

**O-551-15**

THE TRADE MARKS (INTERNATIONAL REGISTRATION) ORDER 2008 AND  
THE TRADE MARKS ACT 1994

IN THE MATTER OF INTERNATIONAL REGISTRATION NO. 1217509  
IN THE NAME OF RAINER RUSCHKE

TO REGISTER THE TRADE MARK AND THE APPLICATION  
TO EXTEND PROTECTION IN THE UK TO:



IN CLASSES 1, 3 and 35

AND

IN THE MATTER OF OPPOSITION THERETO  
UNDER NO 403584  
BY

AUGUST STORCK KG

1. On 5 May 2014, Rainer Ruschke (the applicant), requested protection in the United Kingdom of the international registration (“IR”) shown on the cover page of this decision (which was based upon a German application). The request included a colour claim for the colours “turquoise, black and white.”

2. The request was considered to satisfy the requirements for protection and particulars of the IR were published in the Trade Marks Journal on 10 October 2014, for the following specification of goods and services:

**Class 1**

Chemical preparations for use in the manufacture of cosmetics.

**Class 3**

Cosmetics.

**Class 35**

Marketing studies related to cosmetics, perfumery and beauty products.

3. Following acceptance and publication of the designation, August Storck KG (the opponent) filed a notice of opposition against the application.

4. The ground of opposition was brought under section 5(3) of the Trade Marks Act 1994 (the Act).

5. The opponent relies on the marks and goods shown below:

<p><b>CTM:</b> 575399</p>  <p><b>Colours claimed:</b> Gold, red</p> <p><b>Filing date:</b> 27 June 1997</p> <p><b>Date of entry in the register:</b> 2 March 1999</p>	<p><b>Goods relied on:</b></p> <p><b>Class 30</b> Confectionery, chocolate, chocolate products.</p>
<p><b>CTM:</b> 3858231</p> <p><b>Merci</b></p> <p><b>Filing date:</b> 27 May 2004</p> <p><b>Date of entry in the register:</b> 23 November 2005</p>	<p><b>Goods relied on:</b></p> <p><b>Class 30</b> Confectionery, chocolate, chocolate products.</p>

6. In its statement of grounds the opponent submits that both of the marks it relies on have been subject to intensive use and as a consequence have:

*“...acquired such a substantial and extensive reputation in relation to confectionery particularly chocolate and chocolate products in a significant number of European countries that use of the mark of the opposed International registration for and in relation to the goods and services of that registration, namely cosmetics and goods and services closely connected therewith, would take unfair advantage of and be detrimental to the distinctive character and repute of the said CTM.”*

7. On 16 March 2015, the applicant filed a counterstatement in which it denies the ground of opposition and requests the opponent prove use of both CTMs relied on. It states:

*“The Applicant denies that use of the opposed mark for and in relation to the goods and services of the opposed registration, namely cosmetics and goods and services closely connected therewith would take unfair advantage of and be detrimental to the distinctive character and repute of the Opponent’s registrations.”*

8. The opponent filed evidence and submissions in lieu of attendance at a hearing. The applicant filed submissions during the evidence rounds and submissions in lieu of attendance at a hearing. Neither party requested a hearing, both request an award of costs in their favour.

9. I make this decision following a review of all of the material before me.

## **EVIDENCE**

### **The opponent’s evidence**

6. The opponent’s evidence comprises a witness statement by:

Dr Bernd Roessler and exhibits BR1-BR10

7. Dr Roessler is the General Counsel Legal Affairs of the opponent, a position he has held since 1 April 2000. His statement is dated 22 May 2015.

8. Dr Roessler states that the trade mark ‘Merci’ is used in relation to chocolate and confectionery products throughout Europe and has been so used for many years. Use of the mark began in Germany in 1965 since which time the sales of products have expanded throughout Europe. He provides a list of 28 countries with the dates in which Merci products were introduced into those countries. The UK entry shows the date 1984.

9. Examples of packaging provided at exhibit BR1 show the mark in the following forms:



10. Exhibit BR2 consists of invoices dated between 2009 and 2014. Exhibit BR3 comprises delivery notes relating to the invoices contained in exhibit BR2. Dr Roessler states that these two exhibits, *“demonstrate ‘Merci’ products have been sold consistently in the United Kingdom over the last few years”*.

11. The exhibit comprises 12 invoices which are dated between 16 January 2009 and 16 October 2014. The first two are addressed to Aldi Stores in Swindon. The invoices each show goods described as ‘Merci’ 200g. Both invoices are for 96 units. The remaining information has been redacted. Seven of the invoices are addressed to P&O offshore logistics, while the final three are addressed to WDFG UK LTD, Runnymede distribution centre. The goods on all of these invoices are described as ‘Merci’ in a range of weights with quantities shown on the invoices ranging from 8 to 160. All other information has been redacted.

12. With regard to advertising and marketing, Dr Roessler states that products marked with ‘Merci’ have been the subject of many advertising campaigns throughout the European Union since 2005 and were accompanied by additional promotional activity at the point of sale, in newspapers and other media. He states that between 2009 and 2013 the opponent invested over €234,500,000 on the advertising of Merci confectionery. At page 8 of his witness statement a table is provided showing advertising spend in 20 countries. The UK is not included in the list.

13. On page 9 of his statement Dr Roessler provides a list of countries and shows the sales value, market share and market positions of ‘Merci’ products within them. It is clear from the tables that the highest value of sales each year is in Germany, followed by Poland, Austria and the Netherlands. The UK is not included on the tables. Figures for those four countries are as follows:

	Sales (€) and % market share				
	2009	2010	2011	2012	2013
Germany	81,421 (5.3)	79,456 (5.3)	76,864 (5.1)	84,189 (5.3)	93,652 (5.8)
Poland	24,049 (9.2)	24,210 (7.7)	26,895 (7.9)	27,360 (8.0)	27,389 (8.0)
Austria	12,868 (10.6)	13,616 (10.7)	14,565 (11)	14,705 (10.8)	15,326 (11.1)
Netherlands	7,763 (6.4)	12,425 (8.3)	15,150 (18.6)	12,175 (16.3)	12,383 (13.9)

14. Exhibit BR10 is a translation of the opponent's statement of grounds in an opposition before OHIM. Dr Roessler states that these pleadings contain details of television advertising of Merci products which he seeks to rely on in this case. The exhibit supports the information I have already referred to above. None of the evidence shows advertising or marketing spend in the UK.

## DECISION

15. Section 5(3) states:

“(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 a 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.”

### Section 5(3) case law

16. The relevant case law can be found in the following judgments of the CJEU: 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 C-487/07, *L’Oreal v Bellure* [2009] ETMR 55 and Case C-323/09, *Marks and Spencer v Interflora*. The law appears to be as follows.

a) The reputation of a trade mark must be established in relation to the 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 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 and between 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 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) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel, paragraphs 76 and 77*.

(g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel, paragraph 74*.

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark; *L'Oreal v Bellure NV, paragraph 40*.

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark 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. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora, paragraph 74 and the court's answer to question 1 in L'Oreal v Bellure*).

## Reputation

17. Given that the marks relied on by the opponent are CTMs, it must be established that the opponent has a reputation in the European Community. In *General Motors Corp v Yplon SA (Chevy)* [1999] ETMR 122 and [2000] RPC 572 the CJEU stated:

“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.”

18. In *Pago International GmbH v Tirol Milchregistrierte Genossenschaft mbH* C-301/07 (“*Pago*”) the CJEU held that, in appropriate circumstances, the territory of a single Member State may be considered to constitute a substantial part of the territory of the Community.

19. The evidence I have outlined above shows the opponent has, for a number of years, offered for sale a range of confectionary, particularly chocolate, in a number of EU countries. Given the volume of sales, advertising spend and market share shown I have no hesitation in concluding that the opponent has established a reputation for its ‘Merci’ marks in at least Germany, Poland, Austria and the Netherlands in respect of confectionery, particularly chocolate products and can be considered to constitute a substantial part of the territory of the Community.

## Link

20. In addition to the earlier marks having a reputation, a link must be made between the mark applied for and the earlier marks. In *Intel Corporation Inc v CPM (UK) Ltd* (C-252-07) (“*Intel*”) the CJEU provided guidance on the factors to consider when assessing whether a link has been established. It stated:

“41 The existence of such a link must be assessed globally, taking into account all factors relevant to the circumstances of the case...”

42 Those factors include:

- the degree of similarity between the conflicting marks;
- the nature of the goods or services for which the conflicting marks were registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public;
- the strength of the earlier mark’s reputation;
- the degree of the earlier mark’s distinctive character, whether inherent or acquired through use;
- the existence of the likelihood of confusion on the part of the public”.

21. In *Adidas-Salomon*, the CJEU stated:

“The infringements referred to in Article 5(2) of the Directive, where they occur, are the consequence of a certain degree of similarity between the mark and the sign, by virtue of which the relevant section of the public makes a connection between the sign and the mark, that is to say, establishes a link between them even though it does not confuse them (see, to that effect, Case C-375/97 *General Motors* [1999] ECR I-5421, paragraph 23). The existence of such a link must, just like a likelihood of

confusion in the context of Article 5(1)(b) of the Directive, be appreciated globally, taking into account all factors relevant to the circumstances of the case (see, in respect of the likelihood of confusion, SABEL, paragraph 22, and Marca Mode, paragraph 40).”

**Similarity between the parties’ marks and specifications**

22. In accordance with the case law above I must determine the similarity between the parties’ marks and the goods and services to which they relate. The applicant’s mark is made up of the words La Merci presented in a black script, above which is a turquoise line device which resembles a butterfly. The butterfly device plays a part in the mark as a whole but it is the words which dominate the overall impression. The opponent relies on two marks. The first is the word ‘merci’ in a gold font with the tittle of the ‘i’ replaced with a red heart. Whilst the heart is clearly noticeable the overall impression of the mark is dominated by the word. The second mark is the plain word MERCI with no additional stylisation. The overall impression rests in the mark as a whole.

23. Visually the parties’ marks are similar to the extent that they include the word ‘Merci’. Differences rest in the addition of ‘La’ at the start of the application and the stylistic differences I have discussed in the preceding paragraph. Aurally the marks differ only in the addition of ‘La’ before the word ‘Merci’ which is present in the application. Taking all of these factors into account, overall the marks are visually and aurally similar to a fairly high degree.

24. Conceptually, I have no submissions from the parties regarding the likely impression their respective marks will give the average consumer. In my view it is likely that a significant number of the UK population will be familiar with the French word ‘merci’ meaning thank you and for those consumers the conceptual similarity between the marks will be very high, only differing in the addition of ‘La’ in the application. For those not familiar with the meaning the position is one of conceptual neutrality.

25. The goods and services to be compared are as follows:

The opponent’s goods	The applicant’s goods and services
<p><b>Class 30</b> - Confectionery, chocolate, chocolate products.</p>	<p><b>Class 1</b> - Chemical preparations for use in the manufacture of cosmetics.</p> <p><b>Class 3</b> - Cosmetics.</p> <p><b>Class 35</b> - Marketing studies related to cosmetics, perfumery and beauty products.</p>

26. I bear in mind the criteria identified in *British Sugar Plc v James Robertson & Sons Limited (Treat)* [1996] R.P.C. 281 (hereafter *Treat*) for assessing similarity between goods and services:



- (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 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, taking into account how goods/services are classified in trade.

27. I note that the opponent relies on a number of cases decided at OHIM where the average consumer of chocolate goods and cosmetics is considered to be the same general consumer. I agree that such goods are bought by members of the general public, however, the applicant's specification also includes goods in class 1 and services in class 35 which are more likely to be bought or commissioned by professionals rather than members of the general public.

28. Having considered the nature of the goods and services, their intended purpose, their method of use and whether they are in competition with each other or are complementary, I can find no meaningful areas in which the opponent's goods in class 30 and the applicant's goods in class 1 and services in class 35 coincide.

29. With regard to the applicant's class 3 specification, given that chocolate products can be manufactured in any number of shapes, it is possible that such shapes could include cosmetic items such as lipstick. It is also possible to purchase cosmetics with particular tastes or fragrances which may include chocolate. However, the users of such goods may be different and the nature, uses, purpose and trade channels certainly do not coincide. In the absence of any evidence to the contrary, these are dissimilar goods.

30. The evidence provided by the opponent in this case does not include any sales figures for the UK, any examples of promotional material aimed at UK customers or any examples of the opponent's goods on sale in the UK. The invoices provided at exhibit BR2 show sales to two ALDI stores. The total number of products supplied across the two invoices amounts to 192 items. The remaining invoices show sales to P&O ferries offshore logistics and WDFG Ltd, a distribution warehouse. I have nothing before me to indicate where these goods were subsequently sold even if they were intended for the UK market and not for distribution elsewhere in the EU.

31. The Appointed Person, Mr Iain Purvis, in *CCB INTERNATIONAL*<sup>1</sup> observed (at paragraph 41):

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<sup>1</sup> O-281-14

“If the reputation of the earlier mark does not extend to the United Kingdom, it is difficult to see how (at least in the usual case) it could be damaged by use of a mark in the United Kingdom, or that such use could be said to take unfair advantage of the earlier mark. For one thing, the necessary ‘link’ between the marks in the mind of the average consumer which must be established in any case which relies on the extended protection (see *Adidas-Salomon v Fitnessworld* [2004] ETMR 10) would not exist. There is certainly no evidence in the present case which explains how any ‘link’ could be made in the UK absent a reputation here.”

32. In my view, that is the case here. Whilst the opponent has shown a reputation in significant parts of the EU, it has not shown that it extends to the UK. Consequently, when faced with the later mark the relevant section of the public will not make a link with the earlier mark.

33. In reaching such a conclusion I have borne in mind the decision in *Iron & Smith kft v Unilever NV*, Case C-125/14, in which the CJEU held that:

“If the earlier Community trade mark has already acquired a reputation in a substantial part of the territory of the European Union, but not with the relevant public in the Member State in which registration of the later national mark concerned by the opposition has been applied for, the proprietor of the Community trade mark may benefit from the protection introduced by Article 4(3) of Directive 2008/95 where it is shown that a commercially significant part of that public is familiar with that mark, makes a connection between it and the later national mark, and that there is, taking account of all the relevant factors in the case, either actual and present injury to its mark, for the purposes of that provision or, failing that, a serious risk that such injury may occur in the future.”

34. Whilst this is a different threshold to that outlined in *Pago* it still requires a significant degree of recognition of the CTM in the Member State where the same or a similar trade mark has been applied for by a third party. In this case there is no evidence of the volume of sales made in the UK nor is there any evidence that gives any details of advertising or promotional costs in the UK. The only evidence of goods supplied in the UK, are limited in the extreme. The evidence goes nowhere near showing that the relevant section of the UK public has been exposed to the earlier marks. In that case, I do not consider the necessary link will be made.

35. Even if I was found to be wrong in this and the opponent had shown it had a reputation in the UK, the difference between the respective goods and services is such that the consumer would still not make a link between the application and the earlier marks.

## **CONCLUSION**

**36. The opposition under section 5(3) of the Act fails.**

## **COSTS**

37. Rainer Ruschke has been successful and is entitled to an award of costs. Awards of costs are governed by Annex A of Tribunal Practice Notice 4 of 2007. I have taken into account that no hearing has taken place and award costs on the following basis:

<i>Preparing a statement and considering the other side's statement -</i>	<i>£300</i>
<i>Considering evidence -</i>	<i>£400</i>
<i>Written submissions</i>	<i>£300</i>
<b><i>Total</i></b>	<b><i>£1000</i></b>

38. I order August Storck KG to pay Rainer Ruschke the sum of £1000. This sum is to 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 24th day of November 2015**

**Ms Al Skilton  
For the Registrar,  
The Comptroller-General**