

BL O-481-16

TRADE MARKS ACT 1994

TRADE MARK APPLICATION No. 3093665

BY CAFFÈ NERO GROUP LTD

AND

OPPOSITION No. 404855

BY ELAH-DUFOUR S.p.A.

Background and pleadings

1. On 10th February 2015 (“the relevant date”) Caffè Nero Group Ltd (“the applicant”) applied to register **NERO EXPRESS** as a trade mark. It was accepted and published in the Trade Marks Journal on 8th May 2015 in respect of a wide range of goods in class 30.

2. Elah-Dufour S.p.A. (“the opponent”) opposes the registration trade mark on the basis of section 5(2)(b) of the Trade Marks Act 1994 (“the Act”). The opponent relies on its earlier European Union trade marks 4969961 and 4971181. The first mark consists of the words **NERO NERO**. The second mark consists of the words **FONDENTE NERO**. The following goods are relied upon for the purpose of this opposition.

In the case of NERO NERO:

Chocolate, chocolate based goods...confectionery.

In the case of FONDENTE NERO;

Cocoa.

3. The opposition is directed at the registration of NERO EXPRESS in relation to:

Cocoa, sugar, biscuits, cookies; confectionery, chocolate bars, chocolate covered fruits, chocolate covered nuts, chocolate covered coffee beans; ices; cakes, flans and puddings; pastries, sweeteners; flavourings; prepared meals and snacks; prepared meals consisting primarily of bread, crackers and/or cookies; chocolate based ready-to-eat snacks; cocoa and cocoa-based preparations; cocoa beverages; sponges, muffins, scones, pies, and preparations and mixes for making the aforesaid goods; muesli and muesli bars; sauces; syrups, toppings and spreads; sherbets and sorbets; flavoured ices and frozen confections; powdered chocolate; flavouring syrups to add to beverages; fillings.

4. The opponent claims that the respective goods are identical or similar, that the marks are similar and there is a likelihood of confusion on the part of the public.

5. The applicant filed a counterstatement denying the claims made and requesting that the opponent provides proof of use of the earlier trade marks on which it relies.

Case management

6. The applicant filed applications at the EU IPO for partial revocation of the earlier EU marks on grounds of non-use. It requested that these proceedings be suspended to await the outcome of the revocation proceedings. As the applicant had also requested proof of use of the earlier EU trade marks in the UK proceedings, it was not immediately obvious to me why the UK proceedings should be stayed to await the outcome of the revocation proceedings at the EU IPO. There was also a question in my mind as to whether the effective date of revocation of the EU marks (if they were revoked) would be early enough to make any difference to this opposition.

7. At the request of the applicant, a case management conference (“CMC”) was held on 8th January 2016. However, at the CMC the applicant’s attorney accepted that it was appropriate to continue with the UK proceedings, so I set a timetable for the parties to file evidence etc. The opponent’s evidence was due on 8th March 2016. On that date the opponent filed a copy of the evidence of use of the earlier EU marks it had by then filed at the EU IPO. However, the evidence was in the form of a CD ROM and the volume of the evidence far exceeded the 300 page ‘trigger point’ described in Tribunal Practice Notice 1/2015. Consequently, directions were issued in the following terms:

“The registry is unable to accept the evidence as filed for the following reasons:

- (1) The evidence is incomplete as various videos are missing
- (2) It exceeds the 300 page trigger point after which evidence is assessed for relevance. The assessment indicates that some of the evidence is irrelevant, i.e. documents dated prior to May 2010. This is because the

relevant 5 year period for showing use of the CTMs is May 2010-May 2015. Evidence intended to show that the CTMs have an enhanced level of distinctiveness in the EU are irrelevant unless it can be shown that the marks have an enhanced level of distinctiveness in the UK. This is because the likelihood of confusion is assessed on the basis of consumers in the UK.

The opponent is directed to file the evidence in paper form (except for videos), and to exclude any material dated prior to May 2010 (unless it shows reputation in the UK).”

8. The applicant (not the opponent) sought a CMC to contest these directions. A further CMC was held on 6th April 2016 after which I issued these directions:

“i) A witness statement should be filed on behalf of the opponent adopting the affidavit filed in the CTM revocation proceedings into the UK proceedings.

ii) A paginated paper version of the evidence filed in the EU IPO proceedings, minus the video evidence and any documents dated before the relevant date in 2010, should be filed and copied to the applicant.

iii) A witness statement (which may be the same statement mentioned in (i) above) should record that the paper version of the EU IPO evidence has been edited in line with these directions.

iv) The above documents must be filed by 27th April 2016.”

9. On 28th April 2016, the opponent requested an extension of time of one month until 27th May 2016 in which to file its amended evidence. This was provisionally granted. However, the applicant requested a further CMC to contest the provisional decision. The opponent’s attorney maintained that the CMC was not necessary. He

pointed out that the opponent's evidence was such that when he attempted to print it out it overwhelmed the firm's in-house printer. The opponent supported this explanation for the delay by providing a copy of a bill for £715 for external printing of the evidence.

10. The opponent filed its evidence in an acceptable form on 25th May 2016.

11. In response to the applicant's request, a third CMC was held on 1st June. I was satisfied with the opponent's explanation for the delay and granted the extension of time. A revised timetable was set to conclude the proceedings.

12. On 27th June, the applicant filed written submissions challenging the sufficiency of the evidence of use of the earlier marks in the opponent's evidence. I note, in particular, that the applicant pointed out that the opponent's evidence of use related entirely to chocolate. Therefore, the opposition based on FONDENTE NERO (which is only relied upon in relation to cocoa) was bound to fail.

13. The applicant filed no evidence in chief of its own.

14. On 27th July, the opponent indicated that it intended to file evidence in reply to the applicant's written submissions. It was allowed until 27th August to do so. On 30th August, the opponent filed a request for a retrospective extension of time of 10 days in which to file its evidence-in-reply. The additional time was said to be required in order to obtain an English translation of the evidence. The request was provisionally granted.

15. On 6th September, the opponent filed its evidence-in-reply. This consisted of a brief witness statement by the opponent's UK attorney covering a copy of an application made to the EU IPO on 25th July under article 28(8) of Regulation 207/2009 as amended by Regulation 2424/2015. In essence, the application was to add *chocolate*, *chocolate based goods* and *chocolate bars* to the list of goods for which FONDENTE NERO is registered. That list currently corresponds to the class heading for class 30, which does not expressly cover any of these goods. The

opponent declared that it was its intention to cover such goods at the time of filing the application to register FONDENTE NERO as an EU trade mark.

16. On 9th September, the applicant indicated that it did not object to the opponent's request for an extension of time to file this evidence, but it sought permission to file further evidence of its own. The evidence would show that the application to register FONDENTE NERO as an EU trade mark was partially refused in relation to the goods that the opponent now seeks to add to its registration. Therefore, the opponent's application to the EU IPO was likely to be rejected. As there was no possible prejudice to the opponent, I gave the applicant leave to file this evidence so that the full picture was before this tribunal when it came to decide what, if any, significance the article 28(8) application had to these proceedings. However, I drew the parties' attention to article 28(9) of the Regulation, which places restrictions on the use of amended lists of goods in opposition proceedings. Specifically, it prevents the proprietor of a registered EU trade mark from relying on additional descriptions of goods added under article 28(8) in opposition proceedings against a later trade mark where (a) the application to register the opposed trade mark was filed before the amendment to the EU trade mark was made, and (b) the opposed mark would not have conflicted with the EU trade mark on the basis of the original list of goods or services.

17. The applicant filed its additional evidence on 16th September. This consisted of a witness statement from the applicant's UK attorney providing copies of correspondence between the opponent's representatives and the EU IPO. These documents confirmed that the opponent had applied to register FONDENTE NERO for the goods it now seeks to add to the registration, but that the application to register the mark for these goods was refused. This was because the Office considered that the mark was descriptive (in Italian) of dark chocolate, and therefore excluded from registration by article 7(1)(c) of the Regulation.

18. The applicant's evidence went beyond the scope of the permission I had given for the applicant to file additional evidence. This is because the applicant's attorney purported to give evidence as to the nature and scale of the applicant's business in

the UK. According to the witness, the applicant runs a coffee house business under the mark CAFFÈ NERO. The business is present in seven countries, including the UK, has 700 coffee houses worldwide, and turned over more than £200m in 2013/14. The NERO EXPRESS mark is said to be used at coffee kiosks at train stations and the like, when it is not feasible to open a full-scale coffee house.

19. At the hearing described below, the opponent's attorney indicated that he did not object to the admission of this additional evidence. Consequently, I will treat it as admitted even though no permission was sought to file it as additional evidence. The evidence is plainly hearsay. I return to the value of the evidence below.

20. A substantive hearing took place on 30th September 2016. The applicant was represented by Mr Leighton Cassidy of Fieldfisher LLP. The opponent was represented by Mr C R Buehrlen of Beck Greener.

Proof of use of the EU trade marks

21. I turn first to the proof of use of the opponent's earlier trade marks. The requirements are set out in s.6A of the Act, which is as follows.

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

6A. - (1) This section applies where -

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

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

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

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

(3) The use conditions are met if -

(a) within the period of five years ending with the date of publication of the application the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

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

(4) For these purposes -

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

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

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

(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.”

21. The relevant period for the purposes of s.6A is 9th May 2010 to 8th May 2015.

22. The opponent's principal witness is Mr Guido Repetto, who is the opponent's Managing Director. Mr Repetto made two affidavits dated 4th February 2016. As explained earlier, these were prepared primarily for the purpose of defending the applicant's applications to the EU IPO to revoke the opponent's EU trade marks for non-use. Mr Repetto's affidavits (one relating to NERO NERO and the other FONDENTE NERO) have been introduced into these proceedings by virtue of a witness statement by Mr Buehrlen dated 24th May 2016. For the reasons given earlier, some of the evidence filed at the EU IPO was excluded as irrelevant. In all, 14 of the original 41 exhibits were excluded for this reason. A further 5 exhibits were reduced in size for the same reason¹.

23. According to the English translation of the affidavits, Mr Repetto claims that the earlier marks have been used in relation to "*chocolate*". This is borne out by the exhibits which show use of the earlier marks in relation to chocolate.

24. The applicant submits that the opposition based on FONDENTE NERO should be denied because the opposition is based on the registration of the mark for "*cocoa*", for which no use of the mark has been claimed.

25. On behalf of the opponent, Mr Buehrlen submitted that the chocolate shown in the evidence has a high cocoa content (99% in one case) and should therefore be considered to be *cocoa*.

26. I do not accept this. Cocoa is the raw product derived from cocoa beans. As Mr Geoffrey Hobbs Q.C., as the Appointed Person, stated in *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited*²:

"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

¹ Even with these reductions, the opponent's evidence occupies two lever arch files.

² BL O/345/10

the resulting specification should accord with the perceptions of the average consumer of the goods or services concerned." (emphasis added)

27. I have heard "*cocoa*" used to describe a hot drink made from cocoa powder. I have never heard anyone use that word to describe chocolate as a confection. Indeed, the opponent's own witness does not describe the opponent's goods as cocoa. The opponent's goods are fairly described as *chocolate*. I find that this accords with the perception of average consumers of the goods.

28. This finding is not undermined by the fact that chocolate is made from cocoa. Use of a mark in relation to a material used to make a finished product does not necessarily constitute use of the mark in relation to the finished product³. This does not change merely because the first product constitutes a high percentage of the second product. For example, cheese is made from milk, but milk is not cheese.

29. It follows that there has been no use of FONDENTE NERO in relation to the only product for which use is claimed in the notice of opposition: cocoa. Therefore, in accordance with s.6A(2) of the Act, the opposition based on FONDENTE NERO fails.

30. This makes it unnecessary to consider the evidence of use of that mark any further.

31. As regards the evidence of use of NERO NERO, Mr Repetto says that the mark has been used between 2007 and 2015 in Italy "*as well as in various European countries*". He provides turnover figures for sales under the mark which show that the opponent sold around €700k worth of goods in Italy in 2010, rising to €1.8m in 2014 and €3.5m in 2015 (of which less than half is in the relevant period). According to a report by the independent Nielson Agency⁴, this corresponded to a 0.5% share of the relevant Italian market in 2014.

³ See, for example, Case T-660/11, *Polytetra GmbH v OHIM*

⁴ Tab 20 in the evidence bundle

32. The opponent's sales of NERO NERO chocolate outside Italy amounted to €42k worth of goods in 2010 rising to €82k in 2014. The bulk of the opponent's sales under the mark have therefore been in Italy.

33. The opponent has advertised its NERO NERO product on Italian television. Some examples of advertisements are in evidence⁵. There are also invoices, price lists and catalogues bearing the mark during the relevant period⁶. In my view, there is no doubt that the opponent used the mark in Italy in relation to *chocolate* throughout the relevant period.

34. In the end, I do not think that the applicant seriously disputed this. Rather, the applicant focused on the limited geographical scope of the use.

35. As to this, the opponent provided (heavily redacted) copies of invoices dated in the relevant period for NERO NERO goods addressed to Denmark, France, Hungary, Bulgaria, Germany, Czech Republic, Finland, Ireland, Romania and Poland⁷. The applicant contests that these documents show genuine use of the mark in these countries, partly because the invoices do not show the nature of the goods to which they relate, the identity of the customers, or their exact locations. The applicant also points out that some of the invoices provided by the opponent relate to sales to Albania, which is outside the EU.

36. The applicant's attorney points out that the product codes listed in the invoices can be matched with the price lists in evidence⁸ which shows, as one would expect, that they relate to the same chocolate products sold in Italy under the NERO NERO mark.

37. I agree that the opponent could have provided stronger evidence of sales outside Italy. However, taking Mr Repetto's affidavit evidence, together with the redacted invoices addressed to EU member states, I find that, on the balance of probability,

⁵ See the CD-ROM in tab 19 in the bundle

⁶ See tabs 11 -16 and 26 in the bundle

⁷ See tabs 6 -10 in the bundle

⁸ See tab 24

the opponent did sell NERO NERO chocolate to customers in a number of Member States of the EU, as well as Italy, during the relevant period. However, the volume of sales elsewhere in the EU appears to have been very low.

Genuine use in the EU

38. The general requirements for establishing genuine use of a trade mark are now well established. They were conveniently summarised by Arnold J. In *The London Taxi Corporation Limited v Frazer-Nash Research Limited & Ecotive Limited*⁹. With one exception, there is no dispute as to the law. The point of law in dispute is whether genuine use of an EU trade mark requires use in more than one Member State. The applicant submits that, even if the opponent has shown genuine use of its NERO NERO mark in Italy, this does not constitute genuine use of the mark in the EU.

39. In *Leno Merken BV v Hagelkruis Beheer BV*¹⁰, the CJEU noted that:

“36. It should, however, be observed that..... the territorial scope of the use is not a separate condition for genuine use but one of the factors determining genuine use, which must be included in the overall analysis and examined at the same time as other such factors. In that regard, the phrase ‘in the Community’ is intended to define the geographical market serving as the reference point for all consideration of whether a Community trade mark has been put to genuine use.”

And

“50. Whilst there is admittedly some justification for thinking that a Community trade mark should – because it enjoys more extensive territorial protection than a national trade mark – be used in a larger area than the territory of a single Member State in order for the use to be regarded as ‘genuine use’, it

⁹ [2016] EWHC 52

¹⁰ Case C-149/11

cannot be ruled out that, in certain circumstances, the market for the goods or services for which a Community trade mark has been registered is in fact restricted to the territory of a single Member State. In such a case, use of the Community trade mark on that territory might satisfy the conditions both for genuine use of a Community trade mark and for genuine use of a national trade mark.”

And

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

40. The court went on to hold that:

“Article 15(1) of Regulation No 207/2009 of 26 February 2009 on the Community trade mark must be interpreted as meaning that the territorial borders of the Member States should be disregarded in the assessment of whether a trade mark has been put to ‘genuine use in the Community’ within the meaning of that provision.

A Community trade mark is put to ‘genuine use’ within the meaning of Article 15(1) of Regulation No 207/2009 when it is used in accordance with its essential function and for the purpose of maintaining or creating market share within the European Community for the goods or services covered by it. It is

for the referring court to assess whether the conditions are met in the main proceedings, taking account of all the relevant facts and circumstances, including the characteristics of the market concerned, the nature of the goods or services protected by the trade mark and the territorial extent and the scale of the use as well as its frequency and regularity.”

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

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

229. In Case T-278/13 *Now Wireless Ltd v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* the General Court upheld at [47] the finding of the Board of Appeal that there had been genuine use of the contested mark in relation to the services in issues in London and the Thames Valley. On that basis, the General Court dismissed the applicant's challenge to the Board of Appeal's conclusion that there had been genuine use of the mark in the Community. At first blush, this appears to be a decision to the effect that use in rather less than the whole of one Member State is sufficient to constitute genuine use in the Community. On closer examination, however, it appears that the applicant's argument was not that use within London and the Thames Valley was not sufficient to constitute genuine use in the Community, but rather that the Board of Appeal was wrong to find that the mark had been used in those areas, and that it should have found that the mark had only been used in parts of London: see [42] and [54]-[58]. This stance may have been due to the fact that the applicant was based in Guildford, and thus a finding which still left open the possibility of conversion

of the Community trade mark to a national trade mark may not have sufficed for its purposes.

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

42. On behalf of the applicant, Mr Cassidy pointed out at the hearing that Arnold J's comments in *London Taxi Corporation* were obiter, whereas the finding of judge Hacon in *Sofa Workshops* was not. However, as the passage set out above shows, Arnold J. based his comments, in part, on various judgments since *Leno Merken*, including the approach taken by the General Court in *Now Wireless*. The General Court's judgment on this point was not obiter. Further, I note that the General Court restated its interpretation of *Leno Merken* in *TVR Automotive Ltd v OHIM*¹¹. Further still, I note that the Appointed Person – in the form of Mr Daniel Alexander Q.C. – said in *Jumpman*¹² that he preferred the analysis of *Leno Merken* in *London Taxi* to the analysis of that case in *Sofa Workshops*. Consequently, in trade mark opposition and cancellation proceedings, the registrar continues to entertain the possibility that use of an EU trade mark in an area of the EU corresponding to the territory of one

¹¹ Case T-398/13 at paragraph 57 of the judgment

¹² BL O/222/16

Member State may be sufficient to constitute genuine use of a EUTM. This applies even where there are no special factors, such as the market for the goods/services being limited to that area of the Union.

43. Whether the use shown is sufficient for this purpose will depend on whether there has been real commercial exploitation of the EU trade mark, in the course of trade, sufficient to create or maintain a market for the goods/services at issue in the EU during the relevant 5 year period. In making this assessment I am required to consider all relevant factors, including:

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

44. Applying this approach, I find that the use of NERO NERO shown in evidence is sufficient to establish genuine use of that mark in the EU during the relevant period. Firstly, the mark has been used throughout the relevant period. Secondly, the scale of the use, particularly in Italy, is quite substantial. The evidence may not go so far as to show that NERO NERO is a household name in Italy but, given the volume of sales and the evidence of TV advertising, NERO NERO is plainly present on the Italian market in a commercially significant way. Thirdly, there does not appear to be any dispute that NERO NERO has been used as a trade mark for chocolate. Fourthly, although the EU market for such goods is massive, the market is quite fragmented and made up of many products sold under many different marks. NERO NERO's share of the EU market is not so tiny as to cast doubt on whether the mark has been used to create or maintain a market of the EU market for chocolate. Fifthly, the mark has been used throughout Italy, and there is some use in a number of other Member States, albeit on a much smaller scale.

45. For the avoidance of doubt, I would have reached the same conclusion even if I had found that the use of NERO NERO was limited to the part of the EU corresponding to the territory of Italy.

46. The opponent can therefore rely on NERO NERO for the purposes of this opposition. I find that *chocolate* is a fair notional specification that accords with the case law cited in paragraph 26 above.

Section 5(2)(b)

47. Section 5(2)(b) of the Act is as follows:

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

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark”.

Comparison of goods and services

48. The respective goods are shown below.

Opposed goods	Goods on which the opposition is based
Cocoa, sugar, biscuits, cookies; confectionery, chocolate bars, chocolate covered fruits, chocolate covered nuts, chocolate covered coffee beans ; ices; cakes, flans and puddings; pastries, sweeteners; flavourings; prepared meals and snacks; prepared meals consisting primarily of bread, crackers and/or cookies; chocolate based ready-to-eat snacks ;	Chocolate

cocoa and cocoa-based preparations; cocoa beverages; sponges, muffins, scones, pies, and preparations and mixes for making the aforesaid goods; muesli and muesli bars; sauces; syrups, toppings and spreads; sherbets and sorbets; flavoured ices and frozen confections; powdered chocolate ; flavouring syrups to add to beverages; fillings.	
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49. The words in these specifications should be construed accordingly to their natural meanings. As Neuberger J. (as he then was) stated in *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another*¹³:

“I should add that I see no reason to give the word “cosmetics” and “toilet preparations”... anything other than their natural meaning, subject, of course, to the normal and necessary principle that the words must be construed by reference to their context.”

50. The applicant accepts that the goods shown in bold in the list in paragraph 48 are similar to chocolate. In *Gérard Meric v OHIM*¹⁴, the General Court stated that:

“29.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”.

¹³ [2000] F.S.R. 267 (HC)

¹⁴ Case T- 133/05

On this basis, I find that *chocolate bars, chocolate based ready-to-eat snacks and powdered chocolate* are identical to *chocolate*. Applying the same approach, I find that *cocoa based preparations* includes *chocolate*, so these goods are also identical. Further, *confectionery* also includes *chocolate*. So these goods are identical too.

51. *Chocolate covered fruits, nuts and coffee beans* are not chocolate as such (or vice versa) so these goods are not identical. However, they are obviously highly similar goods. The same goes for *cocoa beverages*. Although *cocoa* is not *chocolate*, *cocoa beverages* means beverages made from cocoa beans or cocoa powder. This includes drinking chocolate, which is plainly similar to at least a medium degree to *chocolate*.

52. The opponent submits that all the (other) goods covered by the opposition are similar to the opponent's goods because they may either contain chocolate or cocoa, be chocolate-based goods or contain chocolate or cocoa, or be flavoured by chocolate or cocoa.

53. The applicant submits that *cocoa, sugar, sweeteners, flavourings, preparations and mixes for making sponges, muffins, scones, pies; flavouring syrups to add to beverages; fillings* are cooking ingredients and therefore have different uses to *chocolate*, would be used at different times, are different in nature, would be found on different shelves in a supermarket, and are not in competition.

54. With the following exceptions, I accept the applicant's submission. The first exception is that chocolate may be used as a flavouring or ingredient. As Mr Buehrlen pointed out on behalf of the opponent, chocolate made of a very high percentage of cocoa (which is covered by the description *chocolate* and which the opponent actually sells under the mark) is quite bitter to taste and is therefore often used as a cooking ingredient, as well as a confection. There is therefore a degree of similarity between the uses (and times of using) *chocolate* and the goods listed in the previous paragraph. However, the degree of similarity of purpose at this level of generality is very low. Simply saying that two food products can be used as ingredients does not mean they are similar goods. I therefore find that there is very

little or no overall similarity between *chocolate* and *sugar, sweeteners*. On the other hand, I find that there is a medium degree of similarity between *chocolate* and *flavourings, flavouring syrups to add to beverages and fillings*. This is because the latter products can be used to provide the specific flavour of chocolate. I recognise that the same sort of thing might be said about *preparations and mixes for making sponges, muffins, scones, pies*. However, I do not consider that the point applies to these goods with the same degree of force as it applies to (chocolate) *flavourings* and *fillings*. Therefore, I find that there is only a low degree of similarity between *chocolate* and *preparations and mixes for making sponges, muffins, scones, pies*.

55. The second exception is that I find that there is degree of similarity in the nature of *chocolate* and *cocoa*. It is well known that *chocolate* is a cocoa-based product. Further, the amount, quality and source of the *cocoa* in chocolate is the most important indicator of the likely quality of the chocolate. Therefore, for those consumers that make their own chocolate (admittedly, a minority), *cocoa* is indispensable for the use of *chocolate*. A chocolate producer may be thought to be responsible for *cocoa* (or vice versa), if the respective goods are offered for sale under similar marks. Therefore, there is a certain complementary relationship between these goods¹⁵. I find that there is a medium degree of overall similarity between *chocolate* and *cocoa*.

56. The applicant submits that *pastries, prepared meals and snacks, prepared meals and snacks consisting primarily of bread, crackers; muffins, scones, pies; muesli and muesli bars* have different uses to chocolate because they are savoury foodstuffs in the nature of meals whereas chocolate is a sweet food consumed as a treat and in small quantities. The applicant further submits that the respective goods are different in nature, would be found on different shelves in a supermarket, and are not in competition.

57. I agree that *prepared meals and snacks consisting primarily of bread, crackers and muesli* are savoury foods and not in competition with *chocolate*. I therefore find that there is no similarity between *chocolate* and *prepared meals and snacks*

¹⁵ See *Boston Scientific Ltd v OHIM*, Case T-325/06, the General Court.

consisting primarily of bread, crackers and muesli. I do not agree that *pastries, prepared meals and snacks, muffins, scones, pies* and *muesli bars* are necessarily savoury products or that, apart from *prepared meals*, they are generally eaten as a meal. In this connection, I note that *prepared meals and snacks* includes *chocolate based ready-to-eat snacks* which the applicant accepts are similar to chocolate. I accept that *pastries, muffins, scones, pies* (which includes sweet pies) are different in nature to *chocolate* and are unlikely to be sold from the same shelves. Further, the degree of competition between the goods is likely to be low. I find that there is a low degree of similarity between *chocolate* and *pastries, muffins, scones, pies*. By contrast, I find that there is a high degree of similarity between *chocolate* and *prepared snacks* and *muesli bars*. I note that *prepared snacks* includes chocolate confectionery and that *muesli bars* are sometimes covered, or coated, in chocolate and/or sold in competition with *chocolate*.

58. The applicant submits that *biscuits, cookies, confectionery, ices, flavoured ices and frozen confections, sherbets and sorbets, cakes, flans and puddings, sauces, syrups, toppings and spreads* are different to *chocolate* because, although these are sweet goods, they are eaten in large quantities whereas *chocolate* is eaten in small quantities as a treat. Further, the applicant says that its goods are different in nature to *chocolate*, would be found on different shelves in a supermarket, and are not in competition.

59. I see some force in the 'different uses/not in competition' points so far as *cakes, flans and puddings, ices, flavoured ices and frozen confections, sherbets and sorbets* are concerned, although even here there will be some occasions when the respective goods might be eaten as (possibly alternative) snacks. I accept that the respective goods are largely different in nature, although the goods will be partly similar in nature if the applicant's goods are chocolate-based, or coated in chocolate. I accept that the respective goods are unlikely to be sold from the same shelves. However, it is well known that producers of chocolate often produce a frozen version of the same confection under the same or a variant mark. There is therefore a degree of overlap between the trade channels for *chocolate* and *frozen confections*. *Ices* and *flavoured ices* appear to be alternative descriptions of *frozen confections*.

Therefore the same consideration applies to these terms too. So far as I am aware, this point does not apply to *chocolate* and *cakes, flans and puddings, sherbets and sorbets*. Therefore, I find that there is a medium degree of overall similarity between *chocolate* and *frozen confections, ices and flavoured ices* and a low degree of similarity between *chocolate* and *cakes, flans and puddings, sherbets and sorbets*.

60. I see limited force in the submission that *chocolate* (even generally) has different uses to *biscuits* and *cookies*. Although *biscuits* and *cookies* compete directly with other *biscuits* and *cookies* as snacks, in my experience chocolate is also sometimes eaten as a snack. There is therefore a degree of indirect competition between *chocolate* and *biscuits and cookies*, i.e. consumers may choose to snack on a biscuit or on a piece of chocolate. I accept that the goods are largely different in nature, although the nature will be partly the same if the applicant's goods are chocolate-based or coated in chocolate. I accept that the respective goods are unlikely to be sold from the same shelves. Overall, I find that these goods are similar to a medium degree. It follows that this finding also applies to the similarity between *chocolate* and *prepared meals consisting primarily of cookies*.

61. The purpose of *sauces, syrups, toppings and spreads* is different to chocolate, whether eaten as a treat or a snack. I find that there is some similarity of purpose when *chocolate* is used for cooking, i.e. adding a flavour and coating other foodstuffs. I accept that the goods are usually different in nature, although the nature will be quite similar if the applicant's goods are chocolate-based. I accept that the respective goods are unlikely to be sold from the same shelves, and they are unlikely to be in competition, or at least not in direct competition. Overall, I find that these goods are similar to a medium degree.

Global comparison

62. The following principles are gleaned from the decisions of the EU courts 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.

The principles

- (a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors;
- (b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;
- (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;
- (d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;
- (e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;
- (f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;
- (g) a lesser degree of similarity between the goods or services may be offset by a 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.

Distinctive character of the earlier mark

63. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, the CJEU stated that:

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

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

by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

64. There does not appear to be any dispute that the common element between the marks – the word NERO – is liable to be recognised by UK consumers as the name of a famous Roman emperor. The parties disagreed at the hearing as to whether the meaning of NERO in Italian, i.e. black or dark, is liable to be understood by average UK consumers. The opponent submitted that many UK consumers understand Italian, particularly in the context of foodstuffs because of the important role that Italian cuisine plays in the UK. The applicant submitted that most UK consumers do not speak Italian and, although the position might be different when it comes descriptions of Italian coffees, average UK consumers of chocolate have little grasp of the meaning of Italian words like NERO. Therefore, NERO NERO would have no meaning to such consumers.

65. Neither side filed any evidence to assist me on this point. I must therefore make my own assessment of the average UK consumer’s understanding of NERO NERO based on my own experience. In my view, average UK consumers would not immediately recognise NERO as meaning black or dark. Rather, the widely known meaning of NERO as the name of a Roman emperor would dominate the perception of average UK consumers of chocolate, assuming that they recognise any meaning at all. That is not to say that a minority of UK consumers with a basic knowledge of Italian would not be able to work out that NERO also means black or dark. However, I do not consider that this is likely to be typical of the UK average consumer, whose grasp of foreign languages is notoriously poor. Further, I consider that the proportion of UK consumers who would immediately recognise NERO as meaning dark or black¹⁶ is likely to be even smaller.

¹⁶ That is to say, in time to assist in avoiding confusion between the marks.

66. If NERO is recognised as the name of a Roman emperor, it is not descriptive, or even allusive of any characteristic of chocolate. It therefore has a normal degree of distinctive character. The same applies if it is taken as a foreign word with no obvious meaning in the UK. If it is taken to be invented word, then it has an above average level of inherent distinctive character, but I think that this is likely to be least common perception of NERO amongst average UK consumers. I therefore find that NERO has a normal or average degree of distinctiveness in the UK. Of course, the earlier mark is actually NERO NERO. The repetition of the word undoubtedly adds to the inherent distinctiveness of the mark. However, as the repetition of NERO has no counterpart in the applicant's mark, this cannot increase the likelihood of confusion.

67. On behalf of the opponent, Mr Buehrlen submitted that the distinctiveness of NERO NERO has been enhanced through the use of the mark in the EU. That may be so, but it is irrelevant for the purposes of these proceedings because the likelihood of confusion must be assessed according to the perception of average UK consumers. Therefore use of the mark in Italy (and on a small scale elsewhere in the EU) is irrelevant unless it affects the distinctiveness of the mark in the UK. There is no evidence of any use of the opponent's mark in the UK. And there is no evidence that a significant proportion of UK consumers are likely to have come across the opponent's mark in Italy (or elsewhere). On the opponent's evidence, the mark has a relatively modest share of the Italian chocolate market, i.e. it is probably not a household name, even in Italy. Mr Buehrlen sought to avoid this difficulty by submitting that the assessment of distinctiveness was a matter of law. According to him, I am required to make a notional assessment of the distinctiveness of the earlier EU mark for which the use of the mark in the EU can be afforded some weight, even if the average UK consumer is unaware of it. I do not accept this. In *Matratzen Concord AG v Hukla Germany SA*¹⁷, in the context of the assessment of distinctiveness for the purposes of registration, the CJEU held that the distinctive character of a trade mark must be assessed from the perspective of the relevant public in the territory in which registration is sought. The same must apply to the assessment of the distinctive character of trade marks for the purposes of assessing whether there is a likelihood of confusion between them: see *Matratzen Concord AG*

¹⁷ Case C-421/04

v OHIM, Case T-6/01. The CJEU similarly regarded distinctiveness of foreign words as a factual matter in later cases¹⁸. I therefore have no doubt that Mr Buehrlen is wrong to submit that the distinctiveness of EU marks is a notional concept rather than a factual matter. I find that the use of NERO NERO in Italy and few other places in the EU has had no effect on the level of distinctiveness of the earlier mark in the UK.

Comparison of marks

68. 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 proceed to 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 *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.”

69. The opponent submits that NERO EXPRESS is visually and aurally similar to NERO NERO because it includes the word NERO as the first word in the mark. The opponent says that the respective marks are conceptually similar because they convey the same meaning of a famous Roman emperor.

70. The applicant submits that NERO EXPRESS is noticeably longer than NERO NERO and that visually and aurally, EXPRESS is the most dominant feature of the

¹⁸ See *Bimbo*, Case C-591/12P and *Loutfi Management Propriété intellectuelle SARL v AMJ Meatproducts NV and Another*, Case C-147/14

former mark, both because it is longer and because it is an easily grasped English word. According to the applicant, its mark will be understood by UK consumers as meaning *fast nero*. The applicant submits that this might be understood as indicating a fast version of the products sold under the applicant's existing CAFFÈ NERO mark, a fast Roman emperor or "*fast black*".

71. Dealing first with the conceptual similarity between the marks, I reject the applicant's submission that the reputation of the CAFFÈ NERO mark is relevant to the assessment of the similarity between the marks. In this connection, I note that in *Ravensburger AG v OHIM*¹⁹, the General Court held that:

"27. The reputation of an earlier mark or its particular distinctive character must be taken into consideration for the purposes of assessing the likelihood of confusion, and not for the purposes of assessing the similarity of the marks in question, which is an assessment made prior to that of the likelihood of confusion (see, to that effect, judgment of 27 November 2007 in Case T-434/05 *Gateway v OHIM – Fujitsu Siemens Computers (ACTIVY Media Gateway)*, not published in the ECR, paragraphs 50 and 51)."

72. I note the inconsistency between the applicant's submission that the UK public might understand that NERO means 'black' in its own mark, but would not be understood as meaning 'black' or 'dark' in the opponent's mark. For the reasons I gave earlier, I prefer the opponent's submissions on this point. The applicant's mark would be understood as having the meanings of a Roman emperor and *fast* (because of EXPRESS). The combination has no obvious meaning of its own, but the meanings of the individual words are likely to be understood by most average UK consumers, probably by everyone in the case of EXPRESS. The opponent's mark also conveys the meaning of a Roman emperor to most UK consumers. Repetition of the word does not change its meaning, although it does add a second idea: *nero x 2*. In my view, the marks are conceptually similar to a high degree.

¹⁹ Case T-243/08

72. I accept the opponent's submission that NERO is the more dominant and distinctive element of the applicant's mark because it comes first and is more distinctive than EXPRESS. The same word, repeated, makes up the opponent's mark. Having said that, the difference between NERO NERO and NERO EXPRESS is not hard to see or hear. Therefore I find that, from the visual and aural perspectives, the marks are similar to (only) a medium degree.

Average consumer and the selection process

73. The average consumer is deemed to be reasonably well-informed and reasonably observant and circumspect. 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*.

74. In my view, the goods covered by the application are likely to be purchased by the general public, who are likely to pay a slightly below average level of attention when selecting the relatively everyday goods at issue.

75. The purchasing process is likely to be based on mainly visual means, such as selecting the goods from shelves or from pages on an internet site. Therefore, the degree of visual similarity is most important. However, word of mouth orders and recommendations (or the opposite) cannot be ruled out, so the degree of aural similarity is also relevant, albeit to a lesser degree.

Likelihood of Confusion

76. I note at the outset that in *O2 Holdings Limited, O2 (UK) Limited v Hutchison 3G UK Limited*²⁰ the CJEU stated at paragraph 66 of its judgment that when assessing the likelihood of confusion under Section 5(2) it is necessary to consider all the circumstances in which the mark applied for might be used if it were registered. Therefore, it is inappropriate to limit the enquiry as to the likelihood of confusion to

²⁰ Case C-533/06

the use of the applicant's goods only in relation to goods sold through its own NERO EXPRESS outlets.

77. In any event, the applicant's (hearsay) evidence provides scant information as to the extent or length of its use of NERO EXPRESS. Further, it has not provided any evidence of any use of this mark, or CAFFÈ NERO, as trade marks for any goods, other than possibly coffee. Consequently, I find that the applicant's use of these marks in relation to coffee house services is of little significance to the likelihood of confusion. By contrast, I am required to assess the likelihood of confusion on the assumption of normal and fair (concurrent) use of the NERO NERO and NERO EXPRESS marks in the UK in relation to, on the one hand, *chocolate*, and on the other hand, the applicant's goods subject to this opposition.

78. Earlier I found that the marks at issue are visually (and aurally) similar to a medium degree and conceptually similar to a high degree. Taking into account also, the normal degree of distinctiveness of the earlier mark and the slightly-less-than-average degree of attention that average consumers of food products are likely to pay during the selection process, I find that there is a likelihood of confusion if the applicant's mark is used in relation to goods which are identical or similar to *chocolate* to a medium degree or more. This means:

Cocoa, biscuits, cookies; confectionery, chocolate bars, chocolate covered fruits, chocolate covered nuts, chocolate covered coffee beans; ices; flavoured ices, frozen confectionery; flavourings; prepared meals and snacks; prepared meals consisting primarily of cookies; chocolate based ready-to-eat snacks; cocoa and cocoa-based preparations; cocoa beverages; muesli bars; sauces; syrups, toppings and spreads; fillings; powdered chocolate; flavouring syrups to add to beverages.

79. I find that there is a likelihood of a limited level of confusion through imperfect recollection of one mark or the other. More importantly, there is a likelihood of a significant level of confusion through indirect confusion. In this connection, I note that

in *L.A. Sugar Limited v By Back Beat Inc.*²¹, Mr Iain Purvis Q.C. as the Appointed Person stated that:

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

17. 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).”

²¹ Case BL-O/375/10

80. I have not lost sight of the fact that the earlier mark in this case is NERO NERO, not just NERO, but even allowing for that it seems to me that this case fits tolerably well into category (b) of Mr Purvis's examples of cases where indirect confusion may arise.

81. I find that there is no likelihood of confusion is NERO EXPRESS is used in relation to:

Sugar, cakes, flans and puddings; pastries, sweeteners; prepared meals consisting primarily of bread, crackers; sponges, muffins, scones, pies, and preparations and mixes for making the aforesaid goods; muesli; sherbets and sorbets.

82. Although some of these goods may also be flavoured with, or include, chocolate, the low level of overall similarity between these goods and *chocolate*, in combination with the differences between the marks (particularly bearing in mind that the earlier mark is NERO NERO, not just NERO) and the (just) 'normal' level of distinctiveness of the word NERO in the UK, leads me to find that there is no likelihood of direct or indirect confusion. It is unlikely that average consumers will imperfectly recall a trade mark for *chocolate* and thereby mistakenly purchase (say) a muffin. And given the degree of difference between the goods, I find that consumers who notice the difference between the marks are, in these circumstances, likely to think that two unrelated undertakings are coincidentally using marks containing the word NERO. Consequently, the opposition fails in relation to the goods specified in the previous paragraph.

Outcome

83. The opposition succeeds in relation to the goods specified in paragraph 78, but fails in respect of the goods specified in paragraph 81.

Costs

84. The opposition has partly succeeded and partly failed.

85. At the hearing, Mr Cassidy requested an off-scale award of costs for the applicant to cover the additional costs caused by the opponent's unsatisfactory evidence of use of its EU marks and its evidence 'in reply', i.e. the evidence of an application to amend the EU registration of FONDENTE NERO so as to cover chocolate. According to Mr Cassidy, this was a 'red herring' which caused the applicant the unnecessary cost of putting the complete picture before this tribunal.

86. Mr Buehrlen responded that the CMCs held to deal with the problems with the opponent's evidence were requested by the applicant, were unnecessary because the applicant was willing to comply with the registrar's directions, and resulted in little change to those directions. Accordingly, the opponent should be entitled to costs for the CMCs. I think Mr Buehrlen accepted that the evidence of an application to the EU IPO under article 28(8) of the Regulation had proved to be irrelevant in the end, but he maintained that this was not obvious when the evidence was submitted. Consequently, the opponent should not be penalised for wasting costs.

87. The first CMC on 8th January 2016 was requested by the applicant to contest the provisional decision to reject the applicant's request for a stay. I find that the opponent is entitled to a contribution towards the cost of that CMC, which I assess as £250.

88. The second CMC on 6th April 2016 was requested by the applicant to address the problems with the opponent's evidence. It is true that the registrar had already issued provisional directions, but the final directions were more detailed as a result of the discussion at the CMC. Additionally, the discussion at the CMC assisted in the setting of a revised timetable for the remainder of the proceedings. I do not therefore accept that it was a waste of time. It may also be said that the second CMC would not have been necessary if the opponent had complied with the usual practice for

filing its evidence of use and given due weight to the proportionality and relevance of its evidence. I find that each side should bear its own costs for the second CMC.

89. The third CMC on 1st June was requested by the applicant to contest the opponent's request for an extension of time to file its revised evidence. The provisional decision to allow the extension was confirmed following the CMC. I find that the opponent is entitled to a contribution towards the cost of this CMC, which I assess as £200.

90. The opponent's evidence in reply was not really 'in reply' and raised an issue which was bound to be irrelevant for the following reasons. Firstly, the application under article 28(8) of the EU Trade Mark Regulation to amend the registration of FONDENTE NERO so as to cover chocolate seems bound to fail because the application was originally refused for those goods. Secondly, the opposition based on FONDENTE NERO was based on the registration of that mark for *cocoa*. Consequently, even if the application to add *chocolate* was allowed, it would not affect this opposition as pleaded. Thirdly, article 28(9) of the Regulation prevents amendments under article 28(8) being used to oppose third party trade mark applications that were filed before the amendment of the EU register, if the effect of the amendment is to introduce goods that were not previously covered by the literal meaning of the terms in the original specification for the EU mark. Consequently, if the existing specification for FONDENTE NERO does not cover chocolate, the opponent would not be able to rely on the amendment for the purposes of this opposition. Conversely, if the existing specification covers chocolate, the amendment takes the opponent's case no further and is therefore irrelevant.

91. Mr Buehrlen sought to defend the potential relevance of the evidence on the basis that, if the application to EU IPO had been successful, the opponent might have requested an amendment of its ground of opposition so as to rely on the registration of FONDENTE NERO for chocolate. Recognising that this approach might have run into trouble under article 28(9) of the Regulation, Mr Buehrlen submitted that article 28(9) might only apply to oppositions at the EU IPO.

92. I see no merit in either of these points. The possibility of applying for a corresponding amendment to the opponent's pleadings misses the point that evidence is intended to support the pleadings rather than the other way around. In any event, the article 28(8) evidence was filed only a week or so before the date scheduled for the original hearing of this opposition. Realistically, there was no time for the application before the EU IPO to be determined and for the opponent to seek an amendment of its UK pleadings, unless the opponent intended to further delay the UK proceedings. Further, I cannot see any real doubt that article 28(9) of the Regulation applies to UK based oppositions. The same provision deals with infringements based on amended EU marks. So the scope of the provision is plainly not limited to proceedings before the EU IPO.

93. I therefore find that the applicant is entitled to the cost of responding to the opponent's article 28(8) evidence. However, the information it filed in reply was readily available from the EU IPO file and was filed under the cover of a brief witness statement. I find that £450 is a reasonable amount to cover the cost to the applicant of dealing with this.

94. So far as the substantive proceedings are concerned, the opponent has been a little more successful than the applicant in terms of the number of goods refused and allowed. However, I think it right to take into account that the applicant faced the additional cost of examining the opponent's evidence of use, which was still voluminous even after the amendments.

95. Therefore, I find that the procedural and substantive points balance themselves out. Consequently, I direct that each side should bear its own costs.

Dated this 12th day of October 2016

**Allan James
For the Registrar**