

**O/1044/22**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO. 3569728**

**BY MAIN COURSE PARTNERS LIMITED**

**FOR THE TRADE MARK:**



**IN CLASSES 29, 30, 31, 35, 39 & 43**

**AND IN THE MATTER OF OPPOSITION THERETO**

**UNDER NO. 424605**

**BY COSTA LIMITED**

## BACKGROUND AND PLEADINGS

1. Main Course Partners Limited (“the Applicant”) applied to register the trade mark shown on the cover page of this decision in the UK on 18 December 2020. It was accepted and published in the Trade Marks Journal for opposition purposes on 16 April 2021, for the following goods and services:

**Class 29:** Meat; fish; poultry and game; preserved, frozen, dried and cooked fruits and vegetables; jellies; jams; compotes; eggs; milk; cream; cheese; butter; yoghurt; oils and fats for food; pulses; nuts; dairy products and dairy substitutes; soups; salads; prepared meals and snacks consisting primarily of meat, poultry, fish, eggs, fruit or vegetables; prepared desserts.

**Class 30:** Coffee, tea, cocoa and artificial coffee; rice; pasta; noodles; flour and preparations made from cereals; bread; pastries; confectionery; chocolate; ice cream, sorbets and other edible ices; sugar; honey; yeast; baking-powder; salt; seasonings; spices; preserved herbs; vinegar; sauces; condiments; processed grains; dough, batters and mixes; baked goods; prepared desserts; prepared meals and snacks consisting primarily of pasta, rice or noodles; cereal, grain and corn based snack foods; fresh, preserved, chilled and frozen pizzas.

**Class 31:** Raw and unprocessed grains and seeds; fresh fruits and vegetables; fresh herbs; natural plants and flowers.

**Class 35:** Retail, wholesale services and online retail and wholesale services in relation to food, foodstuffs, alcoholic beverages, non-alcoholic beverages, prepared meals and snacks, meat, fish, fruits, vegetables, dairy products, dairy substitutes, pasta, pizzas, flour and preparations made from cereals, baked goods, bread, pastries, confectionery, herbs and spices, condiments and desserts; import and export services; information, advisory and consultancy services relating to all these services.

**Class 39:** Food and drink delivery services; delivery of food by restaurants; delivery of groceries; food storage services; food packaging services; information, advisory and consultancy services relating to all these services.

**Class 43:** Services for providing food and drink; preparation of food, drink, snacks and prepared meals; restaurant services; take-away food and drink services; catering services; food preparation for others on an outsourcing basis; information, advisory and consultancy services relating to all these services.

2. On 21 May 2021, Costa Limited, (“the Opponent”) opposed the application pursuant to section 5(2)(b) and section 5(3) of the Trade Marks Act 1994 (“the Act”).

3. The opposition, insofar as it is based on section 5(3), is raised against all of the goods and services applied for, with the exception of the class 30 specification of goods. The opposition under section 5(2)(b) is also partial and has not been directed at all of the applied for goods and services, but does include the class 30 goods of the applicant.

4. For the purposes of the section 5(2)(b) ground of opposition the opponent relies on four earlier UK registered rights. The details of which are as follows:

**2113264A**, for the series of 2 marks (one being a word mark, the other often referred to by the opponent as the ‘logo’ mark):

COSTA

**COSTA**

Filed on 17 October 1996 and registered on 22 May 1998, for a wide range of goods and services, however the opponent relies only on the following goods and services:

**Class 29:** Prepared meals; milk and milk products.

**Class 30:** Coffee, tea, cocoa, sugar, coffee substitutes; bread, biscuits, cakes, pastry and confectionery; prepared meals; sandwiches.

**Class 43:** Cafes; coffee shops; restaurants; coffee bars.

The opponent relies on this earlier mark to oppose a majority of the goods and services applied for including all of the class 39 and 43 services but none of the class 31 goods.

1180461, for the mark:

## **COSTA**

Filed on 19 August 1982 and registered on 19 August 1982 in Class 30 for: Coffee; mixtures of coffee and chicory; mixtures of coffee and fig essences; however the opponent relies only upon 'Coffee' under this earlier mark, and opposes only the following goods and services under the contested application:

**Class 30:** Coffee, tea, cocoa and artificial coffee.

**Class 39:** Drink delivery services.

3381310, for the mark:

## **COSTA COFFEE**

Filed on 7 March 2019 and registered on 24 May 2019, for a range of goods, however the opponent relies only on the following goods in Class 30:

**Class 30:** Coffee, tea, cocoa, sugar, rice, tapioca, sago, coffee substitutes; flour and preparations made from cereals; bread, biscuits, cakes, pastry and confectionery; ices; prepared meals, sandwiches; honey, treacle; yeast, baking-powder; salt, mustard; pepper, vinegar, sauces, spices; ice; ice cream; chocolate based beverages; cocoa based beverages, coffee based beverages, flavourings for beverages, tea based beverages, edible ices, coffee flavourings, frozen yoghurt; confectionery ices; powders and flavourings for ice cream; sorbets; wafers and cornets.

The opponent relies on this earlier mark to oppose all of the goods and services of the contested application, with the exception of the Class 31 application.

95250667, for the mark:

## **COSTA**

Filed on 31 May 2000 and registered on 14 June 2001, for the following services:

**Class 42:** Providing of food and drink.

The opponent relies on this earlier mark to oppose all of the goods and services of the contested application, with the exception of the Class 31 application.

5. For the purposes of the section 5(3) ground of opposition, the opponent initially relied upon two of the earlier rights relied on under section 5(2)(b), namely 2116264A and 95250667, however reliance on 95250667 was dropped in respect of the section 5(3) claim (but retained for the section 5(2)(b) ground).

6. The opponent therefore relies on 2116264A solely in respect of the section 5(3) opposition, and claims a reputation in the following goods and services:

**Class 30:** Coffee, tea; biscuits, cakes, pastry and confectionery; sandwiches.

**Class 43:** Cafes; coffee shops; restaurants.

7. Given their filing dates, all four of the opponent's marks are earlier marks in accordance with section 6 of the Act. However, as 2113264A, 1180461 and 95250667 had completed their respective registration processes more than five years before the filing date of the contested application, they are subject to the proof of use provisions contained in section 6A of the Act. Earlier mark 3381310 is not subject to proof of use.

8. In its statement of grounds the opponent claims that the word element of the contested mark 'CASACOSTA' although presented as one word, will be perceived as a composite of two words CASA and COSTA. It submits that CASA is a Spanish and Italian word meaning 'house' and is widely used as a non-distinctive component of café and restaurant names of Spanish/Italian origin. Further it asserts that coffee shops are often referred to as coffee houses and therefore CASA is of little or no distinctive character for the class 43 services applied for under the contested mark. Furthermore, the opponent claims that CASA qualifies the word COSTA such that COSTA is the dominant element of the contested mark.

9. The opponent also submits that the figurative element in the contested mark is of secondary significance to the verbal component as the public does not tend to analyse signs and more readily refers to a mark by its verbal element than by describing figurative aspects. It submits that the figurative element is likely to be perceived simply as decorative or as an illustration, and not as a distinctive component of the contested mark.

10. The opponent claims that its earlier marks comprise essentially the distinctive element COSTA, and that the marks at issue are visually, aurally and conceptually similar, to at least a moderate degree, by virtue of the common element COSTA. It adds that the goods and services at issue are either identical or similar and that as such there is a likelihood of confusion, including a likelihood of association on the part of the public, which is increased by virtue of the enhanced distinctive character of its earlier marks in respect of goods and services in classes 30 and 43.

11. Regarding the section 5(3) ground of opposition, the opponent asserts that, due to the similarity between the marks the relevant public would believe that they are used by the same undertaking, or that there is an economic connection between the users of the marks and therefore use of the applicant's mark on the following goods and services would take unfair advantage or, or be detrimental to the distinctive character or reputation of the earlier series marks registered under 2116264A:

**Class 29:** Meat; fish; poultry and game; preserved, frozen, dried and cooked fruits and vegetables; jellies; jams; compotes; eggs; milk; cream; cheese; butter; yoghurt; oils and fats for food; pulses; nuts; dairy products and dairy substitutes; soups; salads; prepared meals and snacks consisting primarily of meat, poultry, fish, eggs, fruit or vegetables; prepared desserts.

**Class 31:** Raw and unprocessed grains and seeds; fresh fruits and vegetables; fresh herbs; natural plants and flowers.

**Class 35:** Retail, wholesale services and online retail and wholesale services in relation to food, foodstuffs, alcoholic beverages, non-alcoholic beverages, prepared meals and snacks, meat, fish, fruits, vegetables, dairy products, dairy substitutes, pasta, pizzas, flour and preparations made from cereals, baked goods, bread, pastries, confectionery, herbs and spices, condiments and desserts; import and export services; information, advisory and consultancy services relating to all these services.

**Class 39:** Food and drink delivery services; delivery of food by restaurants; delivery of groceries; food storage services; food packaging services; information, advisory and consultancy services relating to all these services.

**Class 43:** Services for providing food and drink; preparation of food, drink, snacks and prepared meals; restaurant services; take-away food and drink services; catering services; food preparation for others on an outsourcing basis; information, advisory and consultancy services relating to all these services.

12. There is no challenge under section 5(3) to the applicant's class 30 application.

13. In its counterstatement, the applicant denied the claims made by the opponent in its statement of grounds and stated that marks are perceived as wholes and as such the figurative element in the contested mark forms a significant part of that whole and cannot be disregarded. The applicant admitted that some of the goods and services at issue are identical but submitted that some of the respective goods and services are dissimilar. It stated that the word COSTA is a commonly used term in respect of the opponent's goods and services in the UK. The applicant therefore denied that there was a likelihood of confusion under section 5(2)(b), or that the use of its mark would take unfair advantage of, or cause any detriment to, the opponent's marks.

14. In its counterstatement the applicant also requested that the opponent provide proof of use of some of the goods and services that fall under the three earlier marks that were subject to such provisions, namely:

**2113264A** in respect of:

**Class 29:** Prepared meals; milk and milk products.

**Class 30:** Coffee, tea, cocoa, sugar, coffee substitutes; bread, biscuits, cakes, pastry and confectionery; prepared meals; sandwiches.

**Class 43:** Cafes; coffee shops; restaurants; coffee bars.

**1180461** in respect of:

**Class 30:** Coffee.

**905250667** in respect of:

**Class 42:** Providing of food and drink.

15. As the application date of the contested mark is 18 December 2020, the relevant period in which the opponent must show proof of use is 19 December 2015 to 18 December 2020.

16. A hearing was requested and took place on 13 September 2022, at which the applicant was represented by Mr Robert Furneaux of Sipara Limited and the opponent by Mr Gwilym Harbottle of counsel, instructed by Withers & Rogers LLP.

## **EVIDENCE**

17. Both parties submitted evidence, which will be summarized and referred to, to the extent that I feel necessary, throughout this decision.

### **Opponent's evidence in chief**

18. The evidence in chief of the opponent comprises the Witness Statement of Sunita Savjani dated 28 January 2022 accompanied by exhibits SS01 – SS20. Ms Savjani is the General Counsel of the opponent. A confidentiality order has been granted in respect of paragraphs 33, 34, 35 and 37 of Ms Savjani's witness statement.

19. Ms Savjani states that the COSTA word mark and logo are the opponent's most valuable trade marks. Costa is the surname of the founders, who opened the first Costa coffee shop in London in 1981. The opponent company was incorporated in 1976. The word COSTA has been part of the opponent's trading name and in continuous use in the UK since 1976.

20. I begin by discussing the opponent's relevant evidence.

21. Exhibit SS01 is comprised of a page from Companies House records, which shows the incorporation of the opponent on 28 July 1976. I note that this information also states that the opponent's nature of business is "Production of coffee and coffee substitutes; licensed restaurants". It also shows that the opponent was previously known as C.B. COSTA BROS. COFFEE CO. LIMITED until a change of name to COSTA LIMITED in 1997.



23. I note the following: 4 October 2001 an advert from the opponent's website which offers the viewer the possibility of searching for the nearest Costa and combines with an image of a cup or glass that may contain coffee. The same advert but dated 14 June 2002 is also provided. Further extracts from the Costa.co.uk website show use of the word COSTA with an image of coffee beans, dated October 2003, with reference to 'the Costa story', 'the perfect cup' and 'store locator' displayed as options on that webpage. Further extracts are dated March 2004, May 2005, February 2006, August 2007, November 2008, September 2009, March 2010, January 2011, December 2013 (with the first example providing the choice of a 'menu' on the website, although this could simply be a menu of coffee drinks available), June 2014, April 2015, May 2016 (the word COSTA is shown on the webpage and on a coffee cup in this extract), October 2017 (showing use of the mark and an indication of the provision of food products in the images provided of what appears to be some kind of pasta meal in a cardboard box, with the words "Meet your new lunch crew – discover new lunch options"), March 2018 (the mark COSTA is shown on the webpage and on a coffee cup, along with an image of several sausage rolls and the words "New sausage rolls"); May 2019 (the mark COSTA appears on the page as does a coffee cup along with the words "The Nation's Favourite").

24. Ms Savjani states that by 2021 the opponent's estate had grown to 2235 coffee shops and 9996 vending machines across the UK. The COSTA word and logo marks being used on that estate across the UK.

25. Exhibit SS03 provides screenshots from the opponent's website showing Costa coffee shops located in London, Birmingham, Leeds, Glasgow, Sheffield, Bradford, Liverpool, Edinburgh, Manchester, Bristol and Cardiff. Although this information is undated, it does show that the opponent operates coffee shops widely across the UK, supporting the statistical information provided elsewhere in evidence.

26. Exhibit SS04 comprises several screenshots from the opponent's website 'www.costa.co.uk', providing locations of some of the opponent's coffee shops and

vending machines located inside national retail outlets in Birmingham. The same being true for many other cities across the UK, it is claimed. This information is undated however it shows use of the COSTA marks relied upon and indicates that the opponent had at least 10 coffee shops in Birmingham by September 2021 (the date that the screenshots were printed out).

27. Ms Savjani states that the opponent is 'a total coffee company' providing a range of goods through its coffee shops, drive-thru's and coffee bars. These goods are listed under paragraph 18 of Ms Savjani's Witness Statement as follows:

- Hot drinks, including coffee, hot chocolate, chai latte, tea;
- Cold drinks, including iced coffee and cold brewed coffee, iced tea, smoothies;
- Milk-based cold drinks, sold under the Opponent's FROSTINO trade mark, babyccinos;
- Cans of ready to drink coffee;
- Prepared breakfast and lunch meals including breakfast sandwiches, yoghurts, porridge, toast, teacakes, toasted sandwiches, sandwiches, wraps, salads, soups;
- Pastries and baked goods including croissants, pain aux raisins, danish pastries, shortbreads, brownies, muffins, cakes, tarts, cookies, biscuits, flapjacks, sausage rolls, mince tarts; and
- Bags of whole bean coffee, bags of ground coffee, coffee capsules.

28. Exhibit SS05 comprises an Allergen guide dated November 2020 which provides details of the ingredients within the opponent's food and drink products that were available prior to the contested application being filed. This document is almost 50 pages in length. The word COSTA is show on page 2 of this exhibit.

29. Ms Savjani states that the COSTA word and logo marks appear on crockery and take-away cups, napkins, uniforms, food packaging and signage. She also states that the opponent's vending machines are located within third party establishments including Shell, Tesco Express, Co-Op, Asda, Morrisons and other service stations and independent convenience stores.

30. Ms Savjani states that Exhibit SS06 provides examples of the use of the COSTA word and logo marks on glasses, cups, paper bags, napkins, uniforms, signage, vending machines, stores, drive-thru outlets and store collateral. I note however that

the mark relied upon is only clearly displayed on vending machines, coffee cups of the kind that will be dispensed by such machines, cans of coffee and signage. This information is also undated.

31. Ms Savjani states that her client's cans of ready-to-drink coffee, bags of whole bean and ground bean coffee, and capsules are sold widely from nationwide retail outlets including ASDA, Morrisons, Sainsbury's, Iceland, Ocado, Spar, Booker, Nisa, WH Smith, Boots and more. She adds that the opponent also sells its cans of ready to drink coffee, coffee beans and capsules to All About Food Limited, which then sells those products on to national retail outlets.

32. Exhibit SS07 provides examples of the opponent's products available to purchase from the online stores of Tesco, ASDA, Sainsbury's, Iceland, Waitrose and Ocado in September 2021. These examples show that the aforementioned retailers all provide largely the same goods from the opponent, namely coffee, coffee beans, coffee pods and capsules, cans of coffee such as latte and flat white variants, instant and ground coffee. The examples provided all display the COSTA marks relied upon but are undated, other than to show the printout date of each page which is from September 2021 and falls outside of the relevant date.

33. Also included under Exhibit SS07 are sample invoices from the opponent to All About Food Limited. There are several invoices dated between July 2018 and April 2020. These invoices display the marks relied upon and the company name Costa Limited. Some of the invoices contain significant sales volumes of coffee, for example, in an invoice dated 24 September 2019, the opponent supplied All About Food Limited with 14,504 cases of Signature Blend R&G 5x200g and 6512 cases of Signature Blend Beans. In an invoice dated 21 May 2019 the opponent is shown to have supplied All About Food Limited with 12,728 cases of Signature Blend R&G 5x200g.

34. Exhibit SS08 comprises information relating to the opponent's Costa Coffee Club App, with extracts from the Apple and Google Play online App stores. This information supports use on the mark relied upon but on coffee only. In the first paragraph of this exhibit, it states "It's the simplest way to collect Coffee Club points, order your favourite drink for collection in store (from June 2019)...". There is no indication or suggestion of any food products, or indeed any wider kinds of beverages on offer. The Costa app is shown to have been ranked 6<sup>th</sup> in the food and drink category of the Apple App Store

in September 2021. The Google Play App extract indicates that the Costa app had been installed on more than 1 million Android devices in September 2021, which is outside of the relevant period, however at the Hearing Mr Harbottle stated that “although there is not actually specific evidence as at the filing date, it is reasonable to infer from those figures that it would have been much the same as at the filing date”.

35. Exhibit SS09 is comprised extracts from the Deliveroo, Uber Eats and Just Eat websites, showing that the opponent’s goods are available to order for delivery to consumers. This information lists beverages, coffee, and bacon/sausage baps as options available to order for delivery. There are a number of reviews posted, which show that the opponent provides its goods for delivery widely across the UK, however all reviews are dated September 2021.

36. Exhibit SS09 also provides sample invoices showing sales of the opponent’s products in the UK via Uber Eats. There are 15 invoices in total, all of which are dated between July and September 2020 and all of which contain the opponent’s name and address. These invoices range in value from £8.85 to £22.04 and show that the opponent provided a range of food and drinks to consumers via Uber Eats. The goods sold include: a variety of coffee-based beverages; shortbreads; muffins; toasties; sausage baps; croissants; tarts, chai latte; chicken fajita wraps; cheddar cheese and roasted tomato toasties; raspberry and almond bakes; hot chocolate; lemonade and fresh lemonade.

37. Exhibit SS10 comprises a small number of recipes from the opponent’s website, which can be made using costa coffee from a can. These include muffins and fudge. This information is undated but shows the COSTA mark on cans.

38. Paragraphs 33 and 34 of Ms Savjani’s first Witness Statement are confidential and provide gross sales figures of goods and services sold in the UK bearing the earlier COSTA marks between March 2017 and February 2020. A breakdown of sales value and sales quantity for the period January 2015 and December 2020 is also provided and has also been granted a confidentiality order. These figures can be said to be extremely substantial, even taking into account the likely size of the relevant market in the UK.

39. Under paragraph 34 of her witness statement, Ms Savjani states that the sales value and sales quantity figures of food products provided between January 2015 and

December 2020 included, but was not limited to, the following goods: Biscuits, breakfast products, cold sandwiches, confectionery, crisps, popcorn, cupcakes, dried fruit, meal boxes, meal pots, muffins, paninis, pasta, salad, savoury pastries, sliced cakes, soups, sweet breakfast products, sweet pastries, tarts, toasties, traybakes, wraps, wrapped bakes, cream, golden syrup, sauces and spreads.

40. Paragraph 36 of Ms Savjani’s witness statement provides the following breakdown of unit sales of ready to drink coffee sold throughout 2019 and 2020:

	2019 (units)	2020 (units)
ASDA	800,000	1,300,000
Morrisons	70,000	600,000
Sainsbury’s (Inc. Sainsbury’s local and Superstore)	-	500,000
Other non-grocery channels (e.g. petrol stations, independents, small chains)	1,300,000	2,400,000
<b>TOTAL UNITS SOLD IN UK</b>	<b>2,100,000</b>	<b>5,300,000</b>

41. Ms Savjani states that the opponent has invested significant sums in advertising and promotion of its COSTA marks. Figures which set out the opponent’s expenditure in the advertising and promotion of the COSTA word and logo marks between March 2017 and February 2020 are provided in paragraph 37 of her witness statement and have been granted confidentiality. The level of expenditure in each of the three years provided but can be said to be quite significant.

42. Ms Savjani states that her client promotes and advertises its products under the earlier COSTA marks in a variety of ways including press, digital and social media advertising. In 2017 she claims that the opponent also undertook television, cinema and video on demand advertising.

43. Exhibit SS11 comprises a summary of an advertising campaign undertaken in the UK, with copies of detailed media plans and advertising including on billboards, trains and London tube stations. This information shows the marks relied upon being promoted on store frontage in London’s Piccadilly Circus in December 2019 and on London Tube tunnels, gateways and panels, as well as within a train carriage

compartment. The expression 'Proper coffee. Now in a can' is shown alongside the COSTA mark in a number of advertisements, such as:



44. Exhibit SS12 provides information regarding the 2019 "Free Coffee Day" Costa Express promotion, during which more than 3 million drinks were dispensed in cups bearing the COSTA marks. This promotional event on 1 October 2019 provided free coffee from 8,500 Costa Express vending machines across the UK for the entire day. This was reported in the press, evidenced by extracts from The Mirror, The Independent, Metro and other media. The marks relied upon are shown on the machines and on coffee cups, as follows:



And:

Costa Express will be free at thousands of outlets on 1 October as the coffee brand tries to end the stigma surrounding drinks from self-serve machines.



45. Exhibit SS13 is said to comprise further examples of advertising undertaken in print across UK media. Ms Savjani states that the opponent publishes advertisements in publications including the Sun, Metro, Times, Daily Mail, Guardian, Telegraph and Timeout. The evidence under SS13 shows a number of advertisements promoting the opponent's coffee and iced coffee beverages between 2018 and 2020, largely through

the company Nielsen Ad Dynamix. The expenditure figures in most cases are quite substantial. The marks relied upon are clearly shown.

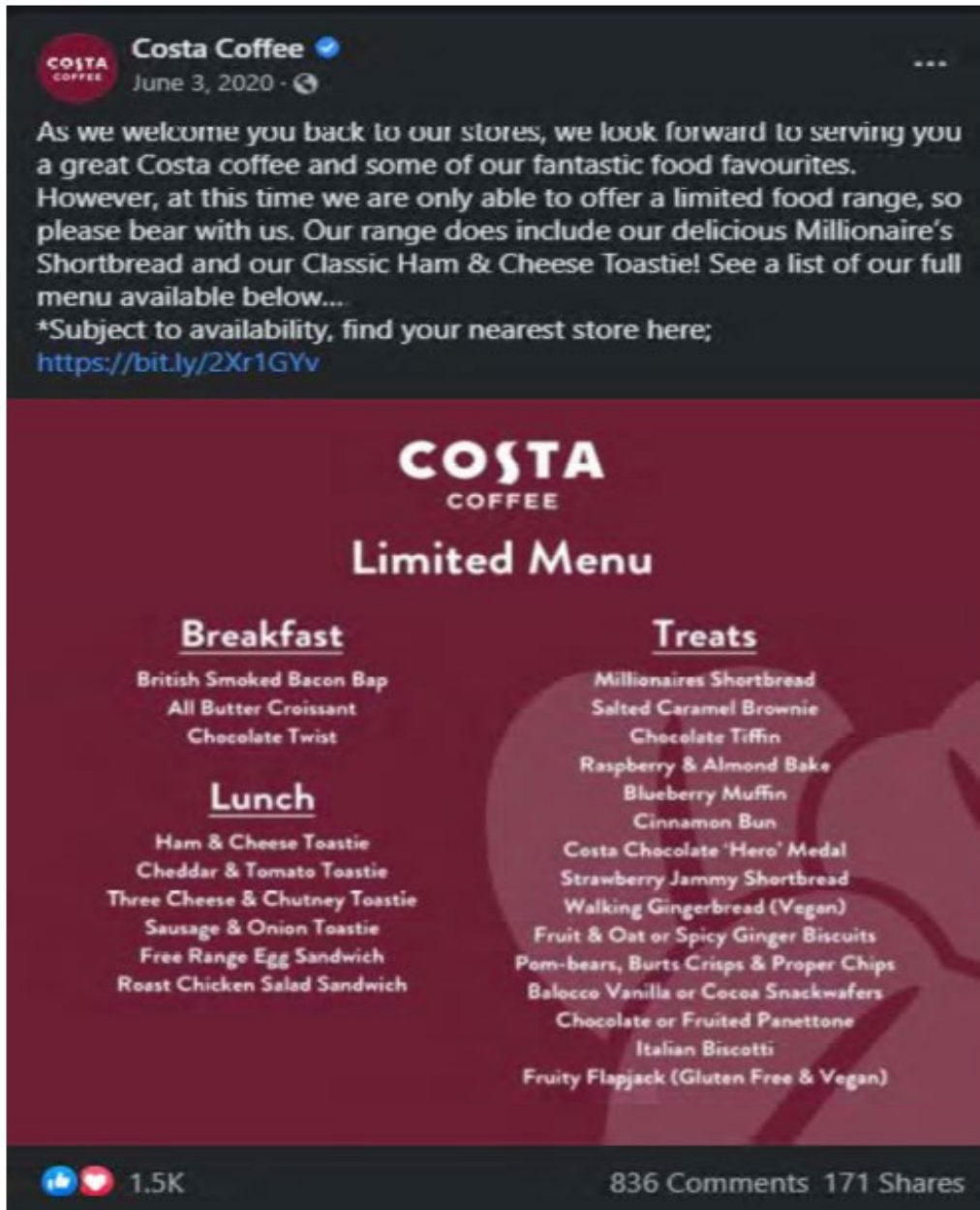
46. Exhibit SS14 comprises examples of point-of-sale marketing materials placed within UK stores. The evidence is dated variously as summer or Christmas 2019, and shows the marks relied upon promoting a variety of beverage products including coffee, latte, hot chocolate, tea, cappuccino, fruit beverages; as well as ice cream.

47. Ms Savjani claims the opponent actively promotes its products in the UK on social media. The COSTA word mark features within the handle of each social media account and the marks feature in the profile image on each account in Facebook, Instagram and Twitter.

48. Exhibit SS15 provides posts and tweets on social media. The opponent's Facebook page had in excess of 1,760,000 followers in September 2021. It had more than 370,000 Instagram followers and more than 260,000 followers on Twitter at the same time.

49. Information provided under Exhibit SS15 also includes a large selection of social media extracts containing images of products on offer from the opponent between 2016 and 2020. Some of the goods provided are: coffee, toasties, cakes, pastries and shortbread, bacon, egg and tomatoes on toast (page 213), tarts, bagels with bacon and egg, toast, Meal boxes with a choice of 'meatballs', 'mac n' cheese' or 'chicken and chorizo' (page 222); porridge, cookies, Turkee, cranberry and stuffing bloomer toastie (vegan – November 2020), croissants, toasties, egg muffins, bacon rolls, sausage baps, muffins; risotto (not Costa branded), sandwiches, wraps and filled rolls. An image, dated 3 June 2020, listing a limited menu is also provided and is as follows:





50. The marks relied upon are on show throughout this exhibit and can also be seen presented on napkins, cups, mugs and signage.

51. Exhibit SS16 comprises press clippings featuring the marks presented on signage, vending machines, paper cups and cans of coffee, during the period November 2017 to April 2020.

52. Ms Savjani states that the UK coffee shop market was estimated to be worth £3.9 billion in 2019. She claims that her client has the largest share of that UK market. Exhibit SS17 is a screenshot of the Executive Summary of a Mintel report which confirms that almost half of all consumers in 2019, bought from the opponent. There

is also a screenshot from 'www.statista.com' which demonstrates that as of January 2019, the opponent had the most coffee shops in the UK by a considerable margin, with 2655 shops at that time. The next largest group of shops was operated by Starbucks, who at that time had 992 shops. The opponent's market share is set out in a table in paragraph 49 of Ms Savjani's witness statement which looks like this:

	Share of comp set
12 week period ending Feb 18	14.3%
12 week period ending Feb 19	14.8%
12 week period ending Feb 20	14.6%

53. Ms Savjani claims that the opponent has won several industry awards including "The Nations' Favourite Coffee Shop" every year since 2010, awarded by the coffee industry market research company Allegra.

54. Exhibit SS18 provides information which supports this claim by way of an article dated 16 February 2021 published in the World Coffee Portal, which states that "*in a survey of more than 5000 UK consumers, Allegra asked the Great British Public to name their favourite coffee shop, the results were unanimous – Costa Coffee has taken the top spot again – sealing more than a decade as the UK's preferred high street pick-me-up*".

55. Ms Savjani states that her client has also won the following specific awards:

- o Great taste award winner 2020 Gluten Free Mince Pie
- o Great taste award winner 2020 Mince Pie
- o Great taste award 2019,2018 Gluten Free Mince Pie
- o Great taste award 2019, 2018 Mince Pie
- o Peta best vegan product 2019 Vegan Ham & Cheese Toastie
- o Peta best vegan product 2018 Sticky Toffee & Pecan Cookie
- o Quality Food awards for Double Chocolate Yule Log
- o Quality Food awards highly commended for the Gingerbread Wreath cake in 2018

56. Exhibits SS19 and SS20 provide information that relates to competitor activities and is of little assistance in this matter. It serves to show, for example, that other coffee

shop chains also sell their products via third parties such as Morrisons, Sainsbury's and Tesco supermarkets.

### **Applicant's evidence**

57. The applicant also filed evidence in chief, which comprises a witness statement of Ms Katy Fuggle, who is a trade mark attorney working at Sipara Limited. Ms Fuggle's witness statement was dated 4 May 2022 and was accompanied by exhibits KF1, KF2, KF3 and KF4.

58. In her witness statement, Ms Fuggle states that exhibit KF1 provides screenshots taken from a number of restaurant websites and Facebook pages which have names beginning with CASA. She adds that exhibit KF2 provides pages from the applicant's website at [www.casacosta.co.uk](http://www.casacosta.co.uk) which show that the owner of the applicant's business is Roberto Costa. Ms Fuggle states that exhibit KF3 comprises an article from the BBC Good Food online website from Winter 2021 about Roberto Costa and that exhibit KF4 comprises pages from the CasaCosta Facebook and Instagram accounts. I have considered all of this information carefully and will take it into account where I deem it pertinent.

### **Opponent's further evidence**

59. The opponent filed evidence in reply, comprising a second witness statement of Ms Savjani, dated 9 June 2022 accompanied by four further exhibits, SS21 – SS24.

60. In response to the evidence provided by Ms Fuggle, Exhibit SS21 provides a definition of the word 'CASA' taken from the Online Collins Dictionary. This extract shows that the word is Spanish and that a translation into English provides the definition: 'House'. Exhibit SS22 provides further examples of restaurants which are located in the UK and also have names beginning with the word CASA. I acknowledge that both parties recognise that there are a number of restaurants in the UK which incorporate the word CASA as the first word in their name. Ms Savjani states that, in response to the information provided under exhibit KF3 from Ms Fuggle, namely history of the applicant Mr Costa, Exhibit SS23 provides historical information relating to the opponent's founders Sergio and Bruno Costa. Exhibit SS24 comprises further extracts taken from the social media and website of the applicant showing use of the

terms 'CASACOSTA', CasaCosta' and 'Casa Costa'. The examples of CasaCosta and Casa Costa intended to show that the mark as filed by the applicant is sometimes broken into two distinct parts rather than used always as a single word in upper case lettering.

61. In summary, Ms Savjani claims that the earlier marks relied upon have been put to genuine use in the UK in respect of the relevant goods and services and further, the earlier marks enjoy a strong reputation in the UK as a result of their intensive use across the UK, strong financial performance and marketing activities such that the brand is well known to consumers of coffee and related food and beverages and coffee shop services.

## **DECISION**

### **Proof of Use**

#### **62. Relevant statutory provision: Section 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), (aa) 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 relevant period.

(1A) In this section “the relevant period” means the period of 5 years ending with the date of the application for registration mentioned in subsection (1)(a) or (where applicable) the date of the priority claimed for that application.

(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 relevant period 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 (the “variant form”) differing in elements which do not alter the distinctive character of the mark in the form in which it was registered (regardless of whether or not the trade mark in the variant form is also registered in the name of the proprietor), 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)-(5A) [Repealed]

(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.”

63. In *Walton International Ltd & Anor v Verweij Fashion BV* [2018] EWHC 1608 (Ch) Arnold J (as he then was) summarised the law relating to genuine use as follows:

“114.....The CJEU has considered what amounts to “genuine use” of a trade mark in a series of cases: Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, *La Mer* (cited above), Case C-416/04 P *Sunrider Corp v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [2006] ECR I-4237, Case C-442/07 *Verein Radetsky-Order v Bunderversammlung Kamaradschaft ‘Feldmarschall Radetsky’* [2008] ECR I-9223, Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009]

ECR I-2759, Case C-149/11 *Leno Merken BV v Hagelkruis Beheer BV* [EU:C:2012:816], [2013] ETMR 16, Case C-609/11 P *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR, Case C-141/13 P *Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [EU:C:2014:2089] and Case C-689/15 *W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse* [EU:C:2017:434], [2017] Bus LR 1795.

115. The principles established by these cases may be summarised 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]; *Leno* at [29]; *Centrotherm* at [71]; *Reber* 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]; *Leno* at [29]; *Centrotherm* at [71]. Accordingly, affixing of a trade mark on goods as a label of quality is not genuine use unless it guarantees, additionally and simultaneously, to consumers that those goods come from a single undertaking under the control of which the goods are manufactured and which is responsible for their quality: *Gözze* at [43]-[51].

(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] and [22]. 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]; *Reber* at [29].

(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]; *Leno* at [29]-[30], [56]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34].

(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] and [76]-[77]; *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].”

64. 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.”

and further at paragraph 28:

“28. .... I can understand the rationale for the evidence being as it was but suggest that, for the future, if a broad class, such as “tuition services”, is sought to be defended on the basis of narrow use within the category (such as for classes of a particular kind) the evidence should not state that the mark has been used in relation to “tuition services” even by compendious reference to the trade mark specification. The evidence should make it clear, with precision, what specific use there has been and explain why, if the use has only been narrow, why a broader category is nonetheless appropriate for the specification. Broad statements purporting to verify use over a wide range by reference to the wording of a trade mark specification when supportable only in respect of a much narrower range should be critically considered in any draft evidence proposed to be submitted.”



65. 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.”

66. Having considered the evidence of the opponent carefully and taking into account the relevant case law set out above, I conclude that the opponent has shown genuine use of the earlier marks it relies on. I note also that the applicant has conceded that the opponent has a reputation in the UK under the 2113264A and 905250667 marks in respect of 'coffee' in class 30 and 'coffee shop services' in class 43.<sup>1</sup>

67. I remind myself that the goods and services for which the opponent must provide evidence of genuine use are as follows:

**2113264A** in respect of:

**Class 29:** Prepared meals; milk and milk products.

**Class 30:** Coffee, tea, cocoa, sugar, coffee substitutes; bread, biscuits, cakes, pastry and confectionery; prepared meals; sandwiches.

**Class 43:** Cafes; coffee shops; restaurants; coffee bars.

**1180461** in respect of:

**Class 30:** Coffee.

**905250667** in respect of:

**Class 42:** Providing of food and drink.

68. Whilst there are a number of pieces of evidence that are either undated or that fall outside the relevant period for proof of use, I conclude that, when taken as a whole, the evidence provided by the opponent is compelling. The marks relied on are shown regularly throughout most, if not all, of the evidence provided. The sales volumes and sales values of goods sold within the relevant period can be said to be substantial, as are the figures provided in relation to marketing and advertising expenditure. The geographical spread showing use of the marks widely across the UK is impressive. The opponent claims a UK market share of more than 14% between 2018 and 2020, with several thousand outlets of its own, and the placement of 'Costa' vending

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<sup>1</sup> The opponent's earlier registration is in fact in Class 42 as the earlier mark is of an age where these services fell at that time into Class 42 but are now proper to class 43.

machines in several thousands of other, third-party retailers, including major UK supermarket chains such as Tesco. The opponent also provides examples of a number of awards that it has won which relate to the provision of coffee and other foods and drinks products. This speaks to the quality of the opponent's goods and services over a period of time.

69. However, the opponent relies on a wide range of goods and services for the purposes of the section 5(2)(b) ground of opposition and, after careful assessment of the evidence before me, I conclude that the opponent has not proven genuine use of the marks it relies on, in respect of all of the goods and services covered by those marks. I must therefore consider what is a 'fair specification' to reflect the use demonstrated.

### **Fair Specification**

70. In *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited*, BL O/345/10, Mr Geoffrey Hobbs Q.C. as the Appointed Person summed up the law as being:

“In the present state of the law, fair protection is to be achieved by identifying and defining not the particular examples of goods or services for which there has been genuine use but the particular categories of goods or services they should realistically be taken to exemplify. For that purpose, the terminology of the resulting specification should accord with the perceptions of the average consumer of the goods or services concerned.”

71. In *Property Renaissance Ltd (t/a Titanic Spa) v Stanley Dock Hotel Ltd (t/a Titanic Hotel Liverpool) & Ors* [2016] EWHC 3103 (Ch), Mr Justice Carr summed up the law relating to partial revocation as follows (at [47]):

“iii) Where the trade mark proprietor has made genuine use of the mark in respect of some goods or services covered by the general wording of the specification, and not others, it is necessary for the court to arrive at a fair specification in the circumstance, which may require amendment; *Thomas Pink Ltd v Victoria's Secret UK Ltd* [2014] EWHC 2631 (Ch) ("Thomas Pink") at [52].

iv) In cases of partial revocation, pursuant to section 46(5) of the Trade Marks Act 1994, the question is how would the average consumer fairly describe the services in relation to which the trade mark has been used; *Thomas Pink* at [53].

v) It is not the task of the court to describe the use made by the trade mark proprietor in the narrowest possible terms unless that is what the average consumer would do. For example, in *Pan World Brands v Tripp Ltd* (Extreme Trade Mark) [2008] RPC 2 it was held that use in relation to holdalls justified a registration for luggage generally; *Thomas Pink* at [53].

vi) A trade mark proprietor should not be allowed to monopolise the use of a trade mark in relation to a general category of goods or services simply because he has used it in relation to a few. Conversely, a proprietor cannot reasonably be expected to use a mark in relation to all possible variations of the particular goods or services covered by the registration. *Maier v Asos Plc* [2015] EWCA Civ 220 ("Asos") at [56] and [60].

vii) In some cases, it may be possible to identify subcategories of goods or services within a general term which are capable of being viewed independently. In such cases, use in relation to only one subcategory will not constitute use in relation to all other subcategories. On the other hand, protection must not be cut down to those precise goods or services in relation to which the mark has been used. This would be to strip the proprietor of protection for all goods or services which the average consumer would consider to belong to the same group or category as those for which the mark has been used and which are not in substance different from them; *Mundipharma AG v OHIM* (Case T-256/04) ECR II-449; EU:T:2007:46."

72. Taking account of the case law, I conclude that the opponent has not shown genuine use of its marks on 'restaurant' services, which it relies upon under earlier mark 2113264A. I come to this finding based on my understanding of the difference between a café or coffee shop and a restaurant, and from the conclusions made in the *Thomas Pink* decision, notably in paragraph 53, where it was found that: "In cases of partial revocation, pursuant to section 46(5) of the Trade Marks Act 1994, the question

is how would the average consumer fairly describe the services in relation to which the trade mark has been used”.

73. In my opinion, the average consumer of the opponent’s services would not fairly describe the opponent’s services as those of a restaurant; or its goods being products emanating from such an establishment.

74. This position also concurs with the conclusion of Mr Hobbs in the *Euro Gida* decision, where he stated: “...For that purpose, the terminology of the resulting specification should accord with the perceptions of the average consumer of the goods or services concerned.”

75. As such, I conclude that the opponent may not rely upon ‘restaurant services’ for the purposes of the section 5(2)(b) opposition.

76. I find that the opponent has proven genuine use on all of the remaining goods and services relied upon, however. As a result of the genuine use shown, the opponent may rely on all four of its earlier marks for the purposes of the opposition insofar as it pertains to section 5(2)(b).

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

77. Section 5(2)(b) of the Act states:

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

(a) ...

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

### **The principles**

78. The following principles for determining whether there is a likelihood of confusion under section 5(2)(b) of the Act are gleaned from the decisions of the Court of Justice

of the European Union (“CJEU”) 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. 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:<sup>2</sup>

(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

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<sup>2</sup> Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Trade Marks Act relied on in these proceedings are derived from an EU Directive. This is why this decision continues to make reference to the trade mark case-law of EU courts.

role in a composite mark, without necessarily constituting a dominant element of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

(i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;

(j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

(k) if the association between the marks creates a risk that the public might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

### **Comparison of goods and services**

79. When making the comparison, all relevant factors relating to the goods and services in the specifications should be taken into account. In *Canon*, the CJEU stated at paragraph 23 of its judgment:

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary”.

80. Guidance on this issue has also come from Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, where he identified the factors for assessing similarity as:

(a) The respective users of the respective goods or services;

- (b) The physical nature of the goods or acts of services;
- (c) The respective trade channels through which the goods or services reach the market;
- (d) 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;
- (e) 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.

81. The General Court (“GC”) confirmed in *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T-133/05, that, even if goods are not worded identically, they can still be considered identical if one term falls within the scope of another (or vice versa):

“29. In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 *Institut fur Lernsysteme v OHIM- Educational Services* (ELS) [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark”.

82. 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”.<sup>3</sup>

83. I note that the applicant has conceded that some of the goods and services in issue are identical, however, for the sake of procedural economy I will proceed on the basis that all of the goods and services involved are similar to at least a medium degree.<sup>4</sup>

### **The average consumer and the purchasing process**

84. 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. (as he was then) described the average consumer in these terms:

“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 word “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median”.<sup>5</sup>

85. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer*, Case C-342/97.

86. The average consumer of the goods and services in issue will most likely be a member of the general public, who will pay no more than an average degree of attention when purchasing goods such as coffee, tea, cakes and sandwiches, or the services associated with the provision of such goods. These goods and services will generally be selected visually from traditional bricks and mortar establishments and retail outlets but may also be purchased online. I do not however, discount an aural aspect to the selection through word of mouth recommendation or telephone selection.

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<sup>3</sup> Paragraph 82

<sup>4</sup> Paragraphs 9 and 12 of the Counterstatement


<sup>5</sup> Paragraph 60.

## Comparison of marks

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

“.....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.”

88. It is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks. The marks to be compared are:

Earlier Marks	Contested Mark
<p data-bbox="448 1413 544 1442">COSTA</p> <p data-bbox="392 1487 587 1543"><b>COSTA</b></p> <p data-bbox="440 1644 552 1673">COSTA</p> <p data-bbox="368 1753 624 1783"><b>COSTA COFFEE</b></p>	 <p data-bbox="911 1653 1286 1727"><b>CASACOSTA</b></p>

## **Overall impression**

89. Two of the earlier marks comprise solely the word COSTA presented in a standard typeface, the third mark is essentially a slightly stylized version of that word (often referred to by the opponent as the 'logo' mark) and the fourth mark comprises the words COSTA COFFEE. The word COFFEE can be said to be entirely descriptive within the context of the goods and services at issue and therefore plays a much lesser role in that mark than the first word COSTA. The overall impression of all of the earlier marks can be said to lie in the word COSTA.

90. The contested mark is a complex mark comprising figurative and word elements. The term CASACOSTA is placed at the bottom of the mark in a standard uppercase typeface and is of a reasonable size within the whole. The figurative aspect of the contested mark comprises a black and white image of a person's face. The face is that of a bald man, with a beard, wearing spectacles, facing forward. The figurative element is presented directly above the term CASACOSTA and can be said to be of a similar size within the mark. The overall impression conveyed by the contested mark is that of two co-dominant, distinctive elements.

## **Visual Comparison**

91. Visually the marks share the word COSTA almost identically in a standard, uppercase, typeface. They differ in all other respects visually, as the letters CASA, which form the first letters in the contested mark, and the figurative element of a male face, have no counterpart in any of the earlier marks. Therefore, regardless of the common "COSTA" element, I conclude that they can only be said to be visually similar to somewhere between a low and a medium degree.

## **Aural Comparison**

92. The marks share the word COSTA. The contested mark also contains the word CASA which will form the first verbal element in that mark. One of the earlier marks contains the non-distinctive word COFFEE which may not be articulated given the nature of the goods and services at issue. The figurative element in the contested mark will not be articulated at all and plays no part in the aural comparison between the marks. Given the identical nature of the shared word COSTA, albeit the second

verbal element of the contested mark, I find the marks to be aurally similar to a medium degree.

### **Conceptual Comparison**

93. The marks share the word COSTA. Both parties made submissions on the meaning and likely perception of this word in the minds of the average UK consumer. I have considered those submissions careful consideration. Mr Furneaux suggested that I should dismiss the argument that the term COSTA would be readily understood, and that judicial notice should not apply as Spanish is not taught in schools to the degree that French is. I disagree with this suggestion. Whilst Spanish may not be as commonly taught as French in UK schools, I believe that the word COSTA is quite likely to be understood by a reasonable proportion of the UK public, largely as Spain is a very common destination for holidays and has been so for several decades.

94. The UK public will be aware of places such as Costa Blanca and Costa del Sol and, as Mr Harbottle suggested, Costa Rica. Whether the average consumer will appreciate that the word, when translated from Spanish to English means 'Coast' is perhaps more debatable, however the term itself is likely to be perceived as a Spanish word that relates to places of vacation. The word CASA in the contested mark is also a Spanish word, which when translated means 'House'. I find that the meaning of this word is also likely to be understood, as certain common Spanish words have filtered into the UK consciousness because of the UK general public's affinity with Spain as a holiday destination for many decades. I note that both parties have also stated that the word COSTA forms the surname of the founders of the respective parties and I believe that it is likely that the average consumer will appreciate that COSTA may well constitute a surname. The concept of CASA or 'house' serves to set the marks apart, however. The marks are therefore conceptually similar, but to no more than a medium degree.

### **Distinctive character of the earlier mark**

95. The degree of distinctiveness of the earlier mark is an important factor as it directly relates to whether there is a likelihood of confusion; the more distinctive the earlier

mark the greater the likelihood of confusion<sup>6</sup>. 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 – *Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91.

96. “In determining the distinctive character of a trade mark and, accordingly, in assessing whether it is highly distinctive, it is necessary to make an overall assessment of the greater or lesser capacity of the trade mark to identify the goods and services for which it has been registered as coming from a particular undertaking and thus to distinguish those goods from those of other undertakings” - *Windsurfing Chiemsee v Huber and Attenberger Joined Cases C-108/97 and C-109/97* [1999] ETMR 585.

97. Trade marks possess various degrees of inherent distinctive character, ranging from the very low, because they are suggestive or allusive of a characteristic of the goods or services, to those with high inherent distinctive character, such as invented words which have no allusive qualities. Further, the distinctiveness of a mark can be enhanced by virtue of the use made of it.

98. I have found that the word COFFEE in one of the earlier marks has an obvious link to the goods and services at issue. The word COSTA however, does not have a similar link and therefore I conclude that the opponent’s marks are inherently distinctive to at least a medium degree. However, the opponent filed evidence to prove genuine use of three of the earlier marks relied upon and claimed an enhanced level of distinctiveness in its marks, due to the use made of them prior to the filing date of the contested application.

99. Given my assessment and conclusion of that evidence<sup>7</sup>, I find that the opponent does enjoy an enhanced degree of distinctiveness in respect of all the goods and services relied upon, with the exception of ‘restaurant’ services, for which no evidence was provided and which I believe the average consumer would not perceive the opponent to provide. The earlier marks, for which genuine use has been proven, can be said to be highly distinctive due to the extensive use made of them.

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<sup>6</sup> *Sabel BV v Puma AG*, Case C-251/95, § 24

<sup>7</sup> Paragraphs 72-82 above.

## Likelihood of confusion

100. There is no simple formula for determining whether there is a likelihood of confusion. In determining whether there is a likelihood of confusion, a number of factors need to be borne in mind.

101. It is clear then that I must make a global assessment of the competing factors (*Sabel* at [22]), keeping in mind the interdependency between them i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective services and vice versa (*Canon* at [17]). In making my assessment, I must consider the various factors from the perspective of the average consumer, bearing in mind that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them he has retained in his mind (*Lloyd Schuhfabrik* at [26]).

102. There are two types of possible confusion: direct, where the average consumer mistakes one mark for the other, or indirect, where the average consumer recognises that the marks are different but assumes that the goods and/or services are the responsibility of the same or connected undertakings. The distinction between these was explained by Mr Iain Purvis Q.C., sitting as the Appointed Person, in *L.A. Sugar Limited v Back Beat Inc*, Case BL-O/375/10. He said:

“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.”

Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:

(a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right (“26 RED TESCO” would no doubt be such a case).

(b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as “LITE”, “EXPRESS”, “WORLDWIDE”, “MINI” etc.).

(c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension (“FAT FACE” to “BRAT FACE” for example).”

103. These examples are not exhaustive but provide helpful focus.

104. The opponent has conceded that there is no possibility of direct confusion between the contested mark and any of its earlier marks. I agree with this position entirely. Even taking the position that the goods and services were identical, it is clear that due to the significant visual differences between the marks at issue, the average consumer, even paying only a low degree of attention, would not mistake the figurative contested mark with the opponent’s ‘COSTA’ or ‘COSTA COFFEE’ marks.

105. I therefore need only consider whether there is a likelihood of indirect confusion.

106. I concluded earlier that the goods and services at issue are similar to at least a medium degree. The competing marks are visually similar to somewhere between a low and a medium degree, aurally similar to a medium degree and conceptually similar to no more than a medium degree. The average consumer of the goods and services will be members of the general public who will select the goods primarily through visual means, though I have considered an aural component in the selection process as well. I have concluded that the level of attention exercised during the

purchasing process will be no more than average. I have found the opponent's marks to have a medium degree of inherent distinctive character, which has been enhanced through use to a high degree.

107. As well as the comments of Mr Purvis KC in *LA Sugar Limited*, where he identified categories that might support a claim of indirect confusion, I also keep in mind the *Duebros Limited v Heirler Cenovis GmbH* decision, in which Mr James Mellor KC sitting as the Appointed Person, stressed that a finding of indirect confusion should not be made merely because two marks share a common element. In this connection, he pointed out that it is not sufficient that a mark merely calls to mind another mark, as this would be mere association rather than indirect confusion.<sup>8</sup>

108. In this instance the common element between the marks is not, in my opinion inherently strikingly distinctive. Neither is it likely to be perceived by the average consumer, in spite of the enhanced degree of distinctiveness, to be an element that only one undertaking would wish to use in the course of trade. I note that both parties state that the word 'Costa' originally comes from the surname of the founders of the respective parties.

109. I do not accept that the figurative element in the contested mark is non-distinctive or of a secondary importance, as has been suggested by the opponent. In fact, I find that the figurative image is co-dominant within that mark and will not be dismissed as merely decorative. I also find that the addition of the word CASA and the image of a face cannot reasonably be attributed to a logical brand evolution or extension on the part of the opponent. I see no reason why the opponent, having established its COSTA brand over a long period of time, would change that brand to include a figurative element such as that presented in the applicant's mark. I conclude that the average consumer would not expect that to be the case and that any connection it might make between the marks at issue would be a mere 'calling to mind' based on the shared element. This would not amount to indirect confusion.

110. I have considered the opponent's reference to the *Liverpool Gin Distillery* decision and the reference to a "co-branding restaurant and food business"

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<sup>8</sup> BL O/547/17



arrangement between the parties, however I find that this is quite improbable and not the likely perception of the average consumer when faced with the contested mark.<sup>9</sup>

111. Therefore, I find that indirect confusion will not occur and the opposition, insofar as it is based on section 5(2)(b) has been unsuccessful.

112. I now move on to consider the section 5(3) ground of opposition.

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

113. Section 5(3) of the Act 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 European Union trade mark or international trade mark (EC), in the European Union) 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”.

114. As noted previously, UK registration 2113264A on which the opponent relies for the purposes of section 5(3), qualifies as an earlier trade mark under the provisions of section 6 of the Act.

115. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, Case 252/07, *Intel*, Case C-408/01, *Adidas-Salomon*, Case C-487/07, *L’Oreal v Bellure* and Case C-323/09, *Marks and Spencer v Interflora* and Case C383/12P, *Environmental Manufacturing LLP v OHIM*. 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.

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<sup>9</sup> *Liverpool Gin Distillery Ltd v Sazerac Brands LLC* [2021] EWCA Civ 1207 at [12].

(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* and *Environmental Manufacturing, paragraph 34*.

(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*).

116. The conditions of section 5(3) are cumulative. Firstly, the opponent must show that its marks are similar to the applicant's marks. Secondly, that the earlier marks have achieved a level of knowledge/reputation amongst a significant part of the relevant public. Thirdly, it must be established that the level of reputation and the similarities between the marks will cause the relevant public to make a link between them, in the sense of the earlier marks being brought to mind by the later marks. Fourthly, assuming that the first three conditions are met, section 5(3) requires that one or more of the three types of damage claimed will occur. It is unnecessary for the purposes of section 5(3) that the goods or services be similar, although the relative distance between them is one of the factors which must be assessed in deciding whether the public will make a link between the marks.

## **Reputation**

117. In *General Motors*, Case C-375/97, the CJEU held that:

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

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

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

28. Territorially, the condition is fulfilled when, in the terms of Article 5(2) of the Directive, the trade mark has a reputation 'in the Member State'. In the absence of any definition of the Community provision in this respect, a trade mark cannot be required to have a reputation 'throughout' the territory of the Member State. It is sufficient for it to exist in a substantial part of it."

118. The opponent has claimed a reputation for the following goods and services:

**Class 30:** Coffee, tea; biscuits, cakes, pastry and confectionery; sandwiches.

**Class 43:** Cafes; coffee shops; restaurants.

119. In this regard, I note that the applicant has conceded that the opponent has a reputation in the UK, but that it claims that this reputation can only be said to be in respect of coffee and coffee shop services.<sup>10</sup>

120. The factors I must take into account when assessing whether the earlier mark has a reputation are the same as those that I have previously considered when dealing with the question of enhanced distinctiveness. I have considered carefully the applicant's submissions regarding the reputation of the opponent and the scope it suggests, however, based on my earlier analysis of the opponent's evidence, I am satisfied that the evidence provides a compelling case that the opponent enjoys a strong reputation for the following goods and services provided under earlier mark 2113264A:

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<sup>10</sup> Paragraph 16 of the Counterstatement.

**Class 30:** Coffee, tea, biscuits, cakes, pastry and confectionery; sandwiches.

**Class 43:** Cafes; coffee shops.

## LINK

121. Having established that the opponent enjoys a reputation, I must now consider whether the relevant public will make a link between the marks. An assessment of whether the public will make the required mental 'link' between the marks must take account of all relevant factors. The factors identified in *Intel* are:

### **The degree of similarity between the conflicting marks**

For the reasons I have set out previously, I consider there to be a low to medium degree of visual similarity between the marks, a medium degree of aural similarity, and I have found the marks to be conceptually similar to no more than a medium degree.

### **The nature of the goods or services for which the conflicting marks are registered, or proposed to be registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public**

The opponent's goods and services for which a reputation has been established can be said to be identical to some of the applicant's goods and services, similar in part, and dissimilar to some, for example I find no similarity between the opponent's goods and services listed above in paragraph 126 and the contested goods: Natural plants and flowers.

### **The strength of the earlier marks' reputation**

In respect of the goods and services that I have found to be supported by the opponent's evidence, I consider the earlier mark to have a strong reputation in the UK.

### **The degree of the earlier mark's distinctive character, whether inherent or acquired through use**

I have concluded that the earlier UK mark has a medium degree of inherent distinctiveness but enjoys a high degree of enhanced distinctiveness in respect of the goods and services outlined above in paragraph 126.

### **Whether there is a likelihood of confusion**

I have found there to be no likelihood of direct or indirect confusion between the marks.

122. Under section 5(2)(b) I have found that there is no likelihood of confusion. However, I remind myself that the CJEU held in *Intra-Press SAS v OHIM*, Joined cases C-581/13 P and C-582/13 P, that the level of similarity required for the public to make a link between the marks for the purposes of section 5(3) may be less than the level of similarity required to create a likelihood of confusion.<sup>11</sup>

123. The opponent claims that the consumer would naturally separate the words CASA and COSTA in the contested mark and that the second element COSTA would call to mind the earlier marks. I agree that as both words CASA and COSTA are likely to be known to the average UK consumer as Spanish or Italian words, the contested mark is likely to be perceived as a conjoining of two words rather than a neologism.

124. In my opinion, the opponent's use of the word COSTA in plain typeface and in the commonly used stylized lettering, has generated a reputation which is strong within the food and drink sector in the UK. The average consumer has become accustomed to seeing the COSTA brand on high streets and within third-party retail establishments over a number of years. Whilst the applicant has made submissions relating to the non-distinctive nature and common usage of the word COSTA in respect of the opponent's field of business, I do not accept that the word is one which the average consumer has been exposed to widely, other than in respect of the opponent's own business activities. Although there are elements within the contested mark that result in a finding that confusion would not arise between the marks, I find that the inclusion of the word COSTA, having such a standing in the relevant field of activity, will lead to a link being made by the average consumer, albeit a fairly fleeting one.

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<sup>11</sup> Paragraph 72 of the *Intra-Press SAS* decision.

## Damage

125. The opponent claims that damage would occur either as a result of the applicant gaining an unfair advantage or through the dilution of the earlier marks. I shall consider unfair advantage first.

126. Unfair advantage means that consumers are more likely to buy the goods and services of the contested mark than they would otherwise have been if they had not been reminded of the earlier marks. In *L'Oréal*, the CJEU said:

“The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an advantage taken unfairly by that third party of the distinctive character or the repute of that mark where that party seeks by that use to ride on the coat-tails of the mark with a reputation in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark’s image.”<sup>12</sup>

127. Earlier in the same case, the CJEU also said:

“As regards the concept of ‘taking unfair advantage of the distinctive character or the repute of the trade mark’, also referred to as ‘parasitism’ or ‘free-riding’, that concept relates not to the detriment caused to the mark but to the advantage taken by the third party as a result of the use of the identical or similar sign. It 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.”<sup>13</sup>

128. In *Argos Limited v Argos Systems Inc* [2018] EWCA Civ 2211, the Court of Appeal held that a change in the economic behaviour for the goods and/or services offered under the later trade mark was required to establish unfair advantage. This may be inferred where the later trade mark would gain a commercial advantage from

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<sup>12</sup> Paragraph 50.

<sup>13</sup> Paragraph 41.

the transfer of the image of the earlier trade mark to the later trade mark: see *Claridges Hotel Limited v Claridge Candles Limited & Anor* [2019] EWHC 2003 (IPEC).

129. The opponent has claimed that there is a serious risk of unfair advantage, even where no likelihood of confusion is found, referring me to the *Monster Energy Company v Red Bull GmbH* decision.<sup>14</sup> In that case the respective marks were ‘Red Bull’ and ‘Red Dawg’. In this instance I disagree with Mr Harbottle that this example “precisely encapsulates” the matter to hand. The shared element ‘Red’ in the *Monster* decision is presented as the first verbal element in each mark, whilst the second elements ‘Bull’ and ‘Dawg’ (which will be perceived as a misspelling of the word Dog) represent animals. That position is quite different to the case at hand, where the common element COSTA is presented alone in one instance and as the second part of the term CASACOSTA in the other. The addition of the figurative ‘face’ element in the contested mark provides further distinguishing features.

130. I do not believe that the use of the contested mark would result in a transfer of the image of the earlier marks to the later mark and, as the opponent has not presented me with any specific submissions as to how a change in the economic behaviour might occur, I find that unfair advantage has not been made out.

131. I shall now consider the opponent’s claim that there will be detriment to the distinctive character of the mark. In *Environmental Manufacturing LLP v OHIM*, Case C-383/12 P, the CJEU stated that:

“34. According to the Court’s case-law, proof that the use of the later mark is, or would be, detrimental to the distinctive character of the earlier mark requires evidence of a change in the economic behaviour of the average consumer of the goods or services for which the earlier mark was registered, consequent on the use of the later mark, or a serious likelihood that such a change will occur in the future (*Intel Corporation*, paragraphs 77 and 81, and also paragraph 6 of the operative part of the judgment).

35. Admittedly, paragraph 77 of the *Intel Corporation* judgment, which begins with the words ‘[i]t follows that’, immediately follows the assessment of the

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<sup>14</sup> EWHC 2155(Ch) at [25] – [33]



weakening of the ability to identify and the dispersion of the identity of the earlier mark; it could thus be considered to be merely an explanation of the previous paragraph. However, the same wording, reproduced in paragraph 81, and in the operative part of that judgment, is autonomous. The fact that it appears in the operative part of the judgment makes its importance clear.

36. The wording of the above case-law is explicit. It follows that, without adducing evidence that that condition is met, the detriment or the risk of detriment to the distinctive character of the earlier mark provided for in Article 8(5) of Regulation No 207/2009 cannot be established.

37. The concept of 'change in the economic behaviour of the average consumer' lays down an objective condition. That change cannot be deduced solely from subjective elements such as consumers' perceptions. The mere fact that consumers note the presence of a new sign similar to an earlier sign is not sufficient of itself to establish the existence of a detriment or a risk of detriment to the distinctive character of the earlier mark within the meaning of Article 8(5) of Regulation No 207/2009, in as much as that similarity does not cause any confusion in their minds.

38. The General Court, at paragraph 53 of the judgment under appeal, dismissed the assessment of the condition laid down by the *Intel Corporation* judgment, and, consequently, erred in law.

39. The General Court found, at paragraph 62 of the judgment under appeal, that 'the fact that competitors use somewhat similar signs for identical or similar goods compromises the immediate connection that the relevant public makes between the signs and the goods at issue, which is likely to undermine the earlier mark's ability to identify the goods for which it is registered as coming from the proprietor of that mark'.

40. However, in its judgment in *Intel Corporation*, the Court clearly indicated that it was necessary to demand a higher standard of proof in order to find detriment or the risk of detriment to the distinctive character of the earlier mark, within the meaning of Article 8(5) of Regulation No 207/2009.

41. Accepting the criterion put forward by the General Court could, in addition, lead to a situation in which economic operators improperly appropriate certain signs, which could damage competition.

42. Admittedly, Regulation No. 207/2009 and the Court's case-law do not require evidence to be adduced of actual detriment, but also admit the serious risk of such detriment, allowing the use of logical deductions.

43. None the less, such deductions must not be the result of mere suppositions but, as the General Court itself noted at paragraph 52 of the judgment under appeal, in citing an earlier judgment of the General Court, must be founded on 'an analysis of the probabilities and by taking account of the normal practice in the relevant commercial sector as well as all the other circumstances of the case'."

132. The opponent's submissions on this point are that:

The Applicant's Mark is similar to the Opponent's Mark which has a reputation in the UK. The use of the Applicant's Mark without due cause will take unfair advantage of and/or be detrimental to the distinctive character of the Opponent's Mark. The Opponent's Mark has an enormous reputation in the UK in respect of the claimed goods and services and the use of the Applicant's Mark will create a link in the mind of the consumer with the Opponent's Mark. As a result of that link, there will be a change in the economic behaviour of the consumer making it more likely that the consumer will purchase the Applicant's goods and services. Due to the reputation of the Opponent's Mark and its extensive use in respect of goods and services in Classes 30 and 43, the consumer will mistakenly perceive an economic connection between the parties. For instance, they may conclude that the Applicant's Mark is a sub-brand of the Opponent's Mark and that the Applicant's goods and services are an extension of the goods and services currently offered by the Opponent.

133. In his skeleton arguments, Mr Harbottle added:

**Detriment to distinctive character.** There is a serious risk that the use of the Applicant's Mark will weaken the ability of the '264A and '667 Marks to identify the goods and services for which it is registered: *L'Oreal v Bellure* (C-487/07) at [39]. The risk arises from the fact that both parties' marks are registered (mainly at least) in respect of food and associated services. Consumers who become aware of the Applicant's Mark are less likely to think of the '264A and '667 Marks. There is a real risk that having made the necessary link they will be less clear that COSTA means the Applicant and less likely to purchase the Opponent's goods or services (in preference to the Applicant's).

134. I accept that direct evidence of a change in consumers' economic behaviour is unlikely to be available, and that, in such an instance, a change in behaviour can be inferred from the inherent probabilities of the situation: see *32Red Plc v WHG (International) Limited & Ors* [2011] EWHC 665 (Ch), paragraph 133.

135. I do not however, accept the supposition that Mr Harbottle makes, that as consumers become aware of the contested mark they will be less likely to purchase the opponent's goods and services. I find that, whilst a link between the marks is likely to be made, this will be fleeting at most. The reputation established by the opponent is in the single name COSTA. The complex nature of the contested mark, incorporating a black and white image of a male face and adding the word CASA to the word COSTA, all serves to create a new and distinct brand that I have already found will not be confused with the opponent's earlier marks. In my opinion, the use of the applicant's mark will not weaken the ability of the opponent's marks to identify the goods and services for which they are registered.

136. Detriment to distinctive character has not been made out.

137. The opposition, insofar as it is based on section 5(3) has failed.

## **Conclusion**

138. The opposition under section 5(2)(b) and 5(3) has been unsuccessful. Subject to an appeal to this decision, the contested application will be registered for all of the goods and services applied for.

## **COSTS**

139. As the applicant has been successful, it is entitled to a contribution towards its costs. Awards of costs in proceedings are governed by Annex A of Tribunal Practice Notice ("TPN") 2 of 2016. Applying said TPN as a guide, I award costs to the applicant on the following basis:

Preparing the Counterstatement and  
considering the Notice of Opposition:

£400

Preparing evidence and considering evidence from the other party:	£400
Preparing for and attending the Hearing:	£800
Total:	£1600

140. I hereby order Costa Limited to pay to Main Course Partners Limited the sum of £1600. This sum is to be paid within 21 days of the expiry of the appeal period or within 21 days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 28<sup>th</sup> day of November 2022**

**Andrew Feldon  
For the Registrar**