

All over a cup of hot brewed “NUTELLO”

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Ferrero took Sarika Connoisseur Café (“Sarika”) to court and won a High Court order to stop them from naming one of their coffee brews 'Nutello'. Ferrero contended that the 'Nutello' name and sign was visually and phonetically similar to their famous 'Nutella' chocolate spread.

About the case

Sarika runs the Singapore based coffee shop chain "The Connoisseur Concerto" ("TCC"). In August 2007, TCC introduced into its menu the coffee drink Nutello, containing the famous Nutella chocolate spread as the main ingredient. In December 2009, Ferrero sent a 'cease-and-desist' letter to Sarika and sought \$50,000 in damages. TCC removed the drink from their menu when it reviewed its menu seven months later. However, by that time, Ferrero had sought an order from the Court for the coffee chain to stop using the 'Nutello' name and sign.

Arguments by the Parties

Ferrero argued that the similarity between the two names would cause confusion and dilute the goodwill built by Nutella over the years. The signs 'Nutella' and 'Nutello' are so similar, the only difference being one letter. Nutella has been sold in Singapore for over 30 years, having acquired worldwide annual sales turnover exceeding \$2 billion. Ferrero spends more than \$1.1 million annually on promoting 'Nutella' in Singapore and the product is highly popular among the average consumer market here. Sarika argued that there was no likelihood of confusion because no 'visual, aural or conceptual similarity' existed between the two names. Both parties filed survey evidence in support of their pleadings. The survey results produced in Court showed that 30 per cent of the *'relevant public would be confused per se'*.

The High Court's Decision

The Court held that TCC had passed off the Nutello drink as a product with a connection to Ferrero and that Sarika's use of the 'Nutello' sign caused confusion among consumers. The Court rejected Sarika's arguments saying that *'It is difficult to see how Nutella and Nutello are conceptually dissimilar.'* The confusion extended to the marking of TCC's drink as 'Nutello' with Ferrero's chocolate product and that Sarika's use of the 'Nutello' mark was likely to restrict Ferrero's expansion of its products into the drinks market in Singapore. The Court took the view that if the Nutello name is used on various products, it will make it more difficult for the public to think of 'Nutella' as Ferrero's product: *'Indeed, if other entities were to follow suit and use signs such as Nutellu, Nutelli, Nutelle, et cetera, the distinctiveness of the Nutella mark will be greatly diluted.'* As for the survey results, the Court held that the statistics reflecting that 30 per cent of the relevant public was confused was *'not insubstantial'*. However, the Court disagreed that Sarika had taken *'unfair advantage of the distinctive character'* of Ferrero's trademarks. Ferrero had no evidence that 'Nutello' achieved better sales because its name is similar to 'Nutella'. Damages are awarded to Ferrero, with the amount to be assessed by a court registrar.

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Tasneem specialises in both contentious and non-contentious intellectual property matters including filing strategy advice, prosecution, exploitation and enforcement of intellectual property rights. Tasneem was called to the Bar of England and Wales (Middle Temple) and is an Advocate and Solicitor in Singapore. She is a member of Marques, a European brand owner's Association, the Asian Patent Attorneys Association (APAA) and the International Trade Mark Association (INTA). Tasneem is also on the Law Society of Singapore's Intellectual Property Committee and represents Singapore in APAA'S Trade Marks Standing Committee.