

**BL O/0645/23**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO 3556876**

**BY**

**FERRARI ESPRESSO LTD**

**TO REGISTER AS A TRADE MARK**

**Ferrari Espresso**

**IN CLASS 37**

**AND**

**THE OPPOSITION THERETO**

**UNDER NO 425002**

**BY**

**NASHVILLE FOOD GROUP LIMITED**

## BACKGROUND AND PLEADINGS

1. On 17 November 2020, Ferrari Espresso Ltd (“the applicant”) applied to register the above trade mark in class 37 for the following:<sup>1</sup>


Machinery installation, maintenance and repair; Repair or maintenance of machines and apparatus for processing beverages.

2. The application was published on 26 March 2021, following which Nashville Food Group Limited (“the opponent”) filed a notice of opposition against all the goods in the application.

3. The opponent bases its case on sections 5(2)(b), 5(3), 5(4)(b) and 3(6) of the Trade Marks Act 1994 (“the Act”), relying on its earlier UK trade marks 2369490 and 2369491. Both marks are registered in classes 7, 30, 35 and 37. The opponent relies on the following:

Mark details:	Goods and services relied on:	
	Use claimed under 5(2)(b)	Reputation claimed for 5(3)
UKTM: 2369491  <b>FERRARI’S</b>  Filed: 30 July 2004  Registered: 9 June 2006  AND  UKTM: 2369490	<b>Class 35:</b> The bringing together, for the benefit of others, of coffee and tea products, machines and equipment and apparatus for making and processing coffee, coffee filters, coffee roasters, coffee percolators and coffee grinders, enabling customers to view and purchase those goods.  <b>Class 37:</b>	<b>Class 7:</b> Coffee grinders; parts, fittings and accessories for the aforementioned goods.  <b>Class 30:</b> Tea; coffee; tea-based beverages; coffee-based beverages; iced tea; iced coffee; fruit tea; preparations for making tea and coffee; tea bags.  <b>Class 35:</b>

<sup>1</sup> International Classification of Goods and Services for the Purposes of the Registration of Marks under the Nice Agreement (15 June 1957, as revised and amended).

 <p>Filed: 30 July 2004 Registered: 9 June 2006</p>	<p>Servicing, maintenance and repair of coffee grinders, apparatus for making beverages, apparatus for making coffee and tea, coffee machines, coffee roasters, coffee filters, coffee percolators, roasting apparatus.</p>	<p>The bringing together, for the benefit of others, of coffee and tea products, machines and equipment and apparatus for making and processing coffee, coffee filters, coffee roasters, coffee percolators and coffee grinders, enabling customers to view and purchase those goods.</p> <p><b>Class 37:</b> Servicing, maintenance and repair of coffee grinders, apparatus for making beverages, apparatus for making coffee and tea, coffee machines, coffee roasters, coffee filters, coffee percolators, roasting apparatus.</p>
--	---	--

4. Under the 5(2)(b) ground the opponent states that its earlier mark and the dominant element of the applicant's word mark are highly similar, being FERRARI'S vs FERRARI. It submits that the parties' marks are phonetically highly similar. With regard to the opponent's logo mark it submits that Espresso in the application is conceptually similar to the coffee elements (word and device) in the earlier mark. It further submits that the additional element ESPRESSO in the Applicant's mark is descriptive of goods that are the subject of the applied for the services. Finally, it concludes, the application is made for identical, similar and complimentary services to those covered by the Opponent's earlier mark, namely 'repair or maintenance of machines and apparatus

for making/processing beverages'. As a result of these factors, the opponent submits that there is a likelihood of confusion.

5. Under the 5(3) ground the opponent submits that it has invested significant time, money and effort to develop and promote its FERRARI'S brand in the UK and has, as a result, a substantial reputation for coffee products and related services. It claims that by using the mark applied for, the applicant will benefit from the earlier mark's attraction and reputation, and will take unfair advantage of the distinctive character and repute of the earlier mark. The opponent also relies on tarnishing, on the basis that the opponent cannot verify the quality of the applicant's services; and detriment to the distinctive character of the earlier mark due to dilution, because consumers will switch the two brands in their minds.

6. Under the 5(4)(a) ground the opponent relies on the unregistered signs which appear in the same form as its registered trade marks. It states that they have been used throughout the UK since at least 2001, for the following:

- Coffee grinders; parts, fittings and accessories for the aforementioned goods.
- Tea; coffee; tea-based beverages; coffee-based beverages.
- Wholesale and retail of coffee and tea products, machines and equipment and apparatus for making and processing coffee, coffee filters, coffee roasters, coffee percolators and coffee grinders, tea; coffee; tea-based beverages; coffee-based beverages.
- Servicing, maintenance and repair of coffee grinders, apparatus for making beverages, apparatus for making coffee, tea, tea-based beverages and coffee-based beverages.

7. It says the following in its statement of grounds:

*“As a result of the Opponent's long-term and substantial use of its FERRARI'S mark, it has acquired goodwill in a business conducted in the UK by reference to the mark FERRARI'S.*

*The use of the mark applied for is liable to cause confusion amongst members of the public in the UK and result in the misrepresentation that the Applicant's services as those of the Opponent or are affiliated, associated, or otherwise connected with the Opponent, thereby causing damage to the Opponents goodwill."*

8. With regard to the opposition under section 3(6), the opponent submits:

*"The Applicant's sole director, Francis Joseph Ferrari-Lane, was a director of Moorbrook Limited ('Moorbrook') from 22 March 2000 to 30 October 2009. During Mr. Ferrari-Lane's tenure as director Moorbrook applied for and registered UK00002369491 and UK00002369490 now relied on by the Opponent. As director Mr. Ferrari-Lane would also have knowledge of the goodwill in the FERRARI's brand. The trade marks and goodwill were bought by the Opponent in August 2018 from a third party (deriving title from Moorbrook). The Applicant undermines the Opponent's rights with this application, and acts contrary to acceptable commercial behaviour. The Applicant also applied to register "Ferrari Espresso" for class 30 goods on 23 June 2020 (UK00003503873) but withdrew that application after the Opponent threatened opposition. By filing this application, the Applicant unfairly causes the Opponent to incur further legal costs to defend its rights."*

9. The applicant filed a counterstatement in which it denies the grounds of opposition and puts the opponent to proof of use of its earlier marks.

10. The opponent is represented by Wynne-Jones IP Limited. The applicant is represented by Sirius IP. Both sides filed evidence and submissions in lieu of a hearing. Neither party requested a hearing. I make this decision following careful review of the papers before me.

11. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions

of the Act relied upon in these proceedings are derived from an EU Directive and, therefore, this decision continues to refer to the trade mark case law of the EU courts.

## Approach

12. The opponent has claimed passing off rights in the sign FERRARI'S and the Ferrari's Coffee logo, both of which predate the trade mark registrations and cover a broader combination of goods and services. Accordingly, I will begin with the opponent's claim under section 5(4)(a) of the Act.

13. Section 5(4)(a) of the Act states that:

"5(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented-

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, where the condition in subsection (4A) is met...

(4A) The condition mentioned in subsection (4)(a) is that the rights to the unregistered trade mark or other sign were acquired prior to the date of application for registration of the trade mark or date of the priority claimed for that application."

14. In *Reckitt & Colman Products Limited v Borden Inc. & Ors*,<sup>2</sup> Lord Oliver of Aylmerton described the 'classical trinity' that must be proved in order to reach a finding of passing off:

"First, [the plaintiff] must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying 'get-up' (whether it consists simply of a brand name or a trade description, or the individual features of labelling or

---

<sup>2</sup> [1990] RPC 341, HL, page 406.

packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff's goods or services. Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by him are the goods or services of the plaintiff. Thirdly, he must demonstrate that he suffers or, in a quia timet action, that he is likely to suffer damage by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff."

15. Halsbury's Laws of England Vol. 97A (2021 reissue) provides further guidance with regard to establishing the likelihood of deception. In paragraph 636 it is noted (with footnotes omitted) that:

"Establishing a likelihood of deception generally requires the presence of two factual elements:

- (1) that a name, mark or other distinctive indicium used by the claimant has acquired a reputation among a relevant class of persons; and
- (2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other indicium which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as two successive hurdles which the claimant must surmount, consideration of these two aspects cannot be completely separated from each other.

The question whether deception is likely is one for the court, which will have regard to:

- (a) the nature and extent of the reputation relied upon;

- (b) the closeness or otherwise of the respective fields of activity in which the claimant and the defendant carry on business;
- (c) the similarity of the mark, name etc used by the defendant to that of the claimant;
- (d) the manner in which the defendant makes use of the name, mark etc complained of and collateral factors; and
- (e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

In assessing whether deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action”.

### **Relevant date**

16. In terms of the relevant date for assessment of this ground, in *Advanced Perimeter Systems Limited v Multisys Computers Limited*,<sup>3</sup> Mr Daniel Alexander QC, sitting as the Appointed Person, quoted with approval the summary made by Mr Allan James, acting for the Registrar, in *SWORDERS Trade Mark*:<sup>4</sup>

“Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made.”

---

<sup>3</sup> BL O-410-11

<sup>4</sup> BL O-212-06

17. The filing date of the contested trade mark is 17 November 2020. There is no claim to earlier use by the applicant, so this is the relevant date for the purpose of this assessment.

## **Goodwill**

18. The first hurdle for the opponent is to show that it had the requisite goodwill at the date of the application for the contested mark. The concept of goodwill was considered by the House of Lords in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start.”

19. The opponent must show that it had goodwill in a business at the relevant date and that the signs relied upon, FERRARI'S and the Ferrari's logo mark, are associated with, or distinctive of, that business. The relevant evidence is contained in the first and second witness statements of Yash Dhutia and attached exhibits YD00-YD15 and YD001-YD003 JH16. The relevant evidence and my conclusions from it follow.

20. Mr Dhutia describes the company background as follows:<sup>5</sup>

- On 24 February 2000, 'Moorbrook Limited' was incorporated as a UK company (under no.03932492).
- On 18 March 2011, 'Moorbrook Limited' changed its name to 'Ferrari's Coffee Limited'.
- Both businesses' trade involved roasting of imported coffee beans, wholesale of coffee products to cafes, restaurants and hotels, in the UK. They also sold

---

<sup>5</sup> See Mr Dhutia's first witness statement, paragraph 5. I have edited the narrative for clarity.

coffee machines to cafes, restaurants and hotels, and carried out repairs under and by reference to the trade mark 'FERRARI'S COFFEE'.

- In 2009, the business was the subject of legal action by a third party for a six-figure sum surrounding the sale and storage of coffee beans. It incurred substantial legal fees and ultimately, was placed into administration in 2015.
- On 6 March 2015, the business and assets (including goodwill, IP rights, trading and domain names, plant, equipment, furniture, vehicles and stock) were sold to Coffee Mocha Ltd.
- On 17 August 2018, My company, Nashville Food Group Limited, purchased the assets of Ferrari's Coffee Ltd from Coffee Mocha Ltd, including the goodwill and registered trade marks in the 'FERRARI'S COFFEE' brand.<sup>6</sup>
- 4. My Company's business was established in April 2015 and is headquartered in Bridgend, UK. My Company is a leading independent company that manufactures and supplies consumer food products and related services within the catering, hospitality and travel industries in the UK.

21. A copy of the assignment, dated 17 August 2018, from Coffee Mocha Limited to the opponent company, Nashville Food Group Limited, includes the following:<sup>7</sup>

*“AGREEMENT TO SELL AND PURCHASE*

*2.1 The Seller shall sell with full title guarantee and free from Encumbrances, and the Buyer, with a view to carrying on the Business as a going concern, shall purchase the Assets free from all Encumbrances with effect from the Effective Time.”*

22. The sale included intellectual property rights, goodwill and the business name Ferrari's Coffee. Under section 1 of the assignment the terms are to be interpreted as follows:

---

<sup>6</sup> Exhibit YD-01 is the transfer document. It is dated 17 August 2018 and shows that Coffee Mocha Ltd transferred its goodwill and trade marks to the opponent. Though the signatures and date have been redacted.

<sup>7</sup> See exhibit YD-01.

***“Business Intellectual Property Rights:*** *Intellectual Property Rights owned, used or held for use by the Seller in, or in connection with, the Business.*

***Business Name:*** *Ferraris Coffee or any name including the word Ferraris or any colourable imitation of it...*

***Goodwill:*** *the goodwill, custom and connection of the Seller in relation to the Business together with the exclusive right for the Buyer to carry on the business under the Business Name (and all other names associated with the Business) and to represent itself as carrying on the Business in succession to the Seller.*

***Intellectual Property Rights:*** *patents, rights to inventions, copyright and related rights, moral rights, trade marks, business names and domain names, rights in get-up, goodwill and the right to sue for passing off or unfair competition, rights in designs, rights in computer software, database rights, rights to use, and protect the confidentiality of, confidential information (including know-how and trade secrets), and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world.”*

23. Mr Dhutia states that since the assignment, his company has operated a website [www.ferrariscoffee.co.uk](http://www.ferrariscoffee.co.uk) and also produces and supplies products and services under the FERRARI’s trade marks to customers in the UK. Customers include Welsh Government, Parc Y Scarlets and Castell Coch.

24. Website visitor data taken from *Google Analytics* shows 1540 visitors to the Ferrari’s Coffee website in 2019, 4881 in 2020 and 3,341 in 2021.<sup>8</sup>

---

<sup>8</sup> See exhibit YD-05.

25. Mr Dhutia states that advertising spend for 2018-2020 inclusive was in excess of £5000 per year.

26. Turnover figures for goods and services sold under the FERRARI'S trade marks for 2019-2020 inclusive amount to £700,000+ for coffee products, £12,000+ for coffee machine rentals and £23,000+ for machine installation and repair.<sup>9</sup>

27. Mr Dhutia submits that a re-brand occurred in 2018 when his company bought the Ferrari's coffee business. The re-brand was carried out by 'Champions'. Two invoices have been provided by the opponent which relate to work carried out by Champions. The first is dated 14 September 2019 and is for 'logo development' amounting to £1800. The second is dated 4 December 2018 and is for work described as 'Press release – copywriting and delivering to media. It is for £480.'<sup>10</sup>

28. He provides the following turnover figures:

	<b>2019</b>	<b>2020</b>
<b>Coffee products</b>	£400,000+	£300,000+
<b>Coffee machine rentals</b>	£6000+	£6000+
<b>Coffee machine repair and installation</b>	£15,000+	£8000+

29. A copy of a promotional brochure from 2019 shows the 'new' sign on the front cover:



30. The same 2019 brochure includes the following announcement of the brand change:

---

<sup>9</sup> See exhibit YD-14.

<sup>10</sup> See exhibit YD-09.



31. The brochure includes prices for coffee, a range of teas, coffee accessories, such as marshmallows, flavoured syrups, FERRARI's branded cups and lids. It also includes sundries for machines, such as, inter alia, thermometers, knock out drawers, tampers and milk jugs. Page 8 of the brochure relates to coffee machines and includes:

*“Looking for a new machine, service or repairs – Get in touch and we can provide tailored quotes. We can supply, install and maintain your machines, we have a range of Espresso machines, Filter Coffee from 3pint to Bulk brew, Bean to Cup, and hopper or on demand grinders.”*

32. Page 9 of the brochure features the same sign as that used on the front of the brochure and relates to the FERRARI's roastery 'support and packages'. However, no further explanation is provided in relation to the nature of these services.

33. The last page of the brochure refers to new products launched and includes cups and sugar sticks branded with the same sign as that which appears on the front of the brochure.

34. Mr Dhutia states that 'at least 3000 of these brochures were distributed within the UK between 2019 and 2020'.

35. Examples are provided of the new FERRARI'S branding on T-shirts, paper bags, sugar packets, ceramic cups and mugs in a range of sizes, bags of coffee and on a hanging sign which states, 'FERRARI'S COFFEE SOLD HERE'.<sup>11</sup>

---

<sup>11</sup> See exhibit YD-08.

36. I note that the 2019 brochure includes old and new branding. The coffee bags appear in the rebranded style, as follows:



37. And with the older logo mark, as follows:



38. Mr Dhutia provides 76 invoices dated between 9 December 2015 and 9 June 2021,<sup>12</sup> (the last of which is after the relevant date). With regard to sales of machines, seven invoices dated between 2 March 2016 and 22 November 2016 show Ferrari's Coffee in plain text at the top of each invoice and relate to sales of coffee machines and grinders. The values range from £1218.78 to £4543.20. Sales between 21 December 2018 and 28 February 2020 are also for machines but are sold under the Nashville Food Group name rather than there being any reference to Ferrari's or Ferrari's Coffee on the invoices. Two sales dated 9 September 2020 and 9 June 2021

<sup>12</sup> See exhibit YD-15.

(after the relevant date) are for coffee grinders in the region of £300 and have the rebranded Ferrari's sign at the top of each invoice.

39. Thirty-four invoices relate to repair and servicing of coffee machines and include call outs, routine servicing, diagnostics and parts replacement. The invoices are dated between 22 January 2016 and 15 May 2018 and range from £13.20 to £336.00. Each of these invoices has Ferrari's Coffee in plain type at the top, above the address. I note that many of the invoices include an order for coffee beans along with the repair/service bill.

40. Twenty-nine invoices relate to orders for coffee beans, parts such as milk jugs, knock bars, cleaning brushes and coffee machine cleaning powders and liquids. In almost all cases the beans and cleaning materials appear on the same invoices. These invoices are dated between 9 December 2015 and 25 September 2019. Four of the invoices have the rebranded FERRARI'S sign at the top. Below that sign is, 'Ferraris Coffee (Nashville Food Group Limited)' and the address. The remaining invoices have Ferrari's Coffee in plain text at the top. The values range from £83.20 to £281.40, though only the lowest invoice is below £100.

41. With regard to coffee machines and servicing and maintenance services, Mr Dhutia exhibits pages from the opponent's website accessed via the waybackmachine.<sup>13</sup> A page dated 1 April 2007 shows the following logo in the top left corner:



---

<sup>13</sup> See exhibits YD-03-YD-04 attached to Mr Dhutia's first witness statement and YD-001 attached to his second witness statement.

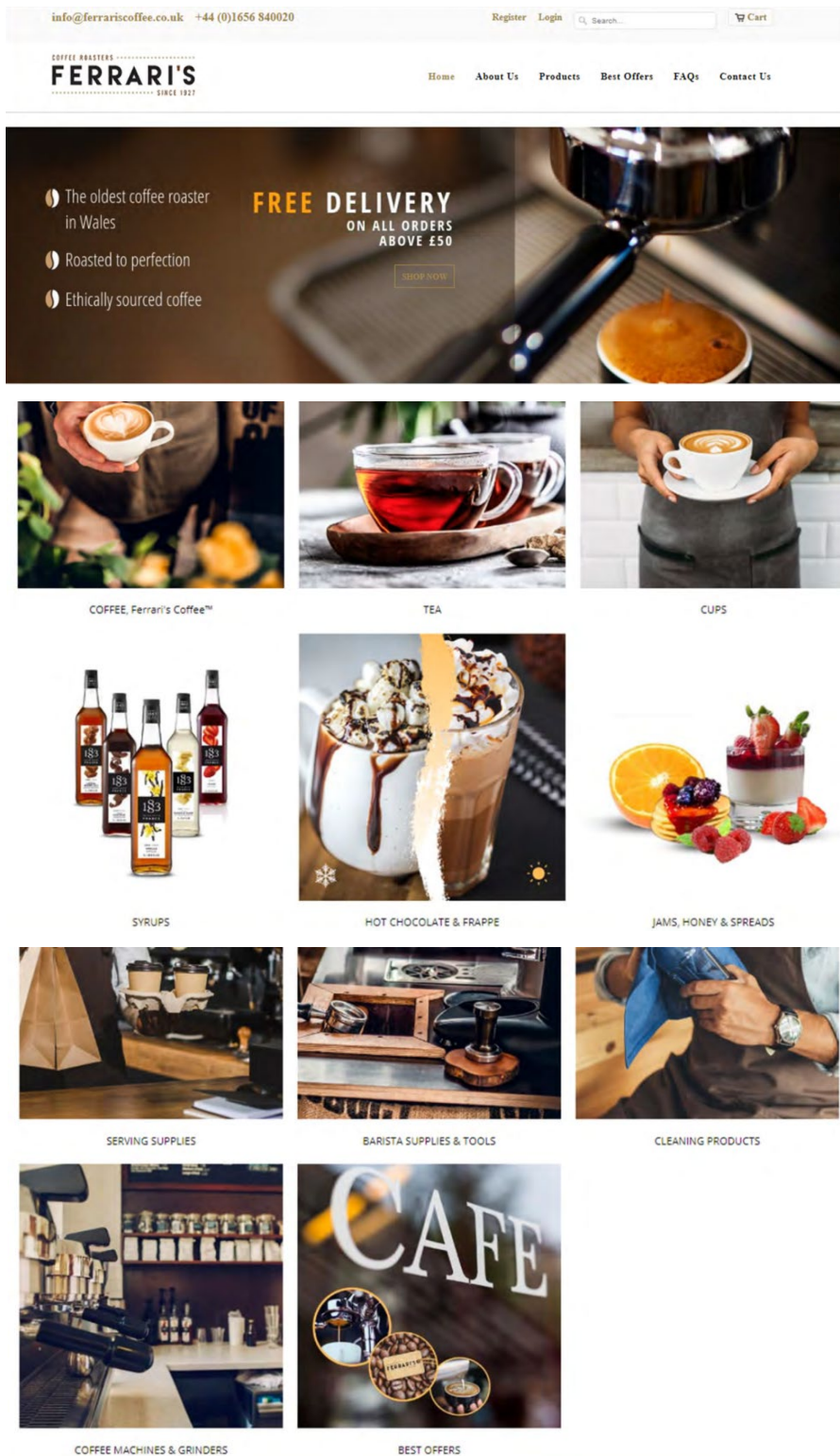
42. The same logo is present on all pages exhibited with dates up until 14 August 2018. Text under the heading 'Servicing & Repairs' on the earliest page, reads as follows:

*"Our servicing department has over 20 years of experience and can service just about any major makes of coffee makers (commercial and domestic), grinders etc. We are famous for our efficiency and speed of service so when your machine is losing you money because it's not working properly, give our service department a call for a free, no obligation, over-the-phone quote."*

43. A welcome page dated 30 January 2009 states that Ferrari's Coffee is the main UK agent for Elektra coffee machines. A further welcome page dated 29 July 2013 says that Ferrari's Coffee is, 'one of the largest suppliers and service agents for coffee machines in the UK', which is repeated on pages dated 26 March 2016, 23 April 2017 and 14 August 2018.

44. The Ferrari's Coffee website homepage sometimes includes 'Machines' in the sidebar menu, for example, pages dated 23 August 2015. Mr Dhutia has provided prints of all of the machines listed for sale on this date. There are 21 machines including Elektra Belle, Classic and Modern range machines. Alternatively, in other pages from the website, the machines menu is accessed via a radio button which shows a picture of a machine, for example pages dated 14 August 2015. Two machines are shown for this date, La Spaziale and Exobar Zircon.

45. Webpages following the rebrand in 2018/2019 are dated 1 January 2020 (via waybackmachine). They show the following:



46. A print from the Ferrariscoffee website taken by waybackmachine for 22 September 2020 shows the following:<sup>14</sup>

<sup>14</sup> See exhibit YD-001, attached to Mr Dhutia's second statement.

# FERRARI'S

HANDROASTED IN WALES SINCE 1927

[HOME](#) [SHOP](#) [WHOLESALE](#) [ABOUT US](#) [FAQS](#) [CONTACT US](#)

## COFFEE MACHINES

Looking for a new machine, service or repairs - Get in touch and we can provide tailored quotes.

We can supply, install and maintain your machines, we have a range of Espresso We can tailor a package to suit your needs packages start at £97 + Vat per month. machines, Filter Coffee from 3pint to Bulk brew, Bean to Cup, and hopper or on demand grinders.



## Press

47. Mr Dhutia provides an article from Wales247.co.uk, dated 6 November 2020.<sup>15</sup> The article is featured in Wales business news and is titled, 'Exciting coffee brand launched in Wales'. It includes the following:

*"A Wales based partnership is importing coffee which is helping Ugandan farmers cope with the impact of climate change thanks to funding from the Welsh Government's Wales and Africa Programme.*

*The Coffee 2020 project is a partnership between Fair Dos Fair Trade shop in Cardiff, Ferrari's Coffee Roasters of Pontyclun, the Wales Co-op Centre and a Ugandan Coffee Co-operative MEACCE. Together they have launched Jenipher's Coffi - named after one of the Ugandan farmers who has visited Wales in recent years."*

48. A press release from the Welsh Government website, concerning the same project and dated 5 November 2020, also includes:

---

<sup>15</sup> See exhibit YD-11.

*“The coffee will be roasted by Ferrari’s, who have been hand roasting coffee in South Wales since 1927 and promoted across Wales by the partnership.”*

49. Mr Dhutia also provides articles ‘dated before 2018’,<sup>16</sup> the first of which is ‘our story’ from a business called ‘Scoops’ in Caernarfon. The article does not appear to be dated. The last paragraph reads:

*“We are pleased to use Ferrari’s coffee and have a lovely selection of loose leaf infused teas. Our coffee is often quoted by our customers ‘one of the best coffees in Caernarfon.’”*

50. An article from Wales Online, dated 9 April 2014, is titled, ‘Secrets of the Welsh Coffee Business that’s been keeping customers happy for generations’. The included photograph shows one of the then company directors holding a bag of coffee beans with the Ferrari’s Coffee logo on the front. The article relates to the family history in the coffee roasting business, which began in South Wales in 1927.

51. An article in the South Wales Echo, dated 19 March 2014, is titled ‘Ferrari’s Coffee wins contract to supply Compass Group with its best beans’.<sup>17</sup>

“Environmental support from Welsh Government business support arm Business Wales has helped Ferrari's Coffee secure a contract to supply 20 Compass Group sites across Wales...

Established in 1927, family-owned Ferrari's Coffee is the oldest coffee roasting company in Wales. It supplies cafes, restaurants, canteens and workplaces throughout the UK.

The company said it initially enlisted the support of Business Wales to review its environmental practices...

---

<sup>16</sup> See exhibit YD-12.

<sup>17</sup> See exhibit YD-12.

‘...The environmental support from Business Wales has been really beneficial and was instrumental in us being successful in terms of winning the Compass Group tender.’”

### Social media

52. The 2019 brochure referred to above at paragraphs 28-36, includes the following reference to Instagram:



53. Mr Dhutia’s first statement includes references to the opponent’s social media accounts. A screen shot from Twitter is undated. It shows the Ferrari’s Coffee logo next to two cups of coffee and indicates that Ferrari’s Coffee has been on Twitter since January 2012.

54. A facebook page is shown and includes the rebranded Ferrari’s logo over a roundel filled with coffee beans. The print date of the page is likely to be the date of the witness statement, in other words, after the relevant date, and there is no way to identify what the profile picture has been throughout the life of the page, since it can be changed at any time. A post on the page is dated 24 March 2020 and includes an image of two coffee bags and two sugar sticks which have the rebranded FERRARI’s sign on them. A link is included in the post which relates to ‘Ferrari’s Coffee Bags 50 Pack’ on Amazon’s UK site.

55. An undated page from Instagram is also shown. It indicates that the opponent has 809 followers and 1341 following. However, this is also likely to relate to the witness statement date, rather than the period before and up to the relevant date.

56. In addition to press and social media examples, Mr Dhutia provides pictures showing that FERRARI'S began sponsoring an under 13s football team in Cardiff in 2019. The new FERRARI'S sign can be seen on the front of the team football shirts.<sup>18</sup>

57. Invoices have also been provided which show the purchase of FERRARI'S branded cups, saucers and mugs (10 April 2019); pavement signs (23 January 2019); branded clothing which Mr Dhutia states is worn by FERRARI'S service and repair staff (28 June 2019) and FERRARI'S marketing materials for May 2020 (13 and 19 May 2020).

### **Conclusions from the evidence**

58. I note that the applicant submits that any goodwill in the Ferrari's business prior to 2015, is not attributable to the opponent.<sup>19</sup> The 2015 assignment document makes clear that the opponent owns any existing goodwill in the Ferrari's Coffee business at the point of purchase.

59. It is clear from the evidence that from at least April 2007 the opponent or its predecessors operated a business selling coffee, accessories and coffee machines and that it offered repair and servicing of those machines. Sales are primarily to businesses such as cafes and restaurants rather than to members of the general public.

60. Invoice evidence shows sales of machines in 2016 and grinders in 2020 and 2021, with machines being available from the opponent throughout the period for which evidence has been filed. Repair and servicing invoices are dated between January 2016 and May 2018, while invoices for parts, cleaning products and accessories such as jugs and knock-out bars are dated between December 2015 and September 2019. These invoices include parts for coffee machines and grinders and rental/loan of grinders while a customer's machine is being repaired.

---

<sup>18</sup> See paragraph 27 of Mr Dhutia's first witness statement.

<sup>19</sup> See paragraph 25 of the applicant's submissions filed in lieu of a hearing.

61. Following Mr Dhutia's purchase of the company the business also offered tea and additional items such as spreads and jams via the Ferrari's website and the brochure (dated 2019). These items as well as coffee syrups are not branded Ferrari's but are branded with third party trade marks. Sales of coffee beans are evident throughout the evidence period and are clearly branded as Ferrari's coffee, using plain text, the logo mark and the rebranded FERARI'S sign used from 2018 onwards.

62. The opponent's customers are located throughout Wales and Herefordshire.

63. The website shows use of the Ferrari's Coffee logo and plain text use of Ferrari's as well as the stylised new sign FERRARI's. Invoices show plain text use of FERRARI'S and the new sign.

64. In addition, there is text use of 'Ferrari's' in articles and social media pages from 2014 to 2020. There is some evidence of promotion via brochures, social media posts and by the sponsorship of a local junior football team.

65. Having considered the evidence in detail, I am satisfied that the opponent had sufficient goodwill in its business at the relevant date and that FERRARI'S and FERRARI'S COFFEE are signs associated with that goodwill. Goodwill rests in the words themselves rather than in any particular presentation.

66. The opponent claims goodwill in the following:

- Coffee grinders; parts, fittings and accessories for the aforementioned goods.
- Tea; coffee; tea-based beverages; coffee-based beverages.
- Wholesale and retail of coffee and tea products, machines and equipment and apparatus for making and processing coffee, coffee filters, coffee roasters, coffee percolators and coffee grinders, tea; coffee; tea-based beverages; coffee-based beverages.
- Servicing, maintenance and repair of coffee grinders, apparatus for making beverages, apparatus for making coffee, tea, tea-based beverages and coffee-based beverages.

67. With regard to tea products, those sold by the opponent are not branded FERRARI'S but by a third party. There is invoice evidence in the relevant period of sales of tea, but not for tea branded with the opponent's sign. Similarly, all machines sold by the opponent and shown in evidence are described as and are shown under radio buttons as 'coffee machines'. The opponent often describes itself as 'a leading supplier of coffee machines'. Accordingly, the opponent's goodwill includes the retail of tea, but not the tea goods themselves; nor does it include the servicing maintenance and repair of apparatus for making tea and tea based beverages.<sup>20</sup>

68. Taking account of the evidence, I find protectable goodwill in the FERRARI'S and FERRARI'S COFFEE signs for the following:

Coffee grinders; parts, fittings and accessories for the aforementioned goods.

Coffee; coffee-based beverages.

Wholesale and retail of coffee and tea products, machines and equipment and apparatus for making and processing coffee, coffee filters, coffee roasters, coffee percolators and coffee grinders, coffee; coffee-based beverages.

Servicing, maintenance and repair of coffee grinders, apparatus for making beverages, apparatus for making coffee, and coffee-based beverages.

## **Misrepresentation**

69. In *Neutrogena Corporation and Another v Golden Limited and Another*, Morritt L.J. stated that:<sup>21</sup>

---

<sup>20</sup> It may well be the case that coffee machines also make tea and tea based beverages, but the evidence does not show that and there is no narrative from the opponent that suggests that to be the case.

<sup>21</sup> [1996] RPC 473.

“There is no dispute as to what the correct legal principle is. As stated by *Lord Oliver of Aylmerton in Reckitt & Colman Products Ltd. v. Borden Inc. [1990] R.P.C. 341 at page 407* the question on the issue of deception or confusion is:

‘is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the public will be misled into purchasing the defendants’ [product] in the belief that it is the respondents’ [product]?’

The same proposition is stated in *Halsbury’s Laws of England 4th Edition Vol.48 para 148*. The necessity for a substantial number is brought out also in *Saville Perfumery Ltd. v. June Perfect Ltd. (1941) 58 R.P.C. 147 at page 175*; and *Re Smith Hayden’s Application (1945) 63 R.P.C. 97 at page 101.*”

70. On the subject of how many of the relevant public must be deceived or confused for the opponent to be successful in a claim under this ground, I bear in mind the decision in *Lumos Skincare Limited v Sweet Squared Limited and others*,<sup>22</sup> in which Lord Justice Lloyd commented on the paragraph above as follows:

“64. One point which emerges clearly from what was said in that case, both by Jacob J and by the Court of Appeal, is that the ‘substantial number’ of people who have been or would be misled by the Defendant’s use of the mark, if the Claimant is to succeed, is not to be assessed in absolute numbers, nor is it applied to the public in general. It is a substantial number of the Claimant’s actual or potential customers. If those customers, actual or potential, are small in number, because of the nature or extent of the Claimant’s business, then the substantial number will also be proportionately small.”

71. With regard to the location of the goodwill shown by the opponent, its customers are based throughout Wales and Herefordshire. The customers are businesses such

---

<sup>22</sup> [2013] EWCA Civ 590.

as cafes and restaurants. In *Caspian Pizza Limited and Ors v Shah and Ors*<sup>23</sup> the court was required to consider local goodwill generated by two parties, in two geographic areas. However, the following paragraph from that case is relevant here:

“23. It is, I think, implicit in these provisions that opposition under s.5(4) based on earlier use of the mark does not have to be use throughout the UK or alternatively in a geographical area which overlaps with the place where the applicant for registration actually carries on business using the same or a similar mark. As the Hearing Officer explained in *SWORDERS*, the application for a national mark operates as a notional extension of the use of the mark over the whole of the country. The only requirement is that the opponent should have established goodwill in the mark over an identifiable geographical area that would qualify for protection in passing off proceedings. Reputation may be enjoyed on such a small scale that it does not generate goodwill at all...but goodwill which is established in a particular locality will be capable of preventing registration of a countrywide mark.”

72. In other words, the fact that the goodwill claimed by the opponent is less than national does not prevent the claim succeeding since the contested trade mark application is a UK registration which, notionally, may be used in the same geographic area.

73. The opponent has established goodwill in the signs ‘FERRARI’S’ and FERRARI’S COFFEE. The contested mark is ‘Ferrari Espresso’. Clearly these are highly similar signs which share the common element FERRARI, with the applicant’s being singular and the opponent’s signs being possessive. The words ‘coffee’ and ‘espresso’ are clearly descriptive for the vast majority of goods and services at issue.

74. In terms of distinctiveness, the earlier signs are possessive and are likely to be seen as a business owned or operated by someone called Ferrari, which is reinforced by the possessive ‘S’. The coffee element is entirely descriptive of the goods and

---

<sup>23</sup> [2017] EWCA (Civ) 1874.

services provided by the opponent. Overall, the signs are normal trade marks possessed of a medium degree of inherent distinctiveness overall.

75. The contested mark is applied for in relation to, 'Machinery installation, maintenance and repair' and 'Repair or maintenance of machines and apparatus for processing beverages.' I have found the opponent to have goodwill for, 'Servicing, maintenance and repair of coffee grinders, apparatus for making beverages, apparatus for making coffee, and coffee-based beverages'. These are clearly identical services.

76. Having found the earlier sign and the contested mark to be highly similar and having found the services for which the contested mark is registered and the services for which the opponent's earlier sign has goodwill to be identical, it is clear that a person aware of the opponent's coffee business, which includes providing and maintaining coffee machines would, when encountering the applicant's identical business under a highly similar sign which shares the FERRARI element, conclude that both originate from the same undertaking. In other words, use of the applicant's mark at the relevant date would have constituted a misrepresentation to a substantial number of people. In making this finding I bear in mind the comments in *Lumos Skincare* above<sup>24</sup> and consider the relevant public to be the opponent's actual or potential customers.

## **Damage**

77. Having found that the goodwill and misrepresentation limbs of the test have been satisfied in respect of all of the services applied for, it follows that damage to the opponent's goodwill will arise, most obviously, by diverting trade from the opponent to the applicant.

78. In *WS Foster & Son Limited v Brooks Brothers UK Limited*,<sup>25</sup> Mr Recorder Iain Purvis QC stated:

---

<sup>24</sup> See paragraph 69 of this decision.

<sup>25</sup> [2013] EWPC 18.

“Damage

55 Although proof of damage is an essential requirement of passing off cases, it will generally be presumed where a misrepresentation leading to a likelihood of deception has been established, since such deception will be likely to lead to loss of sales and/or more general damage to the exclusivity of the Claimant's unregistered mark. Mr Aikens accepted that if there was a misrepresentation in the present case, then he had no separate case on damage. I hold that damage is inevitable, at least in the sense recognised in *Sir Robert McAlpine v Alfred McAlpine* [2004] RPC 36 at 49 (the ‘blurring, diminishing or erosion’ of the distinctiveness of the mark).”

79. I therefore find that use of the applicant’s mark at the relevant date was liable to be restrained under the law of passing off in respect of all of the services for which it is applied.

The opposition succeeds under section 5(4)(a) of the Act.

### **The opponent’s claim under section 3(6) of the Act**

80. The relevant section reads as follows:

“3(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith.”

81. The relevant caselaw for assessing a claim under this ground can be found in *Sky Limited & Ors v Skykick, UK Ltd & Ors*, [2021] EWCA Civ 1121 in which the Court of Appeal considered the case law from *Chocoladefabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH*, Case C-529/07 EU:C:2009:361, *Malaysia Dairy Industries Pte. Ltd v Ankenævnetfor Patenter Varemærker* Case C-320/12, EU:C:2013:435, *Koton Mağazacılık Tekstil Sanayi ve Ticaret AŞ*, Case C-104/18 P, EU:C:2019:724, *Hasbro, Inc. v EUIPO, Kreativni Dogaaji d.o.o. intervening*, Case T-663/19, EU:2021:211,

*pelicantravel.com s.r.o. v OHIM, Pelikan Vertriebsgesellschaft mbH & Co KG (intervening)*, Case T-136/11, EU:T:2012:689, and *Psytech International Ltd v OHIM Institute for Personality & Ability Testing, Inc (intervening)*, Case T-507/08, EU:T:2011:46. It summarised the law as follows:

“68. The following points of relevance to this case can be gleaned from these CJEU authorities:

1. The allegation that a trade mark has been applied for in bad faith is one of the absolute grounds for invalidity of an EU trade mark which can be relied on before the EUIPO or by means of a counterclaim in infringement proceedings: *Lindt* at [34].

2. Bad faith is an autonomous concept of EU trade mark law which must be given a uniform interpretation in the EU: *Malaysia Dairy Industries* at [29].

3. The concept of bad faith presupposes the existence of a dishonest state of mind or intention, but dishonesty is to be understood in the context of trade mark law, i.e. the course of trade and having regard to the objectives of the law namely the establishment and functioning of the internal market, contributing to the system of undistorted competition in the Union, in which each undertaking must, in order to attract and retain customers by the quality of its goods or services, be able to have registered as trade marks signs which enable the consumer, without any possibility of confusion, to distinguish those goods or services from others which have a different origin: *Lindt* at [45]; *Koton Mağazacılık* at [45].

4. The concept of bad faith, so understood, relates to a subjective motivation on the part of the trade mark applicant, namely a dishonest intention or other sinister motive. It involves conduct which departs from accepted standards of ethical behaviour or honest commercial and business practices: *Hasbro* at [41].

5. The date for assessment of bad faith is the time of filing the application: *Lindt* at [35].

6. It is for the party alleging bad faith to prove it: good faith is presumed until the contrary is proved: *Pelikan* at [21] and [40].

7. Where the court or tribunal finds that the objective circumstances of a particular case raise a rebuttable presumption of lack of good faith, it is for the applicant to provide a plausible explanation of the objectives and commercial logic pursued by the application: *Hasbro* at [42].

8. Whether the applicant was acting in bad faith must be the subject of an overall assessment, taking into account all the factors relevant to the particular case: *Lindt* at [37].

9. For that purpose it is necessary to examine the applicant's intention at the time the mark was filed, which is a subjective factor which must be determined by reference to the objective circumstances of the particular case: *Lindt* at [41] – [42].

10. Even where there exist objective indicia pointing towards bad faith, however, it cannot be excluded that the applicant's objective was in pursuit of a legitimate objective, such as excluding copyists: *Lindt* at [49].

11. Bad faith can be established even in cases where no third party is specifically targeted, if the applicant's intention was to obtain the mark for purposes other than those falling within the functions of a trade mark: *Koton Mağazacılık* at [46].

12. It is relevant to consider the extent of the reputation enjoyed by the sign at the time when the application was filed: the extent of that reputation may justify the applicant's interest in seeking wider legal protection for its sign: *Lindt* at [51] to [52].

13. Bad faith cannot be established solely on the basis of the size of the list of goods and services in the application for registration: *Psytech* at [88], *Pelikan* at [54].”

82. I also bear in mind *Alexander Trade Mark*,<sup>26</sup> in which the key questions for determination in a claim of bad faith were expressed as:

(a) What, in concrete terms, was the objective that the applicant has been accused of pursuing?

(b) Was that an objective for the purposes of which the contested application could not be properly filed? and

(c) Was it established that the contested application was filed in pursuit of that objective?

83. It is necessary to ascertain what the applicant knew at the relevant date: *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch). Evidence about subsequent events may be relevant, if it casts light backwards on the position at the relevant date: *Hotel Cipriani SRL and others v Cipriani (Grosvenor Street) Limited and others*, [2009] RPC 9 (approved by the Court of Appeal in England and Wales: [2010] RPC 16).

### **The claim**

84. In its statement of case the opponent submitted that the applicant's sole director, Francis Joseph Ferrari-Lane, was a director of Moorbrook Limited ('Moorbrook') from 22 March 2000 to 30 October 2009. During Mr. Ferrari-Lane's tenure as director Moorbrook applied for and registered UK00002369491 and UK00002369490 now relied on by the Opponent in this case. The trade marks and goodwill were bought by the Opponent in August 2018 from a third party (deriving title from Moorbrook).

---

<sup>26</sup> BL O/036/18.

85. In its submissions in lieu of a hearing,<sup>27</sup> the opponent clarifies its position, to some extent:

*“67.3. The Applicant is attempting to register a trade mark, knowing that it correctly belongs to another, and is doing so in a way that undermines the essential function of the trade mark - by using the mark, the Applicant will distort the ability of consumers to identify the origin of the Opponent's goods and services. This falls below the acceptable standard of commercial behaviour.”*

86. It appears to be making a ‘fettering’ claim, that the applicant’s registration will reduce its own ability to trade under its earlier marks.

87. The applicant submits:

*“12. Due to a family dispute which impacted the Business and Ferrari Espresso - the Company, I sold my share in the Business to my brother in October 2009. The only condition of the sale was that I was allowed to continue to use any name "which includes the words ‘Ferraris Coffees’, or closely similar or any name which includes the name ‘Ferrari’ or ‘Ferrari’ and which indicates a business association between ‘Ferrari’, ‘Ferraris’ and ‘Coffee’.”*

88. He relies on a document dated 30 October 2009 between him (the applicant) and his brother<sup>28</sup>, who was still involved in the opponent’s predecessor business at that time.

89. It contains the following:

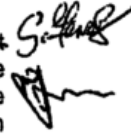
---

<sup>27</sup> Dated 25 November 2022.

<sup>28</sup> See exhibit FJFL3.

**Seller's Undertaking**

11) The Seller undertakes to the Company and to the Purchaser that he shall ~~not~~ after the Completion date carry on any business in any name which includes the words "Ferraris Coffees" or closely similar or any name which includes the name "Ferrari" or "Ferraris" and which indicates a business association between "Ferrari" - "Ferraris" and Coffee



90. The status of the document submitted by the applicant to show his continuing right to use the FERRARI'S COFFEE sign is not clear. There is a fundamental error in the document which has been signed by both parties, but not dated. In addition, the final signatures at the conclusion of the same document are not dated.

91. If this document were extant, and I cannot be sure it is, it talks of using a family name in business and does not purport to give the applicant any right to register or have an interest in FERRARI's coffee trade marks.

92. The applicant also relies on a conversation on social media in which it claims the opponent confirms it has provided the applicant with coffee machine repair work, not being interested in that side of the business itself. The opponent has provided the whole conversation in its evidence.<sup>29</sup> Due to the confidential nature of the exhibit I do not intend to discuss it in detail, but it is clear that by the end of the message chain the opponent states that it bought the Ferrari's business and will 'protect it as much as possible'.

93. The rights in Ferrari's Coffee were sold to Coffee Mocha Ltd in 2015 and then to the opponent in August 2018. The opponent paid in excess of £150,000 for the business, its goodwill and trade marks. My findings are clearly outlined above in respect of the nature of the goodwill in the opponent's business at the relevant date.

94. Returning to the opponent's claim, bad faith is a serious allegation which must be distinctly proven by the opponent. It is not enough to point to factors which are as likely to be proof of good faith.

---

<sup>29</sup> See confidential exhibit YD003.

95. I bear in mind that good faith is presumed unless the contrary is proven and rely on *Hotel Cipriani SRL and others v Cipriani (Grosvenor Street) Limited and others* [2009] RPC 9 (approved by the COA in [2010] RPC 16), in which Arnold J. (as he then was) stated that:

“189. In my judgment it follows from the foregoing considerations that it does not constitute bad faith for a party to apply to register a Community trade mark merely because he knows that third parties are using the same mark in relation to identical goods or services, let alone where the third parties are using similar marks and/or are using them in relation to similar goods or services. The applicant may believe that he has a superior right to registration and use of the mark. For example, it is not uncommon for prospective claimants who intend to sue a prospective defendant for passing off first to file an application for registration to strengthen their position. Even if the applicant does not believe that he has a superior right to registration and use of the mark, he may still believe that he is entitled to registration. The applicant may not intend to seek to enforce the trade mark against the third parties and/or may know or believe that the third parties would have a defence to a claim for infringement on one of the bases discussed above. In particular, the applicant may wish to secure exclusivity in the bulk of the Community while knowing that third parties have local rights in certain areas. An applicant who proceeds on the basis explicitly provided for in Article 107 can hardly be said to be abusing the Community trade mark system.”

96. I find this to be the case here. There has clearly been a family business under the Ferrari name which was concerned with coffee roasting and coffee machines and related repair and maintenance services. The applicant was, at various points, directly involved in that business. In my view the applicant genuinely believes that he has a right to use the Ferrari name to continue his own business, being a member of that family and having taken an active role in one of the predecessor businesses. The natural corollary of this belief was the application for the contested trade mark. I have found under the 5(4)(a) ground that the applicant’s mark was liable to be prevented by the successor in title to the FERRARI family business, but that does not mean that by

making his application the applicant was acting in bad faith. The application is not prima facie evidence of bad faith on its own.

97. Having considered all of the evidence in this case I find that when applying to register the contested mark, the applicant thought that he was protecting his legitimate business interests in the 'FERRARI' name.

98. I think the view was an erroneous one, but I do find it was one legitimately held by the applicant and that, as a consequence, I do not find that he was acting in bad faith at the relevant date.

### **The opposition fails under section 3(6) of the Act.**

#### The remaining grounds

99. Given the opponent's broadest claim was the claim made under section 5(4)(a), under which it has succeeded in full, there is nothing to be gained by assessing grounds which are narrower in scope where the opponent is likely to have a smaller degree of success. Consequently, I do not intend to deal with the remaining 5(2)(b) and 5(3) grounds.

### **Costs**

100. Nashville Food Group Limited has been successful under section 5(4)(a) of the Act and is entitled to a contribution towards its costs which I award on the following basis, bearing in mind that there was no hearing and that its bad faith claim was unsuccessful:

Official Fee -	£200
----------------	------

Preparing statements and considering the other side's statements -	£300
--	------

Considering the other side's evidence and filing evidence -	£500
---	------

<b>Total</b>	<b>£1000</b>
--------------	--------------

101. I order Ferrari Espresso Ltd to pay Nashville Food Group Limited the sum of £1000. This sum is to be paid within 21 days of the expiry of the appeal period or within 21 days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 7<sup>th</sup> day of July 2023**

**Al Skilton**

**For the Registrar,  
the Comptroller General**