

O-230-16

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION No. 3056218
IN THE NAME OF BOZENA AGNIESZKA MAZERANT

AND IN THE MATTER OF OPPOSITION No. 402838 THERETO
BY TOOK US A LONG TIME LIMITED

AND IN THE MATTER OF AN APPEAL TO THE APPOINTED PERSON
BY THE APPLICANT
AGAINST A DECISION OF MS AL SKILTON DATED 21 OCTOBER 2015

DECISION

Introduction

1. This is an appeal by Bozena Agnieszka Mazerant (“the Applicant”) against a decision of Ms. Al Skilton, acting for the Registrar, dated 21 October 2015 (BL O/492/15). In that decision, Ms. Skilton allowed under Section 5(2)(b) and Section 3(6) of the Trade Marks Act 1994, an opposition brought by Took Us A Long Time Limited (“the Opponent”) against UK Trade Mark Application number 3056218 standing in the name of the Applicant.
2. Application number 3056218 was filed by the Applicant on 19 May 2014 requesting registration of the designation WILD AND WOOD COFFEE HOUSE for use as a trade mark in the UK in relation to the following goods and services:

Class 30
Ground and whole bean coffee, coffee beverages, ready to drink coffee, espresso and espresso beverages

Class 43
Preparation and provision of coffee for consumption in offices
3. The Application was published in the Trade Marks Journal on 11 July 2014. On 11 September 2014 the Opponent filed Notice of opposition and statement of grounds against the Application.
4. The grounds of opposition were under Section 5(2)(b), 5(3) and 5(4)(a), and Section 3(6) of the Act. The Opponent relied on 2 x earlier UK Trade Mark Registrations in the Opponent’s ownership for the designation WILDWOOD in Class 43, and 1 x EU Trade Mark Registration for the designation WILDWOOD KITCHEN in Classes 29, 30 and 43.

5. In the Notice of defence and counterstatement filed on 14 November 2014, the Applicant took issue with the grounds of opposition and each and every one of them, and put the Opponent to proof of use of its 2 x WILDWOOD UK Trade Mark Registrations, which were more than 5-years old at the date of publication of the Application on 11 July 2014.
6. The Opponent's 1 x WILDWOOD KITCHEN EU Trade Mark Registration on the other hand, was registered on 16 June 2014, and not subject to the proof of use provisions in Section 6A of the Act. This meant that WILDWOOD KITCHEN would be enforced in the EU as if it were an unused trade mark across the entire width of specifications of goods and services in Classes 29, 30 and 43 in respect of which it was registered (the full list of registered goods and services is at Annex A).
7. Since earlier EU Trade Mark number 12530382 for WILDWOOD KITCHEN was:
(a) not 5-years old at the date of publication of the Application (and so not subject to the proof of use); and (b) registered in the same classes as the Application, the Hearing Officer signified her intention to consider WILDWOOD KITCHEN as the basis for the opposition under Section 5 of the Act.
8. The Opponent declined to pursue its Section 5(3) and 5(4)(a) grounds of opposition in relation to its WILDWOOD KITCHEN mark. In the event therefore, the Hearing Officer decided the Section 5 opposition under Section 5(2)(b) only.

The Hearing Officer's decision

9. **Section 5(2)(b)**
Section 5(2)(b) states that a trade mark shall not be registered if because it is similar to an earlier trade mark and is to be registered for identical or similar goods or services there exists a likelihood of confusion on the part of the public including a likelihood of association with the earlier trade mark.
10. The filing date of EU Trade Mark number 12530382 for WILDWOOD KITCHEN was 23 January 2014, which meant that it qualified as an earlier trade mark pursuant to Section 6(1)(a) of the Act.
11. Section 5(2)(b) has 3 cumulative conditions that must be satisfied (Case C-106/03 P, *Vedial SA v. OHIM* [2004] I-9573, para. 51):
 - (1) similarity between the marks;
 - (2) identity and/or similarity between the goods and services;
 - (3) likelihood of public confusion.
12. Those cumulative conditions were globally to be assessed by the tribunal through the eyes of the "average consumer" who is a notional person purchasing goods and services listed on the one hand in the earlier registration and on the other hand in the application. He or she is presumed in law to be reasonably well-informed and reasonably observant and circumspect (Case C-342/97, *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel BV*, paras. 25 -26).

13. The Hearing Officer's determinations of those cumulative conditions were as follows:

- (i) The average consumer of coffee and the provision of coffee was the general public. The purchase act would primarily be visual although the aural aspect could not be discounted since word of mouth recommendation may play a part. The goods could be purchased on the high street, online or by mail order; the services were likely to be selected on the high street. An average level of attention would be paid to the purchase act.
- (ii) The goods and services *as specified* in the Application were identical to the goods and services *as specified* in the earlier trade mark. Thus the Applicant's "*ground and whole bean coffee, coffee beverages, ready to drink coffee, espresso and espresso beverages*" fell within the broad term "*coffee*" in the Opponent's earlier trade mark. Likewise, the Applicant's "*preparation and provision of coffee for consumption of offices*" was covered by amongst other things "*services for providing food and drink*" in the Opponent's earlier trade mark.
- (iii) The marks to be compared were WILDWOOD KITCHEN versus WILD AND WOOD COFFEE HOUSE. The dominant elements were WILDWOOD and WILD AND WOOD respectively; KITCHEN and COFFEE HOUSE respectively were likely to be viewed as descriptive of the nature of the undertaking providing the goods and/or services.
- (iv) The marks were visually similar to a medium degree. They were aurally similar to a fairly high degree when pronounced WILDWOOD on the one hand and WILD AND WOOD on the other hand, but to a lesser medium degree if both marks were articulated by the consumer as wholes (i.e., WILDWOOD KITCHEN/WILD AND WOOD COFFEE HOUSE). Conceptually, WILDWOOD conveyed the meaning of wild or unruly woodland. WILD and WOOD would most likely be understood as a combination of surnames. The parties' marks were therefore conceptually distinct.
- (v) The Opponent's WILDWOOD KITCHEN mark was possessed of an average degree of inherent distinctive character but the Opponent had failed to show that the mark was entitled to enhanced protection due to distinctiveness acquired through use.
- (vi) Taking into account that marks may imperfectly be remembered and the interdependent factors considered above, the Hearing Officer concluded that there was a likelihood of direct confusion within the meaning of Section 5(2)(b) between WILDWOOD KITCHEN and WILD AND WOOD COFFEE HOUSE should both be registered for use in relation to the identical goods and services in question (i.e., those listed in the earlier trade mark and the Application respectively).
- (vii) Finally the Hearing Officer noted that although she had found a conceptual dissonance between the marks this was insufficient to neutralise the visual and aural similarities that she had also found to be present.

(viii) The opposition under Section 5(2)(b) succeeded.

Section 3(6)

14. Section 3(6) of the Act states that a trade mark shall not be registered if, or to the extent that, the application is made in bad faith.
15. The Hearing Officer referred to the summary of general legal principles governing the application of Section 3(6) set out by Arnold J. in *Red Bull GmbH v. Sun Mark Limited* [2012] EWHC 1929 at paragraphs 130 – 138. I would mention at this stage:
 - (1) It is bad faith in *making the application* that disentitles registration (*Red Bull*, principle 1).
 - (2) Whilst dishonesty can constitute bad faith, so can other conduct. “Bad faith” is more widely understood to cover conduct falling short of objective standards of acceptable commercial behaviour in the field in question (*Red Bull*, principle 4).
 - (3) The test of bad faith is both subjective and objective. The tribunal must: (a) ascertain what facts were relevantly known to the applicant when making the application; and (b) decide whether in the light of that knowledge, the applicant’s conduct was dishonest or otherwise commercially unacceptable judged by ordinary standards of honest people (*Red Bull*, principle 7).
16. The evidence was clear that the parties had engaged in cease and desist correspondence based on the Opponent’s WILDWOOD marks prior to the application date. The Applicant had proposed 2 changes of name which the Opponent had accepted. The Applicant changed her shopfront to WILD & COFFEE (the second choice of name) but neither her website nor the name under which she did business.
17. The Hearing Officer said this:

“81. I have no doubt in reaching a conclusion on the issue of bad faith that the applicant believes it has acted legitimately in pursuit of her business. However, as per point seven of the decision in *Red Bull* the applicant’s own standards of honesty, or what the applicant considers to be acceptable commercial behaviour, is irrelevant. What matters is whether the applicant’s actions are such as would be judged by other honest men in business to be in bad faith.

82. The applicant had been in negotiation with the opponent and had agreed to change its name. In March 2012 the applicant changed its shop front to WILD AND COFFEE and had made an undertaking to the opponent that it would also change its website. The opponent could, at that point, have reasonably presumed that the matter had abated. By filing an application for the mark that she already agreed to stop using, (more than two years previously), the applicant has acted in a way that clearly will be viewed as falling below the standards of acceptable commercial behaviour and I find that she made the application in bad faith. **The ground under section 3(6) of the Act succeeds.**”

The appeal

18. On 17 November 2016, the Applicant filed Notice of appeal to the Appointed Person under Section 76 of the Act. The Opponent filed a Respondent's notice on 14 December 2016 upholding the Hearing Officer's decision save that she should have found that the marks were conceptually similar.
19. At the appeal hearing, the Applicant was represented by her partner, Mr. Adalat Hussain. Mr. David Rose of King & Wood Mallesons LLP appeared for the Opponent.

Standard of appeal

20. An appeal to the Appointed Person is a review and not a rehearing. The appellate tribunal should not interfere with the Hearing Officer's decision unless it was based on error. The correct approach in cases such as the present was set out by Robert Walker L.J. in *REEF Trade Mark* [2002] EWCA Civ 763 at paragraph 28:

“In this case the hearing officer had to make what he himself referred to as a multi-factorial comparison, evaluating similarity of marks, similarity of goods and other factors in order to reach conclusions about likelihood of confusion ... It is not suggested that he was not experienced in this field, and there is nothing in the Civil Procedure Rules to diminish the degree of respect which has traditionally been shown to a hearing officer's specialised experience ... On the other hand the hearing officer did not hear any oral evidence. In such circumstances an appellate court should in my view show a real reluctance, but not the very highest degree of reluctance, to interfere in the absence of a distinct and material error of principle ...” (emphasis provided).

Grounds of appeal

21. **Section 5(2)(b)**
The first ground of appeal was that the Hearing Officer failed properly to understand the artisan coffee market, which was the Applicant's trade.
22. The Opponent characterised this ground of appeal as challenging the Hearing Officer's definition of the average consumer. However, it was apparent at the hearing that this ground extended also to the Hearing Officer's comparisons of marks and goods and services, and impacted on her determination of likelihood of confusion.
23. Mr. Hussain explained that the coffee trade had not only changed but grown exponentially in the past 10 years. There were essentially 3 types of offerings: the old “Italian-style” model of coffee and sandwich shop; the chains, such as, Starbucks and Costa; and the artisan coffee houses like themselves. The coffee drinker had become much more discerning, and might travel miles to experience coffee and a coffee establishment such as theirs.
24. The Applicant therefore took issue with:

- (1) the second principle in the Hearing Officer’s recitation at paragraph 37 of the Registrar’s summary of principles gleaned from the decisions of the supervising courts in Luxembourg namely:

“(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 ...”;

- (2) the Opponent’s statement in its skeleton argument reproduced by the Hearing Officer at paragraph 39 of the decision that:

“[The average consumer] will enter into a range of transactions which will include the wholly functional (a cup of coffee to have with a lunchtime sandwich) to the more discerning (the purchasing of ground coffee for a coffee machine). Coupled with the fact that transactions will be of small or low value, the level of attention of the average consumer will be modest ...”; and

- (3) the Hearing Officer’s conclusion on the average consumer and the nature of the purchasing act at paragraph 41 that:

“Coffee and the provision of coffee are normal everyday goods and services available to members of the general public. The selection process for the goods and services is primarily visual, though I do not discount the fact that there may be an aural element given that word of mouth recommendation may play a part. The goods may be purchased on the high street, online or by mail order. The services are likely to be selected on the high street or in response to promotional material. In both cases, the level of attention paid will be average, the consumer paying the attention necessary to obtain, inter alia, the particular variety and/or strength of coffee, in a location convenient to them”.

25. The Applicant’s points were:

- (i) Given the growth and changed nature of the coffee market as described above, today’s coffee drinker was very perceptive, not just reasonably so.
- (ii) The level of attention paid by the average consumer was far from modest: “They go out and they find the best” (transcript, p. 6, line 7).
- (iii) Word of mouth recommendations were the greatest generators of the Applicant’s artisan coffee shop business. The Applicant disagreed therefore that the purchase act was primarily visual.

26. It seemed to me clear that in at least points (ii) and (iii) above the Applicant was equating the average consumer with the Applicant’s own artisan coffee shop customers.

27. Turning to the merits of these points:

- (a) At paragraph 37(b), the Hearing Officer was accurately stating a principle laid down by the Court of Justice of the European Union (“CJEU”) in the *Lloyd* case referred to in paragraph 12 above. As I sought to explain in that paragraph, likelihood of confusion for the purposes of Section 5(2)(b) is judged through the perceptions of a notional consumer (“the average consumer”). The CJEU has imbued this notional person in trade mark law with median attributes, namely that he or she is reasonably well informed and reasonably circumspect and observant. In stating this principle the Hearing Officer was not failing to appreciate the nature of the Applicant’s business. Indeed in her account of the evidence, the Hearing Officer refers to articles, coffee blogs, reviews and awards naming the Applicant amongst other things as a favourite place for coffee in London and award winner for London coffee shop of the year in 2014.
- (b) In *Lloyd*, the CJEU recognised that the level of attention its notional consumer in trade mark law paid to the purchase act would vary according to the nature of the goods and services in question. In fact, the Hearing Officer found that the level of attention paid in this case would be average, not as the Opponent argued modest. I accept that for serious coffee drinkers such as those who frequent artisan coffee shops, the level of attention paid might be higher. However, the Hearing Officer was not concerned with the purchase of coffee from establishments like the Applicant’s artisan coffee shop only. Instead she has to consider the goods and services *in the Application* and the goods and services *in the earlier trade mark*. Relevantly those goods and services on both sides included coffee products and the provision of coffee. The Hearing Officer correctly identified that those goods and services might be purchased from a variety of sources (high street, online or by mail order). Moreover, it is well established in the case law that where a span of attentions is identified depending on what falls within the goods and services in the marks, then the matter is judged according to the lower level of attention (see, for example, Case T53/15, *credentis AG v. OHIM*, 10 March 2016, para. 22). In my judgment, the Hearing Officer rightly found that the level of attention paid by the average consumer to coffee and the provision of coffee was average.
- (c) The misconception underlying the Applicant’s third point was again that the Hearing Officer in her comparison with the Opponent’s earlier trade mark was concerned with the Applicant’s artisan coffee shop business, rather than the goods and services applied for. In fact, the Hearing Officer took on board that word of mouth recommendation (and hence the aural aspect of any similarities between the marks) might play a part. However, in the majority of cases the purchase of coffee and the provision of coffee (i.e., the goods and services in suit) would primarily be visual. There was no error in this and in my view the Hearing Officer was right.

28. The Applicant also disagreed with the Hearing Officer’s finding that the parties’ goods and services were identical because the Applicant was a coffee house, whereas the Opponent was a pizza/casual dining restaurant (transcript, pp. 10 – 11). Again,

what counted were *the goods and services in the Application* vis a vis *the goods and services in the earlier trade mark*. The legally relevant comparison under Section 5(2)(b) was between: “*ground and whole bean coffee, coffee beverages, ready to drink coffee, espresso and espresso beverages*” and “*preparation and provision of coffee for consumption of offices*” on the one hand (Application); and “*coffee*” and “*services for providing food and drink*” amongst other things on the other hand (Opponent’s earlier trade mark). The Hearing Officer identified that the goods and services were identical because the goods and services applied for fell within the wider terms of goods and services in the earlier trade mark. She was correct to do so (Case T-133/05, *Gérard Meric v. OHIM* [2006] ECR I-02737, para. 29). The actual trades of the parties were irrelevant to the determination of the opposition under Section 5(2)(b) in this case.

29. The second ground of appeal was that there was no likelihood of actual confusion. It seemed to me that there were 2 aspects to this in the mind of the Applicant. First, the point that I have already dealt with, that no-one can be confused between a coffee house and a pizza/casual dining restaurant. Second that in the Applicant’s 7 years of trading as a coffee house, no instance of confusion with the Opponent had come to light.
30. The Hearing Officer dealt with this second aspect at paragraph 29 of her decision. In this case for the purposes of Section 5(2)(b), the Hearing Officer had to assume notional and fair use of the respective trade marks across the full width of the specifications applied for by the Applicant on the one hand, and registered by the Opponent on the other hand.
31. That is, she had to assume contemporaneous use of WILD AND WOOD COFFEE HOUSE and WILDWOOD KITCHEN for coffee and the provision of coffee, and ask whether because of the similarity in the marks and the identity of the goods and services, the public would likely be confused into mistakenly believing that the goods and services in question originated from the same or linked organisations.
32. Immediately therefore it can be seen that a reason why no instance of actual confusion had come to light was that neither party was using their respective marks for all the goods and services they could have (*Compass Publishing BV v. Compass Logistics* [2004] EWHC 520 (Ch) at para. 22).
33. The Hearing Officer was entitled in law to arrive at a finding of likelihood of actual confusion within the meaning of Section 5(2)(b) despite there being no evidence of actual confusion between the parties’ trade marks by the relevant date.

Respondent’s notice

34. Turning to the Respondent’s notice, the Opponent argued that the Hearing Officer should have found that there was conceptual similarity between the marks. The Hearing Officer held that there was conceptual dissonance because the conceptual message of WILDWOOD was overgrown or unruly woodland, whereas WILD AND WOOD would likely be understood as a combination of surnames¹.

¹ KITCHEN and COFFEE HOUSE would be seen as referring to the nature of the parties’ respective businesses.

35. The Respondent's notice argued that WILD AND WOOD would more likely be perceived as relating to something wild and earthy/woody, which in turn depended on the Opponent's argument (not accepted by the Hearing Officer) that WILD AND WOOD would simply be seen as the juxtaposing of 2 words "wild" on the one hand and "wood" on the other hand².
36. It seems to me that the Hearing Officer was able on the evidence to form the view that WILD AND WOOD in WILD AND WOOD COFFEE HOUSE would be seen as 2 surnames, and in my judgment she did so without error.

Section 3(6)

37. The third ground of appeal related to Section 3(6). However, it was unclear to me where and/or how the Hearing Officer was said by the Applicant to have fallen into error.
38. In order to determine whether a trade mark was applied for in bad faith within the meaning of Section 3(6), an overall assessment must be made in which all the relevant factors of a particular case must be taken into account (Case C-529/07, *Chocoladefabriken Lindt & Sprüngli AG v. Franz Hauswirth GmbH* [2009] ECR I-4893, para. 37).
39. The Opponent was correct in arguing that the existence of a contractual relationship between the parties before the trade mark application was made can be an indicator of bad faith (Case T-291/09, *Carrols Corp. v. OHIM*, 1 February 2012, paras. 85 – 87, Case T-321/10, *SA PAR Srl. v. OHIM*, 11 July 2013, paras. 25 – 32).
40. The Applicant accepted both in the Statement of grounds of appeal and in argument that she had an agreement with the Opponent to change the name of her business from WILD & WOOD COFFEE to first, HYMAN & ROTH COFFEE and second, WILD & COFFEE. Both changes of name were accepted by the Opponent, who refrained from taking further action on that basis. Following subsequent correspondence, the Applicant altered the name of her shop front to WILD & COFFEE but failed to change her website as she had indicated to the Opponent.
41. These events took place in 2011 – 2012 before the Application was filed on 19 May 2014 and, as the Hearing Officer noted, were well-documented in the evidence of both sides.
42. Mr. Hussain told me at the hearing that no dishonesty was intended on the part of the Applicant. They were stressed at the time dealing with a fledgling business. Dishonesty is not, however, a requirement for Section 3(6). "Bad faith" within that prohibition on registration encompasses any conduct which departs from accepted principles of ethical behaviour or honest commercial and business practices (*Lindt, AG Sharpston*, para. 60).
43. The Hearing Officer conducted a multifactorial consideration of whether the trade mark WILD AND WOOD COFFEE HOUSE had been applied for in bad faith. That

² The Opponent claimed that this was backed up by the Applicant's statement that the theme of her coffee house was wood. However, the Hearing Officer was concerned with the immediate perceptions of the average consumer not the Applicant.

consideration was based on the evidence and arguments before her, and it was not suggested that she omitted or misrepresented any material fact. This is exactly the type of decision with which I should be reluctant to interfere on appeal.

44. The Hearing Officer was clear in her mind that, when viewed objectively, the Applicant had acted in such a way that breached honest and commercial practices. I have not been given or shown reason why I should overturn her decision that the objection under Section 3(6) was made out.

Conclusion and costs

45. In the event, the appeal has failed.
46. The Hearing Officer ordered the Applicant to pay to the Opponent £1,700 as a contribution towards the Opponent's costs of the opposition. I will order that the Applicant additionally pay to the Opponent £900 as a contribution to the Opponent's costs of this appeal. The total sum of £2,600 is to be paid by the Applicant to the Opponent within 28 days of the date of this decision.

Professor Ruth Annand, 9 May 2016

Mr. Adalat Hussain appeared for the Applicant/Appellant

Mr. David Rose of King & Wood Mallesons LLP appeared for the Opponent/Respondent

ANNEX A

EU TRADE MARK No. 12530382

Class 29

Meat; fish; poultry and game; meat extracts; preserved, frozen, dried and cooked fruits and vegetables; jellies, jams, compotes; eggs; milk and milk products; edible oils and fats; dairy products and dairy substitutes; charcuterie; soups; seafood; lobsters, not live; oysters, not live; shellfish, not live; processed fruits, fungi and vegetables (including nuts and pulses); prepared meals, snacks and desserts (including soups and stocks) namely birds' nests, casseroles, condensed tomatoes, dips, fish crackers, pollen prepared as foodstuff, pork snacks, prepared soya, ready meals primarily with meat, fish, seafood or vegetables, snacks and side dishes of potatoes, soups and preparations therefor, stews, stocks and broths, yucca chips.

Class 30

Coffee, tea, cocoa and artificial coffee; rice; tapioca and sago; flour and preparations made from cereals; bread, pastry and confectionery; ices; sugar, honey, treacle; yeast, baking-powder; salt; mustard; vinegar, sauces (condiments); spices; pasta; biscuits; buns; sushi; tarts; prepared foods; prepared meals; fruit sauces; convenience food and savoury snacks namely corn, cereal, flour and sesame based snacks, crackers, dumplings, pancakes, pasta, rice and cereal dishes, pies and pastry dishes, sandwiches and pizzas, spring and seaweed rolls, steamed buns, tortilla bread dishes; salts, seasonings, flavourings and condiments; baked goods, confectionery, chocolate and desserts; sugars, natural sweeteners, sweet coatings and fillings, bee products; ice, ice creams, frozen yogurts and sorbets; processed grains, starches, and goods made thereof, baking preparations and yeasts.

Class 43

Services for providing food and drink; restaurant services; food and drink take-away services; preparation of meals for consumption off the premises; café services; bar services; temporary accommodation; booking of temporary accommodation; hospitality services namely accommodation; hospitality services namely food; hotel and restaurant reservation services; cocktail lounge services; hotel information; providing hotel accommodation; resort hotels; motels; agency services for booking hotel accommodation; holiday lodgings; arranging and provision of holiday accommodation; arranging and providing meals for travellers; arranging and providing hotel reservation services; reservation services for booking meals; catering services for the provision of food and drink; and advice, consultancy and information for the aforesaid, included in the class.