

O-726-18

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NOS. 3188690 AND 3188686
BY AZZURRO COFFEE & TEA SPECIALISTS LIMITED TO REGISTER:**

AZZURRO



(SERIES OF TWO)

AND

AZZURRO COFFEE



(SERIES OF TWO)

AS TRADE MARKS IN CLASS 30

AND

**IN THE MATTER OF CONSOLIDATED OPPOSITIONS THERETO
UNDER NOS. 410154 AND 410155 BY AZUL-KAFFEE GMBH & CO. KG**

Background & Pleadings

1. On 30 September 2016, Azzurro Coffee & Tea Specialists Limited (“the applicant”) applied to register each of the above trade marks for the following goods:

Class 30: *Coffee; coffee for coffee machines; coffee in whole bean form; decaffeinated coffee; coffee beans; roasted coffee beans; coffee bean blends; ground coffee; coffee pods coffee capsules; coffee bags; espresso; americano; cappuccino; affogato; cafes au lait; cafe latte; doppio; latte macchiato; espresso macchiato; mocha; ristretto; frappes; tea; decaffeinated tea; tea leaves; tea bags; green tea; herbal tea; instant coffee; instant tea; cocoa; coffee drinks; tea drinks; coffee beverages; tea beverages; coffee-based beverages; tea-based beverages; prepared coffee and coffee based beverages; prepared tea and tea based beverages; coffee in brewed form; tea in brewed form; coffee mixtures; tea mixtures; artificial coffee; artificial tea; coffee and tea substitutes; drinking chocolate; coffee concentrates; coffee extracts; coffee essence; coffee products; tea concentrates; tea extracts; tea essence; tea products; flavoured coffee; coffee flavourings; flavoured tea; tea flavourings; iced coffee; iced tea; bubble tea; fruit tea; fruit infusions; flavouring syrup; syrup for flavouring coffee and beverages; flour and preparations made from cereals; baked goods; confectionery; bread; pastries; cakes; biscuits; sugar; sweeteners; prepared meals; prepared snacks; snack foods; ices; honey; treacle; spices; ice; salt; sauces; fruit sauces; beverages made of coffee; preparations for making coffee based beverages; beverages made of tea; preparations for making tea based beverages.*

The applications were published for opposition purposes on 2 June 2017.

2. On 4 September 2017, both applications were opposed in full by Azul-Kaffee GmbH & Co. KG (“the opponent”). The oppositions are based upon section 5(2)(b) of the Trade Marks Act 1994 (“the Act”), in relation to which the opponent relies upon the following trade mark:

European Union Trade Mark (“EUTM”) 6421184:

AZUCO

Filing date: 9 November 2007

Registration date: 17 October 2008

The opponent indicates that it intends to rely upon all class 30 goods for which its mark is registered, namely:

Cocoa and cocoa powder, in particular instant powder; cocoa and chocolate drinks; confectionery products.

3. The opponent argues that both of the applied for marks are visually and phonetically similar to its EUTM and that the competing goods are identical or, at the very least, similar.

4. The applicant filed counterstatements in which it denies the basis of the oppositions.

5. In the official letters dated 28 November 2017, parties were advised that the proceedings were to be consolidated.

6. The applicant in these proceedings is represented by Murgitroyd & Company and the opponent by Marks & Clerk LLP. Both parties filed evidence during the evidence rounds. Neither party requested a hearing; only the opponent filed written submissions in lieu. This decision is taken following a careful reading of all the papers which I will refer to, as necessary.

7. Each of the subject applications has been registered as a series of two marks. Given the stylistic differences between the marks each series comprises, I will refer to them as “word-only marks” and “figurative marks” where appropriate, throughout the course of this decision.

Decision

8. The opposition is based upon section 5(2)(b) of the Act which reads as follows:

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

(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.”

9. An earlier trade mark is defined in section 6 of the Act, which states:

“6. - (1) In this Act an “earlier trade mark” means –

(a) a registered trade mark, international trade mark (UK), Community trade mark or international trade mark (EC) which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks,

(2) References in this Act to an earlier trade mark include a trade mark in respect of which an application for registration has been made and which, if registered, would be an earlier trade mark by virtue of subsection (1)(a) or (b), subject to its being so registered.”

10. With a filing date of 9 November 2007, the opponent’s mark qualifies as an earlier trade mark under the provisions outlined above. In accordance with section 6A of the Act, having completed its registration procedure more than five years prior to the publication date of the applicant’s mark, it is subject to the proof of use provisions. In both Notices of Opposition, the opponent indicated that it had used its earlier mark in respect of all goods relied upon in these proceedings. In its counterstatements, the applicant requested that the opponent provide evidence to support this claim.


Preliminary issues

The applicant's claim to an earlier registered right and its use of the applied for marks prior to registration of the opponent's mark

11. In its counterstatements, the applicant states that:

“4. The Applicant is the proprietor of UK Registration No 2292358 CAFE AZZURRO, which was filed on 9 February 2002, and entered in the register on 20 September 2002. The Applicant's relevant earlier rights predate those of the Opponent.”

12. Furthermore, the applicant claims that its use of the series marks applied for, at least the figurative marks, pre-dates the registration of the opponent's earlier mark. Via the witness statement of Ms Jacqueline McKay, it states:

“4. The Applicant and its associated company One Call Catering Engineers Limited (now One Call Facilities Management Limited) have significant goodwill and reputation throughout the UK in the Marks  and , which they have used widely throughout the UK since at least 2002 in relation to coffee, tea, the roasting and supply of coffee, the supply of tea, and the supply of tea and coffee machines.”

13. Section 72 of the Act provides that registration shall be taken as *prima facie* evidence of the validity of a registered mark. The applicant has not sought to invalidate the earlier trade mark on the basis of a claim to an earlier common law right. Consequently, the opponent's trade mark must be regarded as validly registered. In this situation the law requires priority to be determined according to the filing dates of the applications for registration. This means that the opponent's mark has priority and a likelihood of confusion between the marks based on their notional use will be enough to justify the refusal of the applicant's later filed trade mark(s).

14. Procedural guidance on the matter was provided in Tribunal Practice Notice (“TPN”) 4/2009, titled “*Trade mark opposition and invalidation proceedings – defences*”, in which the following is stated:

“Defences including a claim that the applicant for registration/registered proprietor has a registered trade mark that predates the trade mark upon which the attacker relies for grounds under sections 5(1) and 5(2) of the Act.

1. A number of counterstatements in opposition and invalidation actions have sought to introduce as a defence that the applicant for registration/registered proprietor has a registered trade mark (or trade mark application) for the same or a highly similar trade mark to that which is the subject of the proceedings that predates the earlier mark upon which the attacker relies.

2. Sections 5(1) and 5(2) of the Act turn upon whether the attacker has an earlier trade mark compared to the mark under attack, as defined by section 6 of the Act. Whether the applicant for registration/registered proprietor has another registered trade mark (or trade mark application) that predates the earlier mark upon which the attacker relies cannot affect the outcome of the case in relation to these grounds.

3. The position was explained by the Court of First Instance in *PepsiCo, Inc v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) T-269/02*:

"24 Nor did the applicant claim, and even less prove, that it had used its earlier German mark to obtain cancellation of the intervener's mark before the competent national authorities, or even that it had commenced proceedings for that purpose.


25 In those circumstances, the Court notes that, quite irrespective of the question whether the applicant had adduced evidence of the existence of its earlier German mark before OHIM, the existence of that mark alone would not in any event have been sufficient reason for rejecting the opposition. The applicant would still have had to prove that it had been successful in having the intervener's mark cancelled by the competent national authorities.

26 The validity of a national trade mark, in this case the intervener's, may not be called in question in proceedings for registration of a Community trade mark, but only in cancellation proceedings brought in the Member State concerned (Case T 6/01 Matratzen Concord v OHIM - Hukla Germany (MATRATZEN) [2002] ECR II 4335, paragraph 55). Moreover, although it is for OHIM to ascertain, on the basis of evidence which it is up to the opponent to produce, the existence of the national mark relied on in support of the opposition, it is not for it to rule on a conflict between that mark and another mark at national level, such a conflict falling within the competence of the national authorities."

The position with regard to defences based on use of the trade mark under attack which precedes the date of use or registration of the attacker's mark

4. The viability of such a defence was considered by Ms Anna Carboni, sitting as the appointed person, in *Ion Associates Ltd v Philip Stainton and Another*, BL O-211-09. Ms Carboni rejected the defence as being wrong in law.

5. Users of the Intellectual Property Office are therefore reminded that defences to section 5(1) or (2) grounds based on the applicant for registration/registered proprietor owning another mark which is earlier still compared to the attacker's mark, or having used the trade mark before the attacker used or registered its mark are wrong in law. If the owner of the mark under attack has an earlier mark or right which could be used to oppose or invalidate the trade mark relied upon by the attacker, and the applicant for registration/registered proprietor wishes to invoke that earlier mark/right, the proper course is to oppose or apply to invalidate the attacker's mark."

15. To clarify, the opponent's mark maintains priority as the earlier registered mark and, as the applicant has not sought to invalidate the earlier mark, any claim that the applicant was using  and **AZZURRO** prior to the opponent's registration is not relevant to the matter before me. The same can be said of the goodwill and reputation which the applicant claims to have amassed. Consequently, the outcome of the decision is unaffected by these claims.

Applicant's submission regarding the removal of goods

16. In its evidence, the applicant indicates that it is (or was) in the process of removing *cocoa* and *drinking chocolate* from the applications, which, it submits, “removes any similarities relating to goods.”¹ However, as the opponent acknowledges in its evidence in reply, no such amendment has been made to the applicant's specification(s). I must proceed on the basis of the goods as they appear on the register.

Earlier decision (BL O-344-16)

17. Both parties have commented on the significance of the above decision which was issued on 18 July 2016 upon the conclusion of consolidated oppositions 404372 and 404373. The parties occupied the same positions as in the current proceedings and the opponent relied on the same earlier mark. The marks at issue were word-only marks AZZURRO and CAFFE AZZURRO. The opponent identifies what it considers to be “similarities between the marks and the goods that are the subject of these consolidated oppositions with the marks and the goods subject of the earlier consolidated oppositions”² and consequently seeks to rely largely upon the evidence filed in the earlier proceedings. While this is, of course, an acceptable approach, parties are advised that the hearing officer's earlier decision is not binding upon me. I will assess the evidence and seek to reach a decision based on the intricacies of the case presented before me. The evidence will be summarised only to the extent that it is relevant to the current proceedings.

Evidence summary

Opponent's evidence

¹ See witness statement of Jacqueline McKay, para. 7

² See witness statement of Michael Shaw; para. 7

18. The opponent's evidence comprises a witness statement from Mr Michael Shaw, an attorney at Marks & Clerk LLP, which is dated 26 January 2018 and supported by exhibits MS1 and MS2.

19. Enclosed as exhibit MS1 is a copy of the aforementioned decision BL O-344-16.

20. Exhibit MS2 consists of an affidavit from Mr Joerg Biess, dated 5 November 2015. He is the opponent's managing director and supports his statement with exhibits JB1 to JB6. The first four exhibits are primarily in German. A witness statement from Ms Isa Goodwin provides translations of the same; at least insofar as it is deemed necessary.³

21. The opponent sought and was granted permission to file an updated witness statement from Mr Biess, which is dated 12 February 2018 and contains additional turnover figures. I will bear this in mind to the extent that it is relevant. Mr Biess explains that his company was first incorporated in 1949 and commenced use of the AZUCO trade mark no later than 1970. Since then, it has been used continuously in relation to cocoa, cocoa powder and drinking chocolate⁴, with products sold in Germany and Austria. I note that the company's promotional expenditure since 2009 amounts to €100,000, though this has not been revised (or increased) in the later statement. Annual turnover figures from 2009 up to 2017 have been provided in Euros, with their approximate equivalent in pound sterling. These are reproduced below:

2009	€2,524,980	(£1,803,557)
2010	€2,698,650	(£1,927,607)
2011	€2,593,335	(£1,852,382)
2012	€2,765,802	(£1,975,573)
2013	€2,724,341	(£1,945,958)
2014	€2,614,804	(£1,867,717)
2015	€1,740,071	(£1,242,908)
2016	€2,693,299	(£2,295,350)

³ See exhibit IG2

⁴ See affidavit and/or witness statement of Joerg Biess; para. 3

2017 €1,291,068 (£1,145,500)

22. Provided at exhibit JB2 is a sample of packaging for the AZUCO products. Ms Goodwin's translation indicates that the products represent a variety of flavours of drinking chocolate including white, dark and whole milk. Users are instructed to combine the goods with hot water or hot milk "for preparation of a hot beverage" and/or "for preparation of fine drinking chocolate". Examples of the goods' packaging are provided below:



23. Exhibit JB3 contains a total of 29 invoices with dates ranging from 19 January 2009 to 7 September 2015. Invoices which relate to transactions outside of the relevant period (of which there are 10) are discarded accordingly. The invoice recipients are mostly companies or business premises (such as cafes) based throughout Europe, with addresses in Germany, Austria, the Czech Republic, Hungary, Spain, Poland, Belgium and the Netherlands. Germany and Austria command the highest number of invoices, 4 and 6 respectively, though each of the Austria invoices relate to sales to the same address. In fact, with the exception of Germany, all countries for which more than one invoice is provided, namely Hungary, Poland and Belgium, show distribution to a single address. The invoice values have been redacted but each records the sale of at least one AZUCO product in varying quantities by denomination of carton. 'Azuco' is recorded as a plain word and the products (as translated) are 'Azuco whole milk 1000g', 'Azuco whole milk one cup serving 25g' and 'Azuco Cerro Verde (product name) cocoa'.

24. A variety of promotional materials including flyers and catalogue extracts are enclosed as exhibit JB4. Mr Biess explains that the materials were circulated by the company for promotional purposes, though there is no indication of the breadth of circulation or the duration for which they remained available. That said, there are annotations attached to some of the examples such as “08.2011”, “08.2014”, “stand 12/14”, “stand 08/14”, stand “07/14” and “stand 01/15” which, if indicative of date, suggests an availability within the relevant period. Examples of such materials can be seen below:



25. Mr Biess states that his company has promoted its activities at numerous trade exhibitions, including the world’s leading trade fair for organic food (“BIOFACH”), held in Germany, in 2013, 2014 and 2015. Exhibit JB5 lists the opponent as an exhibitor in the 2014 and 2015 fair, though there is no specific reference to the AZUCO brand.

Applicant’s evidence

26. The applicant’s evidence comprises a witness statement from attorney Ms Jacqueline McKay dated 26 April 2018. It contains submissions which I will refer to, as necessary.

Opponent’s evidence in reply

27. The opponent's evidence in reply comprises a witness statement from Ms Amy Wood of Marks & Clerk LLP dated 27 June 2018. Ms Wood seeks to clarify the terms of the opposition further to a supposed indication from Ms McKay that only the figurative marks are targeted. I will say more on the matter later in the decision.

Proof of use

28. The first issue is to establish whether, or to what extent, the opponent has shown genuine use of the goods relied upon. Under section 6A, the relevant period is the five-year period ending on the date that the opposed mark was published. For the purposes of this opposition, the relevant period is, consequently, 3 June 2012 until 2 June 2017.

29. The relevant statutory provisions are as follows:

“Raising of relative grounds in opposition proceedings in case of non-use

6A- (1) This section applies where -

(a) an application for registration of a trade mark has been published,

(b) there is an earlier trade mark of a kind falling within section 6(1)(a), (b) or (ba) in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and

(c) the registration procedure for the earlier trade mark was completed before the start of the period of five years ending with the date of publication.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if –

(a) within the period of five years ending with the date of publication of the application the earlier trade mark has been put to genuine use in the United

Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

(b) the earlier trade mark has not been so used, but there are proper reasons for non- use.

(4) For these purposes -

(a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(5) In relation to a Community trade mark or international trade mark (EC), any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Community.

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services”.

30. Section 100 of the Act also applies, which reads:

“100. If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it”.

31. In *The London Taxi Corporation Limited v Frazer-Nash Research Limited & Ecotive Limited*, [2016] EWHC 52, Arnold J. summarised the case law on genuine use of trade marks. He said:

“217. In *Stichting BDO v BDO Unibank Inc* [2013] EWHC 418 (Ch); [2013] F.S.R. 35 I set out at [51] a helpful summary by Anna Carboni sitting as the Appointed Person in *Pasticceria e Confetteria Sant Ambroeus Srl v G&D Restaurant Associates Ltd (SANT AMBROEUS Trade Mark)* [2010] R.P.C. 28 at [42] of the jurisprudence of the CJEU in *Ansul BV v Ajax Brandbeveiliging BV (C-40/01)* [EU:C:2003:145]; [2003] E.T.M.R. 85, *La Mer Technology Inc v Laboratories Goemar SA (C-259/02)* [EU:C:2004:50]; [2004] E.T.M.R. 47 and *Silberquelle GmbH v Maselli-Strickmode GmbH (C495/07)*[EU:C:2009:10]; [2009] E.T.M.R.28 (to which I added references to *Sunrider Corp v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) (C-416/04 P)* [EU:C:2006:310]). I also referred at [52] to the judgment of the CJEU in *Leno Merken BV v Hagelkruis Beheer BV(C149/11)* EU:C:2012:816; [2013] E.T.M.R. 16 on the question of the territorial extent of the use. Since then the CJEU has issued a reasoned Order in *Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) (C-141/13 P)* EU:C:2014:2089 and that Order has been persuasively analysed by Professor Ruth Annand sitting as the Appointed Person in *SdS InvestCorp AG v Memory Opticians Ltd (O/528/15)* [2016] E.T.M.R. 8.

218. [...]

219. I would now summarise the principles for the assessment of whether there has been genuine use of a trade mark established by the case law of the Court of Justice, which also includes Case C-442/07 *Verein RadetskyOrder v Bunderversvereinigung Kamaradschaft 'Feldmarschall Radetsky'* [2008] ECR I-9223 and Case C-609/11 *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR 7, as follows:

(1) Genuine use means actual use of the trade mark by the proprietor or by a third party with authority to use the mark: *Ansul* at [35] and [37].

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Centrotherm* at [71]; *Leno* at [29].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Centrotherm* at [71]; *Leno* at [29].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34]; *Leno* at [29]-[30], [56].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32].”

32. In *Dosenbach-Ochsner Ag Schuhe Und Sport v Continental Shelf 128 Ltd*, Case BL 0/404/13, Mr Geoffrey Hobbs Q.C. as the Appointed Person stated that:

“21. The assessment of a witness statement for probative value necessarily focuses upon its sufficiency for the purpose of satisfying the decision taker with regard to whatever it is that falls to be determined, on the balance of probabilities, in the particular context of the case at hand. As Mann J. observed in *Matsushita Electric Industrial Co. v. Comptroller- General of Patents* [2008] EWHC 2071 (Pat); [2008] R.P.C. 35:

[24] As I have said, the act of being satisfied is a matter of judgment. Forming a judgment requires the weighing of evidence and other factors. The evidence required in any particular case where satisfaction is required depends on the nature of the inquiry and the nature and purpose of the decision which is to be made. For example, where a tribunal has to be satisfied as to the age of a person, it may sometimes be sufficient for that person to assert in a form or otherwise what his or her age is, or what their date of birth is; in others, more formal proof in the form of, for example, a birth certificate will be required. It all depends who is asking the question, why they are asking the question, and what is going to be done with the answer when it is given. There can be no universal rule as to what level of evidence has to be provided in order to satisfy a decision-making body about that of which that body has to be satisfied.

22. When it comes to proof of use for the purpose of determining the extent (if any) to which the protection conferred by registration of a trade mark can legitimately be maintained, the decision taker must form a view as to what the evidence does and just as importantly what it does not ‘show’ (per Section 100 of the Act) with regard to the actuality of use in relation to goods or services covered by the registration. The evidence in question can properly be assessed for sufficiency (or the lack of it) by reference to the specificity (or lack of it) with which it addresses the actuality of use.”

33. In *Awareness Limited v Plymouth City Council*, Case BL O/236/13, Mr Daniel Alexander Q.C. as the Appointed Person stated that:

“22. The burden lies on the registered proprietor to prove use..... However, it is not strictly necessary to exhibit any particular kind of documentation, but if it is likely that such material would exist and little or none is provided, a tribunal will be justified in rejecting the evidence as insufficiently solid. That is all the more so since the nature and extent of use is likely to be particularly well known to the proprietor itself. A tribunal is entitled to be sceptical of a case of use if, notwithstanding the ease with which it could have been convincingly demonstrated, the material actually provided is inconclusive. By the time the tribunal (which in many cases will be the Hearing Officer in the first instance) comes to take its final decision, the evidence must be sufficiently solid and specific to enable the evaluation of the scope of protection to which the proprietor is legitimately entitled to be properly and fairly undertaken, having regard to the interests of the proprietor, the opponent and, it should be said, the public.”

34. As the opponent’s earlier mark is an EUTM, the comments of the Court of Justice of the European Union (“CJEU”) in *Leno Merken BV v Hagelkruis Beheer BV*, Case C-149/11, are also relevant. The court noted that:

“36. It should, however, be observed that..... the territorial scope of the use is not a separate condition for genuine use but one of the factors determining genuine use, which must be included in the overall analysis and examined at the

same time as other such factors. In that regard, the phrase ‘in the Community’ is intended to define the geographical market serving as the reference point for all consideration of whether a Community trade mark has been put to genuine use.”

and

“50. Whilst there is admittedly some justification for thinking that a Community trade mark should – because it enjoys more extensive territorial protection than a national trade mark – be used in a larger area than the territory of a single Member State in order for the use to be regarded as ‘genuine use’, it cannot be ruled out that, in certain circumstances, the market for the goods or services for which a Community trade mark has been registered is in fact restricted to the territory of a single Member State. In such a case, use of the Community trade mark on that territory might satisfy the conditions both for genuine use of a Community trade mark and for genuine use of a national trade mark.”

and

“55. Since the assessment of whether the use of the trade mark is genuine is carried out by reference to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark serves to create or maintain market shares for the goods or services for which it was registered, it is impossible to determine a priori, and in the abstract, what territorial scope should be chosen in order to determine whether the use of the mark is genuine or not. A *de minimis* rule, which would not allow the national court to appraise all the circumstances of the dispute before it, cannot therefore be laid down (see, by analogy, the order in *La Mer Technology*, paragraphs 25 and 27, and the judgment in *Sunrider v OHIM*, paragraphs 72 and 77).”

The court held that:

“Article 15(1) of Regulation No 207/2009 of 26 February 2009 on the Community trade mark must be interpreted as meaning that the territorial borders of the Member States should be disregarded in the assessment of whether a trade

mark has been put to 'genuine use in the Community' within the meaning of that provision.

A Community trade mark is put to 'genuine use' within the meaning of Article 15(1) of Regulation No 207/2009 when it is used in accordance with its essential function and for the purpose of maintaining or creating market share within the European Community for the goods or services covered by it. It is for the referring court to assess whether the conditions are met in the main proceedings, taking account of all the relevant facts and circumstances, including the characteristics of the market concerned, the nature of the goods or services protected by the trade mark and the territorial extent and the scale of the use as well as its frequency and regularity."

35. In *London Taxi*, Arnold J. reviewed the case law since the *Leno* case and concluded as follows:

"228. Since the decision of the Court of Justice in *Leno* there have been a number of decisions of OHIM Boards of Appeal, the General Court and national courts with respect to the question of the geographical extent of the use required for genuine use in the Community. It does not seem to me that a clear picture has yet emerged as to how the broad principles laid down in *Leno* are to be applied. It is sufficient for present purposes to refer by way of illustration to two cases which I am aware have attracted comment.

229. In Case T-278/13 *Now Wireless Ltd v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* the General Court upheld at [47] the finding of the Board of Appeal that there had been genuine use of the contested mark in relation to the services in issues in London and the Thames Valley. On that basis, the General Court dismissed the applicant's challenge to the Board of Appeal's conclusion that there had been genuine use of the mark in the Community. At first blush, this appears to be a decision to the effect that use in rather less than the whole of one Member State is sufficient to constitute genuine use in the Community. On closer examination, however, it appears that the applicant's argument was not that use within London and the Thames Valley was

not sufficient to constitute genuine use in the Community, but rather that the Board of Appeal was wrong to find that the mark had been used in those areas, and that it should have found that the mark had only been used in parts of London: see [42] and [54]-[58]. This stance may have been due to the fact that the applicant was based in Guildford, and thus a finding which still left open the possibility of conversion of the Community trade mark to a national trade mark may not have sufficed for its purposes.

230. In *The Sofa Workshop Ltd v Sofaworks Ltd* [2015] EWHC 1773 (IPEC), [2015] ETMR 37 at [25] His Honour Judge Hacon interpreted *Leno* as establishing that "genuine use in the Community will in general require use in more than one Member State" but "an exception to that general requirement arises where the market for the relevant goods or services is restricted to the territory of a single Member State". On this basis, he went on to hold at [33]-[40] that extensive use of the trade mark in the UK, and one sale in Denmark, was not sufficient to amount to genuine use in the Community. As I understand it, this decision is presently under appeal and it would therefore be inappropriate for me to comment on the merits of the decision. All I will say is that, while I find the thrust of Judge Hacon's analysis of *Leno* persuasive, I would not myself express the applicable principles in terms of a general rule and an exception to that general rule. Rather, I would prefer to say that the assessment is a multi-factorial one which includes the geographical extent of the use."

36. The General Court ("GC") restated its interpretation of *Leno Marken* in Case T-398/13, *TVR Automotive Ltd v OHIM* (see paragraph 57 of the judgment). This case concerned national (rather than local) use of what was then known as a Community trade mark (now a European Union trade mark). Consequently, in trade mark opposition and cancellation proceedings the registrar continues to entertain the possibility that use of an EUTM in an area of the Union corresponding to the territory of one Member State may be sufficient to constitute genuine use of an EUTM. This applies even where there are no special factors, such as the market for the goods/services being limited to that area of the Union.

37. Whether the use shown is sufficient for this purpose will depend on whether there has been real commercial exploitation of the EUTM, in the course of trade, sufficient to create or maintain a market for the goods at issue in the Union during the relevant five year period. Considerations include:

- i) The scale and frequency of the use shown
- ii) The nature of the use shown
- iii) The goods for which use has been shown
- iv) The nature of those goods and the market(s) for them
- iv) The geographical extent of the use shown

Genuine use / Proof of use conclusion

38. When making an assessment as to whether genuine use of the opponent's mark has been shown, I begin by considering the way in which it has been used. The mark is registered as the plain word 'AZUCO' and there is evidence of its use in this format by way of invoices and promotional materials. Presentation of the mark in title case, as opposed to capital letters, falls firmly within the boundaries of fair and notional use. Section 46(2) of the Act authorises the additional use of trade marks in a form differing in elements which do not alter the distinctive character of the mark as registered. In the majority of the opponent's evidence, its mark is presented in what may be interpreted as a signature-style script. The 'A' and 'Z' appear to be conjoined and a theatrical element has been added to the 'Z' and 'O' which reach horizontally to the furthest right-hand boundary of the trade mark. The 'underlining' which sometimes sits beneath the word 'AZUCO' is unlikely to affect the mark's distinctiveness and will, instead, go unnoticed by the average consumer. The registered mark, in itself, is unaltered throughout and I do not find its inherent distinctive character to be affected⁵ by the adopted font or stylisation. On that basis, I conclude that its use is acceptable.

39. I will now consider the goods for which use has been shown. In its Notices of Opposition, the opponent sought to rely upon all goods in class 30 for which its earlier mark is registered (paragraph 2 refers). Throughout the course of its evidence,

⁵ *Nirvana Trade Mark, BL O/262/06*

however, the scope of the goods relied upon appears narrower. Mr Biess' affidavit, for example, indicates that the opponent's mark has been used, at least predominantly, in relation to cocoa, cocoa powder and drinking chocolate⁶ and the opponent's statement of grounds refers specifically to cocoa and cocoa powder⁷ only. In any case, I must reach a conclusion as to the goods which can be relied upon based on the evidence before me.

40. The opponent has provided invoices showing custom in multiple member states, specifically Germany, Austria, the Czech Republic, Hungary, Spain, Poland, Belgium and the Netherlands. The invoices, as a collective, and indeed the opponent's submissions, seem to indicate that use of the mark is more concentrated in Germany and recurrent custom at one address is shown in Austria. Although the respective amounts have been redacted, when considered alongside annual turnover figures which repeatedly exceed £1,100,000, this is, in my view, an indicator of significant use. The opponent has provided examples of its mark displayed on a variety of promotional materials and in relation to goods including cocoa and drinking chocolate products. While, despite their tenuous annotations, these materials are not independently capable of providing an indication of scope or chronology, I am required to assess the evidence as a whole. I keep in mind that use in only one member state can be sufficient to show genuine use⁸. In doing so, I am satisfied that the opponent has demonstrated genuine use of its earlier mark in respect of *cocoa and cocoa powder, in particular instant powder; cocoa and chocolate drinks*.

Section 5(2)(b) - Case law

41. The following principles are gleaned from the decisions of the courts of the European Union in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v.*

⁶ See paragraph 3 of the affidavit and witness statement of Mr Joerg Biess

⁷ See paragraph 3 of the opponent's statement of grounds

⁸ *TVR Automotive Ltd*

Thomson Multimedia Sales Germany & Austria GmbH, Case C-120/04, Shaker di L. Laudato & C. Sas v OHIM, Case C-334/05P and Bimbo SA v OHIM, Case C-591/12P.

The principles:

(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 be dominated by one or more of its components;

(f) however, it is also 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 greater 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 creates a risk that the public will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

Comparison of goods

42. In the case of both oppositions, the competing goods are as follows:

Opponent's goods	Applicant's goods
<u>Class 30</u> : Cocoa and cocoa powder, in particular instant powder; cocoa and chocolate drinks.	<u>Class 30</u> : Coffee; coffee for coffee machines; coffee in whole bean form; decaffeinated coffee; coffee beans; roasted coffee beans; coffee bean blends; ground coffee; coffee pods coffee capsules; coffee bags; espresso; americano; cappuccino; affogato; cafes au lait; caffe latte; doppio; latte macchiato; espresso macchiato; mocha; ristretto; frappes; tea; decaffeinated tea; tea leaves; tea bags; green tea; herbal tea; instant coffee; instant tea; cocoa; coffee drinks; tea drinks; coffee beverages; tea beverages; coffee-based

	<p>beverages; tea-based beverages; prepared coffee and coffee based beverages; prepared tea and tea based beverages; coffee in brewed form; tea in brewed form; coffee mixtures; tea mixtures; artificial coffee; artificial tea; coffee and tea substitutes; drinking chocolate; coffee concentrates; coffee extracts; coffee essence; coffee products; tea concentrates; tea extracts; tea essence; tea products; flavoured coffee; coffee flavourings; flavoured tea; tea flavourings; iced coffee; iced tea; bubble tea; fruit tea; fruit infusions; flavouring syrup; syrup for flavouring coffee and beverages; flour and preparations made from cereals; baked goods; confectionery; bread; pastries; cakes; biscuits; sugar; sweeteners; prepared meals; prepared snacks; snack foods; ices; honey; treacle; spices; ice; salt; sauces; fruit sauces; beverages made of coffee; preparations for making coffee based beverages; beverages made of tea; preparations for making tea based beverages.</p>
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43. In its Notices of Opposition, the opponent states:

“6. ...the trade mark applied for extends to goods in Class 30 that are identical with, or at the very least are similar to, the goods falling within Class 30 of the Opponent’s earlier trade mark.”

44. In its counterstatements, the applicant says in response:

“9. The allegations made in Paragraph 6 of the Statement of Grounds of Opposition regarding identity and/or similarity of goods are formally denied, and the Opponent is put to strict proof thereof.”

45. As already explained, the applicant submitted that the removal of *cocoa* and *drinking chocolate* from its application would rid the competing specifications of any similarity. In that respect, there appears to be an acceptance of at least some similarity (if not identity) in respect of the competing goods, given that *cocoa* and *drinking chocolate* remain in the applicant’s specification.

46. The following goods are present in both the applicant’s and the opponent’s specification and are, therefore, self-evidently identical:

Cocoa; chocolate drinks/drinking chocolate

I will assess the applicant’s remaining goods in turn.

47. It is permissible to consider groups of terms collectively where they are sufficiently comparable to be assessed in essentially the same way and for the same reasons (see *Separode Trade Mark* BL O/399/10 and *BVBA Management, Training en Consultancy v. Benelux-Merkenbureau* [2007] ETMR 35 at paragraphs [30] to [38]).

48. I am guided by the relevant factors for assessing similarity identified by Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, which were as follows:

- (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 respectively 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. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

49. In *Kurt Hesse v OHIM*, Case C-50/15 P, the CJEU stated that complementarity is an autonomous criterion capable of being the sole basis for the existence of similarity between goods. In *Boston Scientific Ltd v OHIM*, Case T-325/06, the GC stated that “complementary” means:

“...there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking”.

Coffee; decaffeinated coffee; espresso; americano; cappuccino; affogato; cafes au lait; caffe latte; doppio; latte macchiato; espresso macchiato; mocha; ristretto; frappes; tea; decaffeinated tea; green tea; herbal tea; coffee drinks; tea drinks; coffee beverages; tea beverages; coffee-based beverages; tea-based beverages; prepared coffee and coffee based beverages; prepared tea and tea based beverages; coffee in brewed form; tea in brewed form; artificial coffee; artificial tea; coffee and tea substitutes; coffee products; tea concentrates; tea products; flavoured coffee; flavoured tea; iced coffee; iced tea; bubble tea; fruit tea; fruit infusions; beverages made of coffee; beverages made of tea

50. The above goods comprise beverages which are ready for consumption. They are likely to be consumed, in the main, in precisely the same way as the opponent’s ‘cocoa and chocolate drinks’ and will be selected, largely, for the same purpose (generally either for pleasure or to satisfy thirst). Furthermore, the competing goods are likely to

be selected by the same average consumer. There is likely to be an overlap in the goods' physical nature, both traditionally served in liquid format and at a high temperature. The goods are likely to reach the market via the same trade channels and will be sold in fairly close proximity. In an environment where the goods are made to order, in my experience, consumers are presented with a menu likely to be inclusive of both sets of competing goods. They may, at times, occupy competitive roles. On balance, I find the competing goods to be similar to a fairly high degree.

Coffee for coffee machines; coffee in whole bean form; coffee beans; roasted coffee beans; coffee bean blends; ground coffee; coffee pods coffee capsules; coffee bags; tea leaves; tea bags; instant coffee; instant tea; coffee mixtures; tea mixtures; coffee concentrates; coffee extracts; coffee essence; tea extracts; tea essence; preparations for making coffee based beverages; preparations for making tea based beverages

51. Similarly to the opponent's *cocoa and cocoa powder, in particular instant powder*, the above goods are used, with preparatory intervention, to create beverages. The goods are likely to be selected by the same average consumer, and for the same purpose. There will inevitably be a degree of variation in the goods' starting nature, though they are likely to share a compatibility with water or milk, sufficient to produce end products which are likely to be physically comparable. To my knowledge, the competing goods often travel through the same trade channels and are usually located in the same area of a supermarket, for example. Given the goods' highly similar use, an opportunity for competition is likely to arise. All things considered, I find the degree of similarity to reside between medium and high.

Coffee flavourings; tea flavourings; flavouring syrup; syrup for flavouring coffee and beverages; sweeteners

52. The above goods provide an additional flavour or sweetness to beverages; some specifically to coffee or tea and others with a seemingly wider remit. Their use is therefore different from that of the opponent's goods, which are beverages in their own right. Generally, the end user will be the same. The physical make-up of the competing goods is likely to differ, though they often move through the same or similar trade

channels. In my experience, the goods are not sold immediately alongside each other, though they may occupy the same aisle of a supermarket, for example. The goods are not directly complementary; even in the case of those which could be used in combination with the opponent's goods, neither can be said to be indispensable for the other. The goods serve different purposes and are therefore unlikely to be competitive. Taking each of these factors into account, I find the goods' similarity to be of a low level.

Flour and preparations made from cereals; baked goods; confectionery; bread; pastries; cakes; biscuits; sugar; prepared meals; prepared snacks; snack foods; ices; honey; treacle; spices; ice; salt; sauces; fruit sauces

53. The above selection represents a variety of foodstuffs, some ready-to-eat and others generally used as ingredients or accompaniments. The use of the respective goods is not similar, each meeting different consumer needs. The users of the goods, however, are likely to be the same, to the extent that they are members of the general public. Their physical nature is likely to differ quite significantly. While there may be a small degree of overlap between the goods' trade channels, they are unlikely to be sold in the same location. They are not in competition, nor are they complementary in accordance with the relevant case law. I apply the same reasoning to this comparison as that applied in Case T-736/14⁹, in which the GC upheld that there was no similarity between coffee based beverages and confectionary or sweets. The court rejected the Appellant's argument that similarity was established by the fact that the goods were sold in the same premises and share the same distribution channels. The above goods are not similar to the opponent's.

54. In *eSure Insurance v Direct Line Insurance*, [2008] ETMR 77 CA, Lady Justice Arden stated:

"49. ...I do not find any threshold condition in the jurisprudence of the Court of Justice cited to us. Moreover I consider that no useful purpose is served by holding that there is some minimum threshold level of similarity that has to be

⁹ *Monster Energy Company v OHIM*

shown. **If there is no similarity at all, there is no likelihood of confusion to be considered.** If there is some similarity, then the likelihood of confusion has to be considered but it is unnecessary to interpose a need to find a minimum level of similarity.” [my emphasis]

55. It follows that the opposition fails in respect of the following goods and is dismissed accordingly: *flour and preparations made from cereals; baked goods; confectionery; bread; pastries; cakes; biscuits; sugar; prepared meals; prepared snacks; snack foods; ices; honey; treacle; spices; ice; salt; sauces; fruit sauces.*

The average consumer and the nature of the purchasing act

56. As the case law above indicates, it is necessary for me to determine who the average consumer is for the goods at issue. I must then determine the manner in which these goods are likely to be selected by the average consumer in the course of trade. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

“60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median.”

57. The average consumer for the goods at issue in these proceedings is a member of the general public, with the goods likely to be self-selected from the relevant retail establishment. In the case of supermarkets or their online equivalents, visual factors are likely to dominate the selection process. In the case of establishments such as cafes or coffee shops, requests are likely to be made orally, particularly when it comes to goods which are typically made to order. Consequently, both visual and aural considerations must be considered when assessing a likelihood of confusion. The

goods are generally inexpensive items purchased fairly frequently, with consumers likely to be alive to factors such as ingredients, flavour and calorie content. All things considered, the average consumer is likely to apply an average degree of attention to their purchase.

Clarification of the marks under opposition

58. Further to an issue which arose initially in the applicant's evidence, I feel it necessary to clarify, for both parties, the extent of the opposition. In Ms McKay's witness statement, she states the following:

"3. ...the subject marks are  and ..."

59. As the opponent correctly identifies in its evidence in reply, the opposition targets two series applications, as shown on the front cover of this decision. Both series marks are under opposition, each consisting of a word-only mark and its figurative equivalent (four in total). Both marks within each series are to be considered.

Comparison of trade marks



60. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a trade mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the trade marks must be assessed by reference to the overall impressions created by them, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in *Bimbo SA v OHIM*, Case C-591/12P, that:

"34. ...it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight

in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

61. It would be wrong, therefore, to artificially dissect the trade marks, although it is necessary to take into account their distinctive and dominant components and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions they create.

62. The trade marks to be compared are displayed in the table below. As explained, the applicant’s trade marks will be grouped either by series or by the extent of their stylisation (i.e. as “word-only” and “figurative” marks).

Opponent’s trade mark	Applicant’s trade marks
AZUCO	<p data-bbox="970 1005 1209 1039"><u>UKTM 3188690:</u></p> <p data-bbox="1010 1061 1166 1095">AZZURRO</p>  <p data-bbox="970 1225 1206 1258">(SERIES OF TWO)</p>
	<p data-bbox="970 1317 1209 1350"><u>UKTM 3188686:</u></p> <p data-bbox="943 1373 1238 1406">AZZURRO COFFEE</p>  <p data-bbox="970 1594 1206 1628">(SERIES OF TWO)</p>

63. The opponent’s mark comprises only one element; the word ‘AZUCO’, presented in block capital letters. Its overall impression rests in its totality.

64. I am of course aware that each series mark includes a plain word mark and a figurative mark in which the words are stylised. As each must be considered

individually, I propose to consider them in the most appropriate combinations depending upon the assessment to be made.

65. Beginning with the applicant's word-only marks, in the case of AZZURRO, as the mark's sole component, it is in the word itself that the overall impression lies. When it comes to AZZURRO COFFEE, given the majority of goods for which registration is sought, 'COFFEE' is likely to be viewed as a relatively weak element. Consequently, the mark's overall impression is likely to remain predominantly in the word 'AZZURRO'.

66. In both of the figurative marks, AZZURRO ('AzzUrro') is slightly stylised and presented in a dark blue font. Letters 'A' and 'U' are capitalised, with the remaining letters appearing in lower case, specifically 'zz' and 'rro'. A horizontal line emerges from each extremity of the letter 'U', symmetrically spanning the breadth of the mark, with the left-hand line meeting the tip of the 'A' and the right-hand line resting atop the 'o'. Whilst this is representative of one of the marks in its entirety, in the other 'AzzUrro' sits above the word 'coffee', which is presented in the same dark blue colour, but in a lower-case cursive script which gives the impression of being hand-written. Again, 'coffee' is likely to be seen as a fairly weak element. Whilst the stylisation will certainly contribute to the marks' distinctive character, in my view, it is in the word 'AzzUrro' that the overall impression will rest for both.

Visual comparison

67. Any visual similarity between the opponent's mark and the applicant's word-only marks lies in the relationship between the words AZUCO and AZZURRO. Whilst comprising five and seven letters respectively, each begins with 'AZ', has a 'U' in the middle and ends with 'O'. Bearing in mind that there is no counterpart in the opponent's mark for 'COFFEE', on the whole I find the visual similarity in respect of the word-only marks to be of a low to medium degree.

68. Though the same reasoning as above will also apply to the applicant's figurative marks, the stylisation applied creates a wider visual disparity with the opponent's mark

which is absent of any embellishment. For these marks, I find the visual similarity to be of a low degree.

Aural comparison

69. The opponent's mark and the applicant's AZZURRO series marks are likely to be articulated as AH-ZOOC-O and AH-ZUR-O respectively. The marks' first and final syllables are identical and each comprises three in total. The verbalisation of the opponent's mark is likely to produce a relatively staccato sound on account of the penultimate letter 'C', whereas the 'R'/'r's in the applicant's marks encourage a softer and more fluid sound. Still, given the significant similarities, I find the marks to be aurally similar to a fairly high degree.

70. Because of the allusive or suggestive nature of 'COFFEE/coffee', in my opinion, it is unlikely to always be articulated by the average consumer. In the event that it isn't, the comparison will clearly be the same as above and a fairly high degree of aural similarity will remain. Where it is, it will be articulated by the average consumer in the predictable manner, being a well-known word, and would stand to reduce the level of aural similarity between the marks to a medium degree.

Conceptual comparison

71. For a conceptual message to be relevant it must be capable of immediate grasp by the average consumer. This is highlighted in numerous judgments of the GC and the CJEU including *Ruiz Picasso v OHIM* [2006] e.c.r.-I-643; [2006] E.T.M.R 29. The assessment must, therefore, be made from the point of view of the average consumer.

72. In its written submissions, the opponent states the following:

"23. As neither AZUCO nor AZZURRO possess a conceptual meaning to the average British consumer, the conceptual meanings would be perceived to be the same and therefore this element does not serve to diminish the overall similarities between the marks applied for and the Opponent's earlier mark."

73. The applicant has not commented specifically upon the conceptual significance of either mark.

74. To my knowledge, the average consumer is unlikely to attach a conceptual meaning to either of the competing marks. Instead, 'AZUCO' and 'AZZURRO' are likely to be viewed as invented words. Whilst I accept that some consumers may believe the words to originate from a language other than English, this is, in my view, less likely. The addition of 'COFFEE/coffee' in the applicant's second series will not give the consumer any indication of the goods' origin; only a description of their nature. In light of the above, I conclude that the competing marks are conceptually neutral.

Distinctive character of the earlier trade mark

75. The distinctive character of a trade mark can be appraised only, first, by reference to the goods in respect of which registration is sought and, secondly, by reference to the way it is perceived by the relevant public. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97, the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as

originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

76. I begin by assessing the inherent distinctiveness of the opponent’s mark. It is widely accepted, though only a guideline, that words which are invented often possess the highest degree of distinctive character, whilst words which are suggestive or allusive of the goods and/or services relied upon generally possess the lowest. As I have already suggested, the average consumer is unlikely to apply any conceptual meaning to AZUCO and is likely instead to view it as an invented word. Consequently, I find it to possess a reasonably high degree of inherent distinctive character.

77. The opponent claims that its earlier mark also possesses an “enhanced distinctiveness”¹⁰. Whilst I have found its turnover figures and promotional expenditure to be sufficient in terms of demonstrating use, it has failed to provide the additional context required to substantiate this claim. I am unable to determine, based on the evidence, the relevant market share in what I presume to be a market of considerable value. Consequently, I cannot conclude nor identify the extent (if any) to which the use made of the opponent’s mark has enhanced its distinctive character. Still, given the reasonably high degree of inherent distinctiveness already attributed to its mark, an alternative finding is unlikely to materially improve the opponent’s position.

Likelihood of confusion

78. In determining whether there is a likelihood of confusion, a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods and vice versa. As I mentioned above, it is also necessary for me to keep in mind the distinctive character of the opponent’s trade mark, as the more distinctive it is, the greater the likelihood of confusion.

¹⁰ See *Statement of Grounds*, para. 7

79. In *Kurt Geiger v A-List Corporate Limited*, BL O-075-13, Mr Iain Purvis Q.C. as the Appointed Person pointed out that the level of 'distinctive character' is only likely to increase the likelihood of confusion to the extent that it resides in the element(s) of the marks that are identical or similar. He said:

“38. The Hearing Officer cited *Sabel v Puma* at paragraph 50 of her decision for the proposition that 'the more distinctive it is, either by inherent nature or by use, the greater the likelihood of confusion'. This is indeed what was said in *Sabel*. However, it is a far from complete statement which can lead to error if applied simplistically.

39. It is always important to bear in mind what it is about the earlier mark which gives it distinctive character. In particular, if distinctiveness is provided by an aspect of the mark which has no counterpart in the mark alleged to be confusingly similar, then the distinctiveness will not increase the likelihood of confusion at all. If anything it will reduce it.”

In other words, simply considering the level of distinctive character possessed by the earlier mark is not enough. It is important to ask 'in what does the distinctive character of the earlier mark lie?' Only after that has been done can a proper assessment of the likelihood of confusion be carried out.

80. Confusion can be direct or indirect. Direct confusion involves the average consumer mistaking one trade mark for the other, while indirect confusion is where the average consumer realises the trade marks are not the same but puts the similarity that exists between the trade marks and goods down to the responsible undertakings being the same or related.

81. Earlier in this decision I reached the following conclusions:

- Some of the competing goods are identical; some are similar to a fairly high degree; some are similar to a low degree; some are not similar at all;

- The average consumer is a member of the general public. Visual considerations are likely to play a key role in the selection process, though aural considerations are also relevant;
- An average degree of attention is likely to be paid to the selection of goods;
- There is a low to medium degree of visual similarity between the opponent's mark and the applicant's word-only marks and a low degree of visual similarity between the opponent's mark and the applicant's figurative marks;
- There is a high degree of aural similarity between the opponent's mark and the applicant's AZZURRO series and at least a medium degree of aural similarity between the opponent's mark and the applicant's AZZURRO COFFEE series;
- In the case of both series, the competing marks are conceptually neutral;
- The opponent's trade mark possesses a reasonably high degree of inherent distinctive character.

82. I take note of the comments made by Mr Iain Purvis Q.C., as the Appointed Person, in *L.A. Sugar Limited v By Back Beat Inc*, Case BL O/375/10, where he explained that:

“16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: “The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.””

83. To make the assessment, I must adopt the global approach advocated by the case law and take account of each of the above conclusions. I also bear in mind that the

average consumer rarely has the chance to make direct comparisons between trade marks and must, instead, rely upon the imperfect picture of them retained in its mind.

84. I will begin my assessment on the basis of the applicant's word only marks; AZZURRO and AZZURRO COFFEE. Structurally, the visual differences between AZUCO and AZZURRO are, in my view, sufficiently minimal to be overlooked by the average consumer, and the aural proximity is great enough for the marks to be confused, particularly given that the degree of attention paid to the purchase is not of a high level. Whilst the addition of a second word (COFFEE) creates a striking visual difference between the marks, it is a word which provides little distinctiveness and will, in the main, be viewed as allusive in respect of the relevant goods. Consequently, consumers are likely to grant it little weight in their attempt to establish origin and will continue to look to 'AZZURRO' for clarification. Neither AZUCO nor AZZURRO offers the consumer a conceptual indication it can grasp, both likely to be viewed instead as invented words with no clear meaning. This will only exacerbate the consumer's inability to easily distinguish between the marks. All things considered, I find it likely that consumers will encounter direct confusion in respect of goods with any degree of similarity.

85. Having found a likelihood of confusion in respect of the applicant's word-only marks, I must now consider whether the stylisation in their figurative equivalents is sufficient to render confusion unlikely. The opponent states that the mere fact that the series marks have been accepted suggests that the stylised marks are not distinguishable from their word-only equivalents on the basis of distinctive character¹¹. My findings earlier in the decision are consistent with this approach, having concluded that although the stylisation contributes to the marks' overall impressions, in neither case does it materially alter their distinctive character, which remains in the word 'AzzUrro'. That being so, in my view, consumers remain susceptible to direct confusion, interpreting the additional stylistic components as a brand or marketing development, for example.

Conclusion

¹¹ See paragraphs 8-9 of the opponent's written submissions

86. Subject to any successful appeal, the application **will proceed to registration** in respect of:

Flour and preparations made from cereals; baked goods; confectionery; bread; pastries; cakes; biscuits; sugar; prepared meals; prepared snacks; snack foods; honey; treacle; spices; salt; sauces; fruit sauces; ices; ice

and **will be refused** in respect of:

Coffee; coffee for coffee machines; coffee in whole bean form; decaffeinated coffee; coffee beans; roasted coffee beans; coffee bean blends; ground coffee; coffee pods coffee capsules; coffee bags; espresso; americano; cappuccino; affogato; cafes au lait; cafe latte; doppio; latte macchiato; espresso macchiato; mocha; ristretto; frappes; tea; decaffeinated tea; tea leaves; tea bags; green tea; herbal tea; instant coffee; instant tea; coffee drinks; tea drinks; coffee beverages; tea beverages; coffee-based beverages; tea-based beverages; prepared coffee and coffee based beverages; prepared tea and tea based beverages; coffee in brewed form; tea in brewed form; coffee mixtures; tea mixtures; artificial coffee; artificial tea; coffee and tea substitutes; coffee concentrates; coffee extracts; coffee essence; coffee products; tea concentrates; tea extracts; tea essence; tea products; flavoured coffee; flavoured tea; iced coffee; iced tea; bubble tea; fruit tea; fruit infusions; beverages made of coffee; preparations for making coffee based beverages; beverages made of tea; preparations for making tea based beverages; Coffee flavourings; tea flavourings; flavouring syrup; syrup for flavouring coffee and beverages; sweeteners.

Costs

87. Both parties have achieved a measure of success. As the opponent's success is proportionately greater, it is entitled to a contribution toward its costs. Awards of costs in proceedings are governed by Annex A of Tribunal Practice Notice ("TPN") 2 of 2016. Applying the guidance in that TPN but keeping in mind that the majority of its evidence was re-filed based on earlier proceedings, I award costs to the opponent on the following basis:

Official fee (form TM7):	£100
Preparing a Notice of Opposition:	£200
Preparing evidence and considering the other side's evidence:	£250
Written submissions:	£100
Total:	£650

88. I order Azzurro Coffee & Tea Specialists Limited to pay Azul-Kaffee GmbH & Co. KG the sum of £650. This sum is to be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 14th day of November 2018

**Laura Stephens
For the Registrar**