supermarkets such as MORRISONS, TESCO, SAINSBURY'S and WAITROSE as well as to companies such as VENDING NUTRITIONALS and COCA-COLA BOTTLEERS (ULSTER) LTD who retail the products through vending machines in the UK, including Northern Ireland.

14. The banana split MINI-MOO was repackaged in April 2006 as banana, and the strawberry ripple as strawberry. A 200ml chocolate flavour was added in November 2006. From August 2007 chocolate and strawberry flavoured long life milks were trialled in SAINBURY'S in 1-litre cartons but were delisted in February 2008.
15. In July 2008, ML launched 'MOO ONE %', a long life milk with 1% fat, sold in 1-litre cartons and listed by SAINBURY'S , TESCO and WAITROSE.
16. Total sales of products in the MOO range between January 2004 – 31<sup>st</sup> October 2006 were 5,810,657 litres, being a turnover of approximately £5 million.
17. Sales between December 2006 – August 2008 were 6,099,112 litres with an approximate turnover of £3.77 million. Between April 2009 – March 2010, sales were 4,707,801 litres and a turnover of £3.3 million. MOO is ML's most important brand and is sold to this day.
18. All products in the MOO range would have had the MOO word and cow logo prominently displayed on the packaging from the date they were launched. The artwork is exhibited on the various types of product. The current packaging for MINI-MOO products is also exhibited and is plainly aimed at children but which still contains the Moo word plus cow logo. The words 'MINI-MOO' are not however to be seen on the packaging at all. The website [www.moomilk.co.uk](http://www.moomilk.co.uk) is however displayed on the packaging for the MINI-MOO products, along with many jokey references such as "It's udderly Mootricious" and "Brimming with udder goodness". Packaging for the products intended for older people also contain many jokey puns such as "Mootrition", "Enjoy Moo" and "Look after Moo".
19. In terms of promotion, ML has a website, as I have said, with a section aimed at children, including recipes. The word 'Moo' with the cow logo predominates the site along with the word 'milk'. In August 2004 the brand MOO was printed on the rear dome of milk tankers and now a number of fully painted MOO tankers operate. These are based in Devon and Somerset, delivering product elsewhere in Devon and Dumfries.
20. The total marketing spend (excluding website) for the period April 2005 – 31<sup>st</sup> October 2006 was £158,496. Since December 2006, ML has produced promotional merchandise including: stickers, coupons, letter heads, press packs, recipe books, T-shirts and so forth. These items were distributed to the public at agricultural shows such as the Royal Cornwall Show and Devon County Show as well as sent to people who had contacted the MOO marketing team.

21. Promotional activity since November 2006 includes advertisements in EVERY CHILD magazine, pull- along trolley, banners, video, MINI MOO toy tankers (the photo is indistinct and it is not clear the sign MINI-MOO is used), local promotions and attendances at shows such as the Local Authority Caterers Association in July 2008 and the Soil Association Organic Food Festival in Bristol in 2008.
22. As well as this there are continuing promotions (eg, Save 25%) at supermarkets including, SAINSBURY'S, WAITROSE and TESCO.
23. The marketing spend for December 2006 – August 2008 is put at £502,721 and for the period April 2008- March 2009, £140,000.

### **Applicant's evidence**

24. This takes the form of a witness statement dated 7<sup>th</sup> January 2011 by Nevid Ahmed, one of the directors and shareholders of Navson Ltd ("Navson"), who distribute products bearing the mark MOOCH Chocolate Milk plus device.
25. Page 01 of Exhibit NA1 shows the use made of their mark in the market place. This shows three coloured versions of the mark, the subject of the application, being green, brown (being the colour in which the application is made) and purple. In all cases the mark is in the form filed in the application and the product being packaged is chocolate milk, but in mint, original and hazelnut flavours. The product is also canned in 250ml cans, unlike ML's products which are contained in cartons.
26. The product was launched in April 2009 and since launch Navson has sold over 500,000 units across the UK. Existing customers include BESTWAY CASH AND CARRY, one of the largest cash & carries in the UK. They also include some of the largest forecourts in the UK including, BP, SHELL and ESSO. The product is also sold to retailers such as NISA and COSTCUTTERS.
27. Page 02 of Exhibit NA1 is a copy screen shot from the Department of Environment, Food and Rural Affairs website which shows, says Mr Ahmed, that the size of the milk market in the UK is huge. In fact, 1.6 litres of milk is consumed per person per week in 2007. Provisional figures for UK milk production are put at 12,858 million litres for 2008/09, with 6,690 million litres destined for the liquid milk market, the remainder going into products such as, butter, cheese and yoghurt. In relative terms, says Mr Ahmed, the sales shown by ML do not amount to substantial sales at all and do not show a large market share.



28. Mr Ahmed concludes by saying that no confusion has taken place in the market place and that he believes his product is clearly different from that of ML.

## **DECISION**

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

29. The opposition is, firstly, founded upon Section 5(2) (b) of the Act. This reads:

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

(a).....

(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.”

30. All ML’s marks constitute earlier trade marks in accordance with Section 6(1)(a) of the Act. Additionally, none are subject to proof of use requirements.

31. In terms of which of ML’s earlier marks may provide it with its best case, plainly the specifications of ‘236, ‘460 and ‘462 are broadest. The coverage of these three specifications is also the same. As regards the marks themselves, my findings will provide for both the device mark, ‘236, as well as the word mark, ‘460. I should say that my overall finding would be the same for either the device or word marks, but since the device mark contains an additional element (being the device of a cow), it is important in this case to consider each of ‘236, and ‘460 individually and separately.

32. In my consideration of a likelihood of confusion, I take into account the guidance from the settled case law provided by the Court of Justice of the European Union (“CJEU”) in *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v Adidas AG & Adidas Benelux BV* [2000] E.T.M.R. 723, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH* C-120/04 and *Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) C-334/05 P* (LIMONCELLO). It is clear from these cases that:

- (a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors;
- (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, in certain circumstances, be dominated by one or more of its components;
- (f) and beyond the usual case, where the overall impression created by a mark depends heavily on the dominant features of the mark, it is quite 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 causes the public to wrongly believe that the respective goods [or services] come from the same or economically-linked undertakings, there is a likelihood of confusion.

### ***The average consumer and nature of the purchase***

33. The average end consumer for both parties' products, in a notional sense, will be the milk and dairy products buying general public. The average consumers for the respective marks will thus be identical.
34. Milk and dairy products are an essential everyday commodity, selected mostly by visual selection. Such products can be delivered to the doorstep or bought from a supermarket or smaller retail outlet. Given their nutritional nature, almost every corner shop, newsagent or garage forecourt will stock such products. It is unlikely then that these products will be selected with a large degree of circumspection.
35. These observations will necessarily be factored into my overall assessment in due course.

### ***Comparison of marks***

36. The case law makes it clear I must undertake a full comparison (taking account of visual, phonetic and conceptual similarities and dissimilarities), from the perspective of the average consumer. Marks need to be considered in their totalities and overall impression (see authorities (c), (e) and (f) above in para 32), taking account of distinctive and dominant elements.

**'236**

#### **Visual comparison**

37. ML's device mark '236' comprises the single three letter word 'moo'. The script is not especially stylised, although the 'm' has clean lines. The word 'moo' is set against the background of the device of the silhouette of a complete cow. This device is stylised, having a rectangular and side on perspective. It is plainly recognisable as a cow, even without the word 'moo' offering any clue, as, for example, the udder is clearly visible.
38. A & K's mark comprises the word 'mooch', the 'm' of which is slightly larger than the double 'o'. The letters 'ch' are also slightly larger than the double 'o'. Other than the lettering size, there is however no other form of separation between the letters. The double 'o' forms the nostrils of a device of a cow, which appears above the word 'mooch'. Although stylised and somewhat minimalist, it is likely it would be perceived as a cow's head, given the overall visual context, that is, above the word 'mooch' with the words 'chocolate milk'

appearing below the word 'mooch' in different script. The mark is also in the colour of dark brown.

39. Recognising the similarities and dissimilarities in the respective marks, I find that the respective marks are visually similar to a moderate degree, the points of commonality being the letters m-o-o and, although the devices of the cows are different in form they are both recognisably, and in their overall visual context, minimalist devices of cows.

### **Phonetic comparison**

40. ML's mark will be pronounced, simply, "moo". A & K's mark will be pronounced "moo -tch", or even, "moosh". It is unlikely the descriptive words 'chocolate milk' will be enunciated. It certainly would not be fair to say the 'ch' would not be enunciated, or would be otherwise inaudible. Recognising the similarities and dissimilarities I find the respective marks are aurally similar to a moderate degree.

### **Conceptual comparison**

41. By conceptual similarity, it is meant 'semantic' conceptual similarity. Unsurprisingly, it is the conceptual comparison in this case which most polarises the parties.
42. According to A & K, the word 'mooch' has a known meaning which is 'to behave in a leisurely way'. The word 'moo' also has a readily recognisable 'meaning', or at least is instantly recognisable as the sound a cow makes. These verbal elements comprise distinctive and dominant elements in the respective marks, and given these different meanings, then, A & K reasons, the respective marks *must*, de facto, be conceptually different.
43. ML argues the 'mooch' 'element' of A & K's mark possesses within it, as an 'independent element', the word within a word, 'moo'. Moreover, that it is this element that dominates the mark as a whole. This argument is based on the fact that the lettering of the word 'mooch' varies in size; the 'm' and the 'ch' being larger and thus creating a division between 'moo' and 'ch', each comprising separate elements. It is also based on the contraction argument to the effect that the letters 'ch' could designate or be an abbreviation for the descriptive term, 'chocolate'.
44. ML's argument strikes me as being over-analytical and artificial. I have already commented on the everyday nature of these products involved and the correspondingly low levels of attention paid in their purchase. Case law is emphatic that consumers perceive marks as wholes and do not proceed to analyse their particular details. Accordingly, I do not see the average consumer as seeing two 'elements' in A & K's word 'mooch'. There are no

gaps between the lettering of 'mooch'; 'mooch' is a known word. Although the average consumer may not know the exact meaning of 'mooch' they will, most likely, have heard it in everyday usage, for example, 'to mooch around', ie someone who is perhaps behaving in a lazy or aimless way.

45. If the consumer does happen to notice the double 'o's are smaller than the 'm' or 'ch' in 'mooch', then this may simply be put down to their dual function as cow's nostrils. Finally, on this point, to treat the 'moo' and 'ch' as separate elements, as ML urge, I would, by default, be hard pressed to explain precisely what the letters 'ch', as a separate element, would convey to the average consumer. It is most unlikely the letters 'ch' would be seen as a contraction of 'chocolate'; there is no evidence that 'ch' is used in everyday language as such a contraction, and in addition, the word 'chocolate' also appears in the mark, in any event, in full. I therefore reject ML's argument in this regard.
46. Having said that, I would not therefore conclude the marks are necessarily conceptually *dissonant*. It is vital that marks are assessed in their totalities, and in the context of their usage in connection with the relevant goods and services of the specification. The goods are milk products. There is something in A & K's mark which, in this crucial overall context, resembles the device of a cow's head. There is a strength of engrained association from childhood between the 'moo' sound, a cow and milk. Even though the actual word in A & K's mark is, without question, 'mooch', it is not implausible that A & K's mark will bring the idea of a cow to mind, as will ML's mark. Bearing all of this in mind, I find that, conceptually, the marks share some degree of similarity but I would only put this at a modest level because the similarity between the marks is at a high level of generality.

### **Overall similarity of marks**

47. I need to bring my individual findings above into an overall assessment of similarity of marks, taking account of the dominant and distinctive elements, and the fact that I have found the goods to be selected mostly by visual selection.
48. I think it beyond dispute that the dominant, distinctive element in A & K's mark would be, as I have said, the verbal element, 'mooch'. The words 'chocolate milk' are descriptive and the device of a cow would, unless very highly stylised or dominating in sheer size, which this is not, not be considered to be especially distinctive in relation to these goods. Such a device presents as something of a decorative element in contrast to the word 'mooch'. Similarly, as far as ML's earlier mark is concerned, the dominant distinctive element in its device mark would be the verbal element 'moo'. Again, the device of a cow would not be considered especially distinctive.

Such distinctiveness as it has is because of the stylisation of the cow, rather than because it is a cow.

49. Taking my individual findings together and with my analysis of the distinctive and dominant elements in both parties' marks, I find that the marks are similar to a degree between low and moderate.

**'460**

### **Visual comparison**

50. ML's word mark simply comprise the three letter word, 'moo', in plain script and upper and lower case. There is of course no device adding a further point of visual similarity. Recognising the similarities and dissimilarities in the respective marks, I find that the respective marks are visually similar to a low to moderate degree, the points of commonality being the letters m-o-o.

### **Phonetic comparison**

51. ML's mark will be pronounced, simply, "moo". A & K's mark will be pronounced "moo -tch", or even, "moosh". It is unlikely the descriptive words 'chocolate milk' will be enunciated. It certainly would not be fair to say the 'ch' would not be enunciated or audible at all. Recognising the similarities and dissimilarities I find the respective marks are aurally similar to a moderate degree.

### **Conceptual comparison**

52. In this case the similarity is limited to the fact that A & K's mark is likely to bring the idea of a cow to mind and ML's mark consists of a word which describes the sound made by a cow. Again any similarity is a high level of generality. Accordingly, the same finding of a modest level of conceptual similarity is adopted also for '460.

### **Overall similarity of marks**

53. '460 lacks a device element and thus there are no other elements to compete with the sole word element, 'MOO', in ML's mark. Also, my finding on visual comparison was slightly different in relation to '460 than the device mark '236. That said, overall, I adopt the same finding as for '236, namely that the respective marks are, overall, only similar to a degree between low and moderate.

**'462**

54. This mark has the entirely descriptive word 'milk' present, in addition to the word 'Moo'. Given that the mark is registered in respect of milk products, I do not consider that the addition of this word can affect the conclusions I have reached when comparing the '460 mark, for the word MOO alone. Consequently, there is no need to say any more about this mark. Similarly, there is no need to conduct a separate analysis for the '356 or '710 marks.

### ***Comparison of the goods***

55. A & K accept that the respective goods are identical and I make an express finding accordingly.

### ***Likelihood of confusion***

56. At this point I need to remind myself of my various findings and bring them together in a global assessment taking, of course, into account, the doctrine of imperfect recollection, namely that consumers rarely have the opportunity to compare marks side by side.

57. I have found that the respective goods are identical. I have made observations on the respective average consumers, namely that they are also identical and I have found the selection and purchasing process not to involve a large degree of circumspection. Finally, I have found the respective marks to share a degree of similarity between low and moderate. Needless to say that in making a global assessment, it is not a 'tick box' exercise, whereby if I find more factors in one parties favour, it inevitably wins. All factors must be weighed in the evaluation of likelihood of confusion.

58. Finally, I need to make an assessment of the level of distinctive character of the earlier marks. Case law makes clear that the higher the level of distinctive character the more the likelihood of confusion. An invented word, having no link or relevance to the goods or services, will be regarded as highly distinctive. In this case, the word 'moo' plainly has some resonance with the products, as I acknowledge at para 46 above. The average consumer will readily associate it with the sound a cow makes. On that basis I find that the earlier marks are inherently distinctive to a moderate degree.

59. Based on the evidence I am unable to find that this level of inherent distinctiveness is enhanced through use. In this respect, and given the evidence of A & K on the overall milk market in the UK, I do not believe there is a case of enhanced distinctiveness leading to an increased penumbra of protection under section 5(2)(b). Not only are the sales figures relatively small as against the overall UK milk market, it is also clear that the MOO milk

products have only been on the market for a relatively short period of time, since 2004, and have not, for example, been the subject of a mass TV advertising campaign. This is not of course a condition of enhanced distinctiveness, but bearing in mind the huge number of milk consuming consumers it may in this case have been a factor. I would just add however that even if I had found enhanced distinctiveness it would not have disturbed my overall conclusion, based as it is, in particular, on an overall similarity of marks to a degree between low to moderate.

**60. Taking all these factors into account I find that there is no likelihood of direct or indirect confusion and the opposition fails. Direct confusion is where the consumer simply confuses the respective marks. Indirect confusion is where the consumer may assume for example that 'MOOCH' is another brand of the people responsible for MOO. There is no reason however in this case to assume this may be the case.<sup>1</sup>**

61. I may just add, for the avoidance of any doubt, the fact that, according to Mr Nevid, there has been no actual confusion in the market place has not been a factor in my evaluation. I recognise this fact can be a factor where for example there has been close and parallel trading of respective marks over a period of time. From the evidence however this has not been the case as, for example, the parties' products appear to have been traded in different supermarkets.

### **Section 5(3)**

62. Section 5(3) of the Act reads:

"5-(3) A trade mark which-

(a) is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of Community trade mark or international trade mark (EC), in the European Community) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark."

63. The relevant case law can be found in the following judgments of the ECJ: Case C-375/97, *General Motors*, [1999] ETMR 950, Case 252/07, *Intel*, [2009] ETMR 13, Case C-408/01, *Addidas-Salomon*, [2004] ETMR 10 and Case C-487/07, *L'Oreal v Bellure* [2009] ETMR 55. The law appears to be as follows.

(a) The reputation of a trade mark must be established in relation to the

---

<sup>1</sup> See eg, LA SUGAR (BL O-375-10) a decision of the Appointed Person (paras 16 and 17)



relevant section of the public as regards the goods or services for which the mark is registered; *General Motors, paragraph 24*.

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors, paragraph 26*.

(c) It is necessary, but not sufficient, for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman, paragraph 29* and *Intel, paragraph 63*.

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks, the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel, paragraph 42*

(e) Where a link is established, the owner of the earlier mark must also establish that it has resulted in the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel, paragraph 68*: whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel, paragraph 79*.

(f) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an advantage taken unfairly by that third party of the distinctive character or the repute of that mark where that party seeks by that use to ride on the coat-tails of the mark with a reputation in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image.; *L'Oreal v Bellure, Court's answer to question 1*.

64. It is plainly a pre-requisite of this section of the Act that the earlier mark has the necessary reputation at the relevant date, as per *General Motors Corporation v Yplon SA* [1999] E.T.M.R. 950:

“24. The public amongst which the earlier trade mark must have acquired a reputation is that concerned by that trade mark, that is to say, depending on the product or service marketed, either the public at large or a more specialised public, for example traders in a specific sector.

25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.

26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.

27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.”

65. ML claims a reputation in all of its earlier marks for all the goods in their respective specifications. In my analysis under section 5(2) I found there was no basis for a claim to enhanced distinctiveness through use and this was largely because of the absence of contextual information provided by ML such, in particular, as the overall market share. When ML’s figures were put against the overall milk market in the UK, the evidence for which had been provided by A & K, on the face of it, they did not look that impressive. To remind myself, total sales of products in the MOO range between January 2004 – 31<sup>st</sup> October 2006 were 5,810,657 litres, being a turnover of approximately £5 million. Sales between December 2006 – August 2008 were 6,099,112 litres with an approximate turnover of £3.77 million. Between April 2009 – March 2010, sales were 4,707,801 litres and a turnover of £3.3 million.
66. According to the evidence from the Department for the Environment Food and Rural Affairs, provisional figures for UK milk production are put at 12,858 million litres for 2008/09, with 6,690 million litres destined for the liquid milk market, the remainder going into products such as, butter, cheese and yoghurt.
67. ML says that that market share is not the only factor in determining reputation and that its growth of sales and the fact that the ‘branded’ milk market is far smaller than the overall milk market ought to be a factor in my consideration. It is possible to achieve, says ML, significant numerical penetration (and consequent recognition) with the relevant public, even with a seemingly small percentage share of the total market.
68. I agree in principle that market share is but one factor in the analysis, and in terms of geographical spread and even marketing spend, for example, ML can make a case. I have also noted the major supermarkets which stock MOO milk. Against that, I must nevertheless remember that the relevant public in this case is the entire milk product consuming public in the UK which, if not consisting of everyone in the UK, cannot be far from it. Moreover, I think there are inherent problems in asking me to, and based on my own knowledge, ‘compartmentalise’ the milk market in the UK into branded and own product. Such compartmentalisation introduces uncertainty

into the extent and nature of the 'reputation' required under section 5(3). Inevitably it is likely to involve a departure from (and necessarily a reduction of) the goods or services of the opponent's specification and potentially asks the decision maker to impute knowledge of a market which, in any event, even if such a departure were permissible, he or she may not have and which must then be proven by evidence. I am not then inclined to consider ML's case for reputation in regard only to the smaller, 'branded' milk market.

**69. In all the circumstances, the claim under section 5(3) fails on the basis of lack of reputation.**

70. In the event I am wrong as regards the question of reputation of ML's marks, and given my comments under section 5(2)(b) as regards the use of A & K's mark 'bringing to mind' (thus giving rise to the 'link' spoken of in para 63 (c) – (e) above) ML's mark, I would, as a contingency, like to express a view as to the outcome of this case as regards the question whether there is any 'unfair advantage' which would lead to dilution of ML's earlier marks. The result of A & K's use of its mark, says ML, will be loss of sales of ML's drinks as these sales will be diverted to A & K, causing potential damage to ML's reputation and goodwill in its brands.

71. The difficulty I have with this aspect of the opponent's case is that I cannot see that any 'unfair advantage' or detriment is demonstrated. There is no evidence in this case, for example, that any sales are (or have already been) diverted. ML says in its submissions (para 40) that use of 'MOOCH' would benefit from, "the public perception of MOO products, built up over a period of years, and the assumption that MOOCH is part of that product range." I have already rejected the case under section 5(2)(b) that there would be 'indirect confusion' in the sense that MOOCH would be seen as another, extension, brand of MOO. Having rejected, under section 5(2)(b), the 'extension brand' argument, it stands no greater prospect of success under section 5(3).

72. Moreover, and in any event, following the Court of Justice's judgment in *L'Oreal v Bellure*, there appears to be some doubt as to whether an advantage gained through association (again in the strict sense) is necessarily unfair, or whether some 'additional factor' is required. In *Whirlpool v Kenwood* [2009] R.P.C. 2, the Court of Appeal analysed the Court of Justice's judgment in *L'Oreal v Bellure* and Lloyd L.J. concluded that:

"It is not sufficient to show (even if Whirlpool could) that Kenwood has obtained an advantage. There must be an added factor of some kind for that advantage to be categorised as unfair. It may be that, in a case in which advantage can be proved, the unfairness of that advantage can be demonstrated by something other than intention, which was what was shown in *L'Oréal v Bellure*".

73. L.J. Rix and L.J. Wilson agreed with him.

74. I confess that I have difficulty in understanding how the subjective intentions of the junior user, in this case A & K, can determine whether an advantage gained by that user is fair or unfair. However, if it is right that intention, or some other “additional factor”, is required, then ML faces a further difficulty because there is no additional factor here. However, if unfair advantage requires something more than the presence of an advantage and the absence of due cause, as the Court of Appeal says, the opponent has not shown it in this case. There is not, for example, any evidence that the applicant set out to “live dangerously” as per the findings of Mann J. in the recent case of *Specsavers International Healthcare Ltd v Asda Stores Ltd* [2010 EWHC 2035 (Ch)].

**75. Consequently, I reject the s.5(3) ground of opposition on the grounds, firstly, that no reputation is shown, and even if I am wrong about that, there is no unfair advantage (or other mischief covered by section 5(3)) shown.**

#### **Section 5(4)(a)**

76. Section 5(4)(a) reads:

“(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented-

- (a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or
- (b) .....

77. In my analysis under section 5(2) I found that there was no likelihood of confusion. As part of that analysis I found the overall similarity between the marks to be between a low to moderate level. Whilst ML would have had no difficulty in making good its claim to goodwill at the time of filing the subject application, the second requirement for a successful passing off claim, being misrepresentation, would have failed given my comparison of the marks. I have not overlooked the fact that, in addition to the earlier marks relied upon under section 5(2) and (3), ML has also alerted me to the sign, ‘MINI-MOO’ which it says it has used since 2005 or 2006 as a sub-brand, intended for children. I do not see this sign as placing ML in any better position under section 5(4)(a) than its other MOO signs. There would have been no misrepresentation as far as this sign is concerned either.

**78. The claim under section 5(4)(a) also fails.**

**79. The opposition fails in its entirety.**

**Costs**

80. A & K have been totally successful in defending against the opposition. Accordingly, they are entitled to a contribution towards their costs and neither party sought costs off the normal scale. In the circumstances I award Nevid Ahmed and Soner Kanal the sum of £1300 as a contribution towards the cost of the proceedings. The sum is calculated as follows:

1. Filing counterstatement and considering statement of case- £ 400
2. Filing and considering evidence - £600
3. Filing submissions - £300

Total £1300

81. I order Milk Link Ltd to pay Nevid Ahmed and Soner Kanal the sum of £1300. The sum should be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 15 day of September 2011**

**Edward Smith  
For the Registrar,  
the Comptroller-General**