



26 Aug 2021 OATLY/OAT-LY! v PUREOATY: when the small stuff counts...

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- The court found that there was no likelihood of confusion between Glebe Farms' PUREOATY mark and Oatly's OATLY/OAT-LY marks
- With descriptive signs, consumers will be "alert for detail which will differentiate one provider from another"
- While Oatly's "strong reputation" in the OATLY/OAT-LY! marks was recognised, the court also dismissed the passing-off claim

Parties in disputes where the common element of the marks in question is descriptive and non-distinctive or has low distinctiveness have an uphill battle ahead, since whilst a finding of likelihood of confusion is not precluded, it points against one being found. The decision in [Oatly AB v Glebe Farm Foods Limited](#) ([2021] EWHC 2189 (IPEC)) confirmed previous decisions and also reiterated that, in such cases, even small differences in the marks, such as a hyphen or an exclamation mark, will be noticed by consumers.

Sitting as a deputy High Court judge, Mr Nicholas Caddick QC found that there was a "relatively low or, at best, very modest level of similarity" between the marks and the similarity resulted from the overlap in 'oat', which was descriptive/non-distinctive of the products - oat drinks. Following a detailed analysis of the global assessment, including how the respective marks were used, the court found there was no likelihood of confusion and dismissed all claims.

Background

In January 2020 the family-run Glebe Farm Foods Limited rebranded its wholly descriptive product Oat Drink to PureOaty. Oatly AB and its UK subsidiary, Oatly UK Limited (together 'Oatly'), complained and, in what has been described as a David and Goliath battle, sued Glebe Farms in the High Court for trademark infringement under Sections 10(2) and 10(3) of the Trademarks Act 1994 and in passing off, based on its rights in, among others, OATLY and OAT-LY!.

The court accepted Oatly's evidence of its success, its Oatly oat drinks being the best-selling in the United Kingdom. Glebe Farms was aware of Oatly. It wanted a name for its oat drink - like "brands like Alpro and Oatly have built up". The reasons behind Glebe Farm's name choice of PureOaty were also accepted by the court, purity of oats being important to Glebe Farm since it specialised in the production of 100% gluten-free oats.

The arguments

Unsurprisingly, Oatly claimed that 'oaty' was the dominant and distinctive element of PUREOATY and that the element 'pure' should be ignored, the comparison being between 'oaty' and 'oatly'/'oat-ly'.

Glebe Farm argued that, if the term 'pure' should be ignored, trademark significance should not be attached to the term 'oaty', which itself was descriptive, Glebe Farm producing evidence (which the court accepted) of other parties using 'oaty'.

Referencing *Specsavers International Healthcare Ltd v Asda Stores Ltd* ([2012] EWCA Civ 24), the court noted that:

whilst the visual, aural and conceptual similarities of the marks must normally be assessed... 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.

There was similarity in the marks due to the overlap in 'oat', but the addition of 'pure' at the beginning of the word and the absence of the letter 'L' in PUREOATY detracted significantly from the visual similarity. Further, seen through the eyes of the average consumer, a normal member of the public who buys/consumes oat drinks, it was likely that conceptually, the consumer would see PUREOATY as "doubly descriptive" of the oat drink.

Referring to *Planetart LLC v Photobox Ltd* ([2020] EWHC 713), the court noted that, with descriptive signs, consumers will be "alert for detail which will differentiate one provider from another". Glebe Farms argued that the letter 'L' was very significant, since it was "one and only thing that makes the trademark distinctive". The court agreed in its global assessment, noting that OAT-LY was very familiar to consumers through its use, that use being almost exclusively OAT-LY, which separated out the letters 'L' and 'Y' from the common element 'oat'. This would therefore reduce the likelihood of confusion with consumers.

Rejection of claims

The court found there was no likelihood of confusion between OATLY/OAT-LY and PUREOATY and rejected the claims under Section 10(2) in respect of OATLY. In respect of OAT-LY!, it noted that the "insertion of the hyphen and of the exclamation mark in the OAT-LY! mark serves further to distinguish the PUREOATY sign from the OATLY! mark".

Whilst Oatly's "strong reputation" in the OATLY/OAT-LY! marks was recognised, the court found against Oatly's claims under Section 10(3) and also dismissed the passing-off claim.

Comment

In a comparison of marks which are descriptive/non-distinctive or with low distinctiveness, even small differences will count - the omission of a single letter, a hyphen or an exclamation mark. What the court did not examine, since there was no need, was the following question: what if the descriptive/non-distinctive element has acquired distinctiveness through use? For the time being, this remains an interesting question.

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