

**O-353-20**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO. 3390030**

**BY KO-CO FOODS LTD**

**TO REGISTER:**

**KO-CO** 

**AS A TRADE MARK IN CLASS 30**

**AND**

**IN THE MATTER OF OPPOSITION THERETO UNDER NO. 417007 BY**

**FIRST GRADE INTERNATIONAL LIMITED**

## **BACKGROUND & PLEADINGS**

1. On 5 April 2019, KO-CO Foods Ltd (“the applicant”) applied to register the trade mark shown on the cover page of this decision for the goods in class 30 shown in paragraph 22 below. The application was published for opposition purposes on 19 April 2019.
2. On 18 July 2019, the application was opposed in full by First Grade International Limited (“the opponent”). The opposition is based upon section 5(2)(b) of the Trade Marks Act 1994 (“the Act”), in relation to which the opponent relies upon the three United Kingdom trade mark registrations/goods shown in the Annex to this decision.
3. The applicant filed a counterstatement, in which the basis of the opposition is denied.
4. In these proceedings, the opponent is represented by Brookes IP; the applicant represents itself. Both parties filed evidence. Although neither party requested a hearing, both elected to file written submissions in lieu. I have reviewed these submissions and will refer to them to the extent I consider it appropriate.

### **The opponent’s evidence**

5. This consists of two witness statements, dated 2 December 2019, from David Armstrong, the opponent’s General Manager, a position he has held since 2017, having been the opponent’s Deputy General Manger between 2004 and 2017. The main points emerging from Mr Armstrong’s first statement are as follows:

- The opponent was “launched” in 2003 and was originally a sales and marketing office for a grower and producer of coconuts based in Singapore, initially focusing on supplying food manufacturers with coconut based ingredients;
- The opponent expanded into retail products in 2010-2011;

- The opponent began using the “KOKO brand” in the UK in 2010 in relation to a “coconut based alternative to dairy milk”;
- The opponent trades under the name “Koko Dairy Free” and operates the website [www.kokodairyfree.com](http://www.kokodairyfree.com). The opponent’s “current” range of goods are: milk alternatives, yoghurt alternatives, cheese alternatives and spread. Exhibit DA1 consists of pages printed on 11 November 2019 from the website mentioned, together with indications of how the opponent’s packaging has evolved between 2014 and 2019. Trade marks nos. (1) and (2) can be seen in the exhibit;
- Turnover of the above categories of products sold in the UK has been as follows:

<b>Year</b>	<b>Annual Turnover (£)</b>
2014	5.25m
2015	6.6m
2016	8.1m
2017	10.5m
2018	13.4m
2019 to date	12.2m

- Exhibit DA2 consists of an undated schedule of “Koko products” in the UK, pages from [www.waitrose.com](http://www.waitrose.com) printed on 11 November 2019 (showing the opponent’s goods for sale) and undated photographs of the opponent’s goods on sale in Tesco and Morrisons; trade mark no. (1) can be seen in the pages provided. Also included is a page entitled “Store numbers of 3 Key Koko Products As of 20 October 2019” which indicates that as of that date, combined store numbers for Tesco, Sainsbury’s, Waitrose, Morrisons and Asda were as follows: “Plain yogurt – 2386”, “Original UHT Milk – 3005” and “Original Fresh Milk – 2290”. It is stated

that the opponent's goods are also distributed in "independent health food retailers and Holland and Barrett";

- Mr Armstrong states that the opponent "estimates its market share under KOKO products in the UK to be 30%" adding that "this is our best guess". Exhibit DA3 consists of data from Kantar WorldPanel, which Mr Armstrong describes as "one of the largest and most established grocery retail research agencies in the UK". The pages provided appear to indicate that as of December 2018, the opponent had a 39% market share of the "Coconut Milk Alternatives" market and a 63% share of the "Coconut Yogurt Alternatives" market;
- Mr Armstrong explains that if its own data is added in, he estimates the opponent enjoys "a modest 30% volume market share for coconut dairy alternatives" and, "if the coconut milk alternative and coconut yoghurt sales are added together" a market share of 41%;
- The annual amounts spent by the opponent in the UK advertising its KOKO products has been as follows:

<b>Year</b>	<b>Annual amount (£)</b>
2014	288,867
2015	208,966
2016	290,886
2017	612,695
2018	247,243
2019 to date	275,000

- Exhibit DA4 consists of what Mr Armstrong explains is an internal document giving examples of "advertising media we have used in relation to KOKO"

products since 2014.” These include: magazines, TV, social media and exhibiting at trade shows. Trade marks nos. (1) and (2) can be seen in the pages provided;

- Exhibit DA5 consists of a list of trade shows attended by the opponent in 2016 accompanied by photographs of the opponent’s stands at trade shows it has attended. Trade mark no. (1) can be seen in the pages provided;
- Exhibit DA6 consists of pages from Instagram, Facebook and Twitter which indicate that by March 2018, the opponent had the following number of followers: 5287 (Instagram), 9444 (Facebook) and 4146 (Twitter). Trade mark no. (1) can be seen in the pages provided;
- Exhibit DA7 consists of details relating to the opponent’s TV campaign which took place between 13 February and 12 March 2017. I note the commercial was broadcast on a range of Sky and Channel 4 channels and it is stated would deliver “32 million impacts versus all individuals in the UK” and would be seen “by a quarter of the UK population, 14.5 million people!”. Trade mark no. (1) can be seen in the pages provided;
- Exhibit DA8 is said to consist of “examples of advertisements which appeared in targeted health, allergy, vegan and lifestyle magazines from March 2017 onwards...”. No indication is provided of the names of the magazines concerned. Also included are photographs which appeared on the London Underground in 2019. Trade mark no. (1) can be seen in the pages provided;
- Exhibit DA9 are described by Mr Armstrong as “examples of some couponing and sampling activities...” The exhibit contains details of a “Koko Dairy Free Yogurt sampling campaign” undertaken by The Work Perk for the opponent in 2016, a Degusta Box product sampling from May 2019 and discount coupons issued by Tesco at the till between 2014 and 2015. Trade mark no. (2) can be seen in the pages provided;

- The opponent's products have won a range of awards. Exhibit DA10 contains examples of such awards from 2013, 2014 and 2018 awarded by [www.freefromfoodawards.co.uk](http://www.freefromfoodawards.co.uk) and [www.yourhealthyliving.co.uk](http://www.yourhealthyliving.co.uk). Trade mark nos. (1) and (2) can be seen in the pages provided.

6. Attached to Mr Armstrong's second statement as exhibit DA1a are pages from the applicant's Facebook page i.e. [www.facebook.com/pg/koco.brownies](http://www.facebook.com/pg/koco.brownies) printed on 14 November 2019, in relation to which he concludes the applicant's goods "appear to share much of the same market space as [his] company's KOKO products." Although I do not intend to summarise this evidence here, for the avoidance of doubt, I have read it and will bear its contents in mind.

### **Applicant's evidence**

7. This consists of a document headed "Defendant 2<sup>nd</sup> Counterstatement". It is from Andrew Warner who identifies himself as the "Director of KO-CO Foods Ltd." It is signed by Mr Warner, is dated 23 January 2020 and includes the following: "I believe the information I have given to be the truth to the best of my knowledge." Mr Warner provides "DOC" 1 to 4 and "EXTM 1" in support.

8. The purpose of Mr Warner's document and attachments is, broadly speaking, to support his view that, inter alia:

(i) the manner in which the competing trade marks are presented differs;

(ii) the dominant colour of the competing trade marks is different;

(iii) the packaging used by the parties differs;

(iv) the parties' are significantly different in size;

(v) the competing goods differ;

(vi) the respective trade channels differ;

(vii) the manner in which the parties' goods will be selected differs;

(viii) an informal survey conducted by him on Facebook in, it appears, January 2020, indicates that only 2 of the 158 responses received felt there would be confusion;

(ix) there are in excess of 53 registered trade marks "with the word KOKO or a similar phonetic sound, with a different spelling" many of which are in the same class and almost all are for some form of "coconut derived product" and there is "no evidence that there has been any consumer confusion...";

(x) the applicant has been trading since November 2018 and there is no evidence of actual confusion. I shall return to these points in my decision.

9. The opponent responded to the applicant's evidence and submissions in a further witness statement from Mr Armstrong dated 12 March 2020. As this statement consists of submissions and not evidence of fact, it is not necessary for me to summarise it here. I will, of course, keep its contents in mind.

10. That concludes my summary of the evidence filed to the extent I consider it necessary.

## **DECISION**

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

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

(a)...

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

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

5A Where grounds for refusal of an application for registration of a trade mark exist in respect of only some of the goods or services in respect of which the trade mark is applied for, the application is to be refused in relation to those goods and services only.”

12. The trade marks upon which the opponent is relying qualify as earlier trade marks under the provisions of section 6 of the Act. Given the interplay between the dates on which the opponent’s trade marks were entered in the register and the application date of the trade mark being opposed, the earlier trade marks are not subject to the proof of use provisions contained in section 6A of the Act. As a consequence, the opponent can rely upon all the trade marks/goods claimed without having to demonstrate it has made genuine use of them.

### **Case law**

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

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

The principles:

(a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors;

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;

(f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

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

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

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

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

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

### **The correct approach to the comparison**

14. In paragraph 8 above, I outlined a range of arguments upon which the applicant relies in support of its conclusion that there is no likelihood of confusion. While I understand the arguments being put forward, a number are either not relevant or are misconceived. For example, the relative size of the competing undertakings is not relevant.

15. In *Devinlec Développement Innovation Leclerc SA v OHIM*, Case C-171/06P, the Court of Justice of the European Union (“CJEU”) stated:

“59. As regards the fact that the particular circumstances in which the goods in question were marketed were not taken into account, the Court of First Instance

was fully entitled to hold that, since these may vary in time and depending on the wishes of the proprietors of the opposing marks, it is inappropriate to take those circumstances into account in the prospective analysis of the likelihood of confusion between those marks.”

16. In *Roger Maier and Another v ASOS*, [2015] EWCA Civ 220, Kitchen L.J. stated:

“78....the court must.... consider a notional and fair use of that mark in relation to all of the goods or services in respect of which it is registered. Of course it may have become more distinctive as a result of the use which has been made of it. If so, that is a matter to be taken into account for, as the Court of Justice reiterated in Canon at paragraph [18], the more distinctive the earlier mark, the greater the risk of confusion. But it may not have been used at all, or it may only have been used in relation to some of the goods or services falling within the specification, and such use may have been on a small scale. In such a case the proprietor is still entitled to protection against the use of a similar sign in relation to similar goods if the use is such as to give rise to a likelihood of confusion.”

17. As the above case law makes clear and as I explained earlier, as the opponent’s earlier trade marks are not subject to the proof of use provisions, it is not necessary for it to demonstrate that it has actually used its trade marks in relation to the goods upon which it relies. In those circumstances, what I must do is compare the words as they appear in the competing specifications on a fair and notional basis, reminding myself that none of the specifications are limited in any way. As that principle also applies to the comparison of the competing trade marks, it deals with the applicant’s arguments in relation to the dominant colour of the competing trade marks being different and that the packaging used by the parties differs.

18. The applicant also relies upon the results of an informal survey it conducted on Facebook on, it appears, 12 January 2020. The criteria surrounding the conducting of surveys is well-established and it is, I think, fair to say that conducting a survey is

fraught with difficulties. The applicant's informal survey suffers from a number of defects. While it is not necessary for me to list them all here, I note that the question posed was as follows: "Please would you be kind enough to tell us if you think these two products are made by the same company?". Not only was trade mark no. (1) alone relied upon by the applicant, the competing trade marks are shown on the packaging of the respective goods (which do not form part of either parties' trade marks as applied for and registered) and the packaging shown in relation to the opponent's goods was only in relation to one category of the opponent's products i.e. its milk substitutes range, as opposed to the other goods on which it relies. In short, the applicant's informal survey does not assist it.

19. The applicant also relies upon a number of trade marks which it regards as more similar to the opponent's trade marks than its own. It is, however, well-established that "state-of-the-register" evidence of the sort provided by the applicant is rarely of assistance. That is for a range of reasons including, for example, the absence of evidence that: (i) the trade marks identified are actually in use, and (ii) that there may be commercial arrangements in place which allow various trade marks to co-exist. As a consequence, this type of evidence does not assist the applicant.

20. Finally, the applicant relies upon the fact that the competing trade marks have been used and there has been no actual confusion. I note the applicant's trade mark was first used in November 2018 and its application for registration was filed in April 2019 i.e. a little over five months later. This argument does not, however, assist the applicant for the reasons explained in the two cases mentioned below. In *Roger Maier and Another v ASOS, Kitchen* L.J. stated that:

"80. ....the likelihood of confusion must be assessed globally taking into account all relevant factors and having regard to the matters set out in *Specsavers* at paragraph [52] and repeated above. If the mark and the sign have both been used and there has been actual confusion between them, this

may be powerful evidence that their similarity is such that there exists a likelihood of confusion. But conversely, the absence of actual confusion despite side by side use may be powerful evidence that they are not sufficiently similar to give rise to a likelihood of confusion. This may not always be so, however. The reason for the absence of confusion may be that the mark has only been used to a limited extent or in relation to only some of the goods or services for which it is registered, or in such a way that there has been no possibility of the one being taken for the other. So there may, in truth, have been limited opportunity for real confusion to occur.”

21. In *The European Limited v The Economist Newspaper Ltd* [1998] FSR 283 Millett L.J. stated that:

"Absence of evidence of actual confusion is rarely significant, especially in a trade mark case where it may be due to differences extraneous to the plaintiff's registered trade mark."

**Comparison of goods**

22. The competing goods are as follows:

<b>Opponent's goods</b>	<b>Applicant's goods</b>
<p><b>Trade mark nos. (1) &amp; (2)</b></p> <p><b>Class 29</b> - Coconut products, coconut jam, egg and coconut jam (kaya jam), coconut based dairy product substitutes and food products made therefrom;</p>	<p><b>Class 30</b> - Chocolate based products; Chocolate brownies; Chocolate confectionery products; Cocoa products; Cocoa-based ingredients for confectionery products; Confectionery chocolate products; Confectionery items formed from chocolate.</p>

compotes, dessert products; non-dairy yoghurts; coconut-based snack foods.

**Class 30** - Sauces (condiments), cooking sauces, flavourings in the form of concentrated sauces, mixes for preparing sauces, fruit jellies (confectionery), custards; puddings, dessert products; flavourings (other than essential oils), essences for foodstuffs (except etheric essences and essential oils); all included in this class.

**Trade mark no. (3)**

**Class 29** - Coconut products, coconut jam, coconut based dairy product substitutes and food products made therefrom; compotes, dessert products; non-dairy yoghurts; coconut based snack foods.

**Class 30** - Bread, pastry and confectionery; desserts; ices; fruit ices; water ices ice creams; frozen confectionery and chilled desserts confectionery; frozen yoghurt; sorbets; ice lollies; preparations included in Class 30 in liquid or frozen form for use in making water ices and fruit ices; biscuits; cookies, cakes, pastries;

chocolate; flavourings in the form of concentrated sauces; mixes for preparing sauces; fruit jellies (confectionery); coconut paste (condiment); custards; puddings; dessert products.	
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23. In the judgment of the CJEU in *Canon*, Case C-39/97, the Court stated at paragraph 23:

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

24. The relevant factors identified by Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, for assessing similarity were:

- (a) The respective uses of the respective goods or services;
- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or acts of service;
- (d) The respective trade channels through which the goods or services reach the market;
- (e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be, found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;

(f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

25. In *YouView TV Ltd v Total Ltd* [2012] EWHC 3158 (Ch), Floyd J. (as he then was) stated that:

"... Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the observations of the CJEU in Case C-307/10 *The Chartered Institute of Patent Attorneys (Trademarks) (IP TRANSLATOR)* [2012] ETMR 42 at [47]-[49]. Nevertheless the principle should not be taken too far. Treat was decided the way it was because the ordinary and natural, or core, meaning of 'dessert sauce' did not include jam, or because the ordinary and natural description of jam was not 'a dessert sauce'. Each involved a straining of the relevant language, which is incorrect. Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question."

26. In *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another*, [2000] F.S.R. 267 (HC), Neuberger J. (as he then was) stated that:

"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."

27. In *Kurt Hesse v OHIM*, Case C-50/15 P, the CJEU stated that complementarity is an autonomous criterion capable of being the sole basis for the existence of similarity between goods. In *Boston Scientific Ltd v Office for Harmonization in the Internal*

*Market (Trade Marks and Designs) (OHIM)*, Case T-325/06, the General Court (“GC”) stated that “complementary” means:

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

28. In *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T- 133/05, the GC stated:

“29. In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 *Institut für 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”.

### **Trade marks nos. (1) and (2)**

29. In its written submissions filed in lieu of a hearing, the opponent states:

“3c) It is submitted that the goods applied for are either identical or similar to the goods covered by the Opponent’s earlier registrations. Specifically, the goods “dessert products; non-dairy yoghurts; non-dairy milk” in Class 29 and “custards; puddings, dessert products” in Class 30 are identical and/or similar to the products covered by the Applicant’s mark. The remaining goods covered by the Opponent’s earlier registrations are similar to the goods applied for in that they are all food products sold through identical and similar trade channels.”

30. In my view, the fact that the opponent has specifically identified dessert products, non-dairy yoghurts and non-dairy milk in Class 29 and custards, puddings and dessert

products in Class 30, strongly suggests that it regards those goods as offering it its best prospect of success. It is on that basis I shall proceed.

**Chocolate based products; Chocolate brownies; Chocolate confectionery products; Cocoa products; Confectionery chocolate products; Confectionery items formed from chocolate**

31. “Dessert products” in the opponent’s class 30 specification is a broad term which would include, inter alia, dessert products which are made from chocolate or are chocolate based. It would, in my view, encompass all of the applicant’s above named goods which are, as a consequence, to be regarded as identical on the inclusion principle outlined in *Merit*. However, even if I wrong in that regard, if one considers the likely similarity in, inter alia, the nature, intended purpose, method of use and trade channels of the competing goods, if not identical, there a high degree of similarity.

**Cocoa-based ingredients for confectionery products**

32. In *Les Éditions Albert René v OHIM*, Case T-336/03, the GC found that:

“61... The mere fact that a particular good is used as a part, element or component of another does not suffice in itself to show that the finished goods containing those components are similar since, in particular, their nature, intended purpose and the customers for those goods may be completely different.”

33. Once again, given the degree of overlap in, inter alia, the nature, intended purpose and trade channels between the applicant’s above named goods and the opponent’s named goods in class 30, it results in what I consider to be a fairly high degree of similarity between them.

### **Trade mark no. (3)**

34. In its written submissions filed in lieu of a hearing, the opponent states:

“3f) It is submitted that the goods applied for are either identical to or similar to the goods covered by the earlier registration. Specifically, the goods “dessert products; non-dairy yoghurts; non-dairy milk” in Class 29 and “confectionery; desserts; ices; frozen confectionery and chilled dessert confectionery; frozen yoghurt; sorbets; ice lollies; biscuits; cookies, cakes, pastries; chocolate; custards; puddings; dessert products” in Class 30 are identical and/or similar to the goods covered by the Applicant’s mark. The remaining goods covered by the Opponent’s earlier registration are similar to the goods applied for, in that they are all food products sold through identical and similar trade channels.”

35. The opponent’s specification in class 30 includes the terms “confectionery” and “chocolate”. “Confectionery” is a broad term which would encompass the applicant’s: “Chocolate based products”, “Chocolate brownies”, “Chocolate confectionery products”, “Cocoa products”, “Confectionery chocolate products” and “Confectionery items formed from chocolate.” Such goods are to be regarded as identical on the inclusion principle outlined in *Meric*. As for the applicant’s “Cocoa-based ingredients for confectionery products”, given the similarity in the nature, intended purpose i.e. for use as ingredients for confectionery products, trade channels and the complementary relationship that is likely to exist between the applicant’s goods and the opponent’s “confectionery” and “chocolate” in class 30, if not identical, such goods are similar to a high degree.

### **The average consumer and the nature of the purchasing act**

36. As the case law above indicates, it is necessary for me to determine who the average consumer is for the goods at issue. I must then determine the manner in which

these goods are likely to be selected by the average consumer in the course of trade. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

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

37. In their written submissions filed in lieu of a hearing, the opponent states:

“4a) We submit that the average consumer of both the Opponent’s goods and the Applicant’s goods is likely to be a member of the general public. Neither the Opponent’s goods or the Applicant’s goods can be described as highly specialist items, and both types of goods are relatively inexpensive.”

38. I agree that the average consumer of the goods at issue in these proceedings is a member of the general public and that such goods are likely to be relatively inexpensive. As such goods are most likely to be obtained by self-selection from the shelves of a bricks-and-mortar retail outlet or from the equivalent pages of a website, visual considerations are likely to dominate the selection process. However, aural considerations in the form of oral requests to sales assistants and word-of-mouth recommendations must not be ignored. Given their relatively low cost, I would expect the average consumer to pay a fairly low degree of attention when selecting the goods at issue.

## Comparison of trade marks

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

“.....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

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

Opponent's trade marks	Applicant's trade mark
(1) 	

<p>(2) – series of 2, also presented in blue</p>  <p>(3)</p> <p>KOKO DESIRE</p>	
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### **The opponent's trade marks nos. (1) and (2)**

41. Both trade marks contain the work “koko” presented in lowercase in a heavy bold but unremarkable font. Both trade marks also contain devices presented in black, which, I am satisfied, the average consumer will construe as palm trees. Although trade mark no. (1) contains the devices of two palm trees above the first letter “o” and trade mark no. (2) a single palm tree above the second occurrence of the letters “k” and “o”, this does not, to any material extent, affect the position. While both components will contribute to the overall impression conveyed, given its relative size, it is the stylised word “koko” that will have by far the highest relative weight in the overall impression conveyed and it is in this component the vast majority of the distinctive character lies.

### **The opponent's trade mark no. (3)**

42. This consists of the words “KOKO” and “DESIRE” presented in block capital letters. Both words will contribute to both the overall impression conveyed and distinctiveness. However, as the word “KOKO” appears first and as the word “DESIRE” has laudatory connotations (i.e. goods the average consumer will wish to have), the word “KOKO” will, in my view, have a much higher relative weight in the overall impression conveyed and will make the biggest contribution to the trade mark's distinctive character.

## **The applicant's trade mark**

43. This consists of the letters "KO" and "CO" presented in upper case in a bold font and in which the letters contain white speckles. Between the groups of two letters there appears a device reminiscent of the shape of an eye presented in black (also with white speckles). Acting as it does as a hyphen, any contribution this device may make to the overall impression conveyed or to the trade mark's distinctiveness will be, at best, low. In the final letter "O" there appears a device of a palm tree presented in black. Although it is unlikely to go unnoticed, given its size and positioning in the context of the trade mark as a whole, it will have a low relative weight in the overall impression conveyed and any contribution it makes to the trade mark's distinctiveness will, at best, be low. Rather, it is the letters "KO" and "CO" that will dominate the overall impression conveyed, and it is in these letters the vast majority of the trade mark's distinctiveness lies.

## **The visual comparison**

44. The applicant's trade mark and the opponent's trade marks nos. (1) and (2) contain four letters in which the first two letters i.e. "ko"/"KO" and final letter i.e. "o"/"O" are the same but in which the third letter differs i.e. "k" as opposed to a "C". They also all contain devices of palm trees. The presentation differs insofar as the opponent's word components are presented as one word in a stylised lower case font, whereas the applicant's trade mark is presented as two groups of two upper case letters separated by a device reminiscent of the shape of an eye. Weighing the similarities and differences, results in what I regard as a fairly high degree of visual similarity between the competing trade marks.

45. The opponent's trade mark no. (3) also contains the word "KOKO", albeit presented in upper case and is accompanied by the word "DESIRE" also presented in upper case, which is alien to the applicant's trade mark. Considered overall, bearing in mind that the

word “KOKO” is the first word in the opponent’s trade mark, it results in a medium degree of visual similarity.

### **Aural similarity**

46. It is well established that when a trade mark consists of a combination of words and figurative components, it is by the word components that the trade mark is most likely to be referred to. Proceeding on that basis and despite the separation of the letters in the applicant’s trade mark, it will be pronounced as the two syllable combination “KO-CO”. Although the opponent’s trade marks nos. (1) and (2) are presented as one word, they will be pronounced as the two syllable combination “ko-ko”. The competing trade marks are aurally identical. The opponent’s trade mark no. (3) also contains the word “DESIRE”. As this is a word likely to be well known to the average consumer, how it will be articulated is predictable. Although the inclusion of the word “DESIRE” in the opponent’s trade mark creates a clear point of aural difference, the fact that the word “KOKO” will be articulated first, still results in a medium degree of aural similarity.

### **Conceptual similarity**

47. The devices of palm trees in the opponent’s trade marks nos. (1) and (2) and the applicant’s trade mark will evoke the same conceptual picture in the average consumer’s mind. In my view, the presence of a palm tree in both parties’ trade marks combined with the aural and, to a lesser extent, visual similarity to the beginning of the word “coconut” is likely to inform the average consumer’s response to the word elements in the competing trade marks. I think it is highly likely that both parties’ trade marks will evoke the concepts of coconuts. Alternatively, and for similar reasons, both parties’ trade marks may evoke the concept of cocoa. If not identical, the opponent’s trade marks nos. (1) and (2) and the applicant’s trade mark are similar to a high degree.

48. The word “DESIRE” in the opponent’s trade mark no. (3) will create a concept in the average consumer’s mind which is completely alien to the applicant’s trade mark. It is possible that without other visual prompts to assist him/her (such as the device of a palm tree), the average consumer will treat the word “KOKO” in the opponent’s trade mark no. (3) as an invented word and accord it no meaning. It is, however, also possible that for the reasons mentioned above, the word will evoke the concepts of coconuts or cocoa. In the first scenario there will be a conceptual difference, and in the second, at least a medium degree of conceptual similarity.

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

49. The distinctive character of a trade mark can be appraised only, first, by reference to the goods in respect of which registration is sought and, secondly, by reference to the way it is perceived by the relevant public – *Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91. In determining the distinctive character of a trade mark and, accordingly, in assessing whether it is highly distinctive, it is necessary to make an overall assessment of the greater or lesser capacity of the trade mark to identify the goods for which it has been registered as coming from a particular undertaking and thus to distinguish those goods from those of other undertakings - *Windsurfing Chiemsee v Huber and Attenberger* Joined Cases C-108/97 and C-109/97 [1999] ETMR 585.

50. The opponent’s earlier trade marks all contain the word “koko” or “KOKO” and trade marks nos. (1) and (2) also contain the devices of palm trees. In its counterstatement, the applicant states:

“8...”koko” is the international name for coconut oil, in many countries including Eastern Europe and various Asian countries.”

51. The applicant has, however, provided no evidence in support of this assertion and it appears this is not a relevant meaning in the United Kingdom in any case. What is clear, is that the opponent is using its trade mark in relation to a range of coconut based

products. However, whilst I fully accept that its trade marks allude to coconut, even in relation to such goods they are, in my view, sufficiently far removed as to enjoy a medium degree of inherent distinctive character.

52. That is not of course the end of the matter as I also have Mr Armstrong's evidence to consider. In short, the opponent began using its "KOKO" trade mark in 2010 in relation to a coconut based alternative to dairy milk. In the years that followed the opponent expanded its range to include yoghurt and cheese alternatives and spread. Although the evidence shows use of trade mark nos. (1) and (2), I can find no use of trade mark no. (3). Sales between 2014 and 2018 amounted to in excess of £48m with promotional spend in the same period amounting to some £1.6m. The opponent's goods have been promoted in magazines, on social media, television and at trade shows. Its goods are sold in a wide range of well-known supermarkets and have won a range of awards. While I am sure the use the opponent has made of its trade mark will have built upon its inherent credentials in relation to the categories of goods I have listed above, as far as I can tell, there has been no use in relation to the goods identified by the opponent in class 30 which I have found to be either identical or similar to those of the applicant i.e. "dessert products", "confectionery" and chocolate". Although the opponent's evidence does not assist it in relation to such goods, for reasons which will shortly become clear, that is not a conclusion that is likely to trouble it greatly insofar as these proceedings are concerned.

### **Likelihood of confusion**

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

mind the average consumer for the goods, the nature of the purchasing process and the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them he has retained in his mind.

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

55. Earlier in this decision, I concluded that:

- Where not identical, the applicant's goods are similar to the opponent's named goods to at least a fairly high degree;
- The average consumer is a member of the general public who whilst not ignoring aural considerations is likely to select the goods at issue by predominantly visual means whilst paying a fairly low degree of attention during that process;
- The opponent's trade marks nos. (1) and (2) are visually similar to the applicant's trade mark to a fairly high degree, aurally identical and conceptually similar to at least a high degree;
- The opponent's trade mark no. (3) is visually and aurally similar to the applicant's trade mark to a medium degree and there is either a conceptual difference or the competing trade marks are conceptually similar to at least a medium degree;
- Absent use, the opponent's trade marks enjoy a medium degree of inherent distinctive character which, insofar as it is relevant and on the basis of the evidence provided, has not been enhanced.

56. The competing goods are similar to at least a fairly high degree and the average consumer will pay a fairly low degree of attention during the purchasing process (thus making him or her more prone to the effects of imperfect recollection). The opponent's trade marks nos. (1) and (2) are most like the applicant's trade mark. However, as the visual aspect of the comparison is by far the most important, I think the various differences in the manner in which the competing trade marks are spelt and configured are unlikely to go unnoticed by the average consumer. In my view, there is no likelihood of direct confusion. That conclusion applies with even greater force in relation to the opponent's trade mark no. (3), which is, inter alia, visually and aurally less similar to the applicant's trade mark.

57. That leaves indirect confusion to be considered. In *L.A. Sugar Limited v By Back Beat Inc*, Case BL O/375/10, Mr Iain Purvis Q.C., as the Appointed Person, explained that:

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

58. In *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17, Mr James Mellor Q.C., as the Appointed Person, stressed that a finding of indirect confusion should not be

made merely because the two trade marks share a common element. In this connection, he pointed out that it is not sufficient that a trade mark merely calls to mind another trade mark. This is mere association not indirect confusion.

59. Although the average consumer will notice the differences between the competing trade marks, he/she will also notice that the applicant's trade mark and the opponent's trade marks nos. (1) and (2) consist of a word component that begins "ko"/"KO" and ends with a letter "o"/"O". They will also notice that the competing trade marks contain devices of palm trees, albeit presently in a different manner and in differing positions. Even if the applicant is correct and devices of palm trees are commonplace, the fact that the competing trade marks contain a very similar word component combined with devices of palm trees is, in my view, likely to lead an average consumer paying a fairly low degree of attention during the selection process to conclude that the applicant's trade mark is a variant or updated brand being used by the opponent or by an undertaking linked to the opponent. That error on the part of the average consumer is likely to result in indirect confusion and the opposition based upon trade mark nos. (1) and (2) succeed accordingly.

60. Although the opponent's trade mark no. (3) is less like the applicant's trade mark than the other trade marks upon which it relies, it is registered for identical/highly similar goods, is visually and aurally similar to the applicant's trade mark to a medium degree and, potentially, conceptually similar to at least a medium degree. For the reasons mentioned above, I think the likelihood of direct confusion is remote. However, as the word "KOKO" appears first and has a much higher relative weight in the overall impression conveyed and will make the biggest contribution to the trade mark's distinctiveness (given that the word "DESIRE" has laudatory connotations), I also think there is a likelihood of indirect confusion in relation to trade mark no. (3).

## Overall conclusion

**61. The opposition has succeeded and, subject to any successful appeal, the application will be refused.**

## Costs

62. In its written submissions, the applicant states:

“We ask that the opponent is not awarded cost on the basis that we requested an opportunity to negotiate and therefore mitigate costs and potentially avoid legal action. The opponent refused to allow any opportunity to have any negotiations and therefore did not attempt to mitigate their costs.”

63. Although I understand the applicant’s submission and while an amicable resolution to disputes is always desirable, in my view, the opponent was under no obligation to negotiate with the applicant.

64. As the opponent has been successful, it is entitled to a contribution towards its costs. Awards of costs in proceedings are governed by Annex A of Tribunal Practice Notice (“TPN”) 2 of 2016. Having applied the guidance in the TPN, but making no award to the opponent in respect of its evidence-in-chief which played no part in the proceedings, I award costs to the opponent on the following basis:

Preparing the Notice of Opposition and reviewing the counterstatement:	£300
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Official fee:	£100
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Considering the applicant's evidence: £300

Written submissions (in reply and in lieu of a hearing): £500

**Total: £1200**

65. I order KO-CO Foods Ltd to pay to First Grade International Limited the sum of **£1200**. This sum is to be paid within two months of the expiry of the appeal period or within twenty-one days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 15<sup>th</sup> day of July 2020**

**C J BOWEN**  
**For the Registrar**

**The opponent's trade marks/goods being relied upon**

(1) No: 3234760

Trade mark:



Filed: 1 June 2017

Registered: 6 October 2017

**Goods:**

**Class 29**

Coconut products, coconut jam, egg and coconut jam (kaya jam), coconut based dairy product substitutes and food products made therefrom; compotes, dessert products; non-dairy yoghurts; coconut-based snack foods.

**Class 30**

Sauces (condiments), cooking sauces, flavourings in the form of concentrated sauces, mixes for preparing sauces, fruit jellies (confectionery), custards; puddings, dessert products; flavourings (other than essential oils), essences for foodstuffs (except etheric essences and essential oils); all included in this class.

(2) No: 3120222

Trade marks (series of 2)



Filed: 30 July 2015

Registered: 4 December 2015

**Goods:**

**Class 29**

Coconut products, coconut jam, egg and coconut jam (kaya jam), coconut based dairy product substitutes and food products made therefrom; compotes, dessert products; non-dairy yoghurts; coconut-based snack foods.

**Class 30**

Sauces (condiments), cooking sauces, flavourings in the form of concentrated sauces, mixes for preparing sauces, fruit jellies (confectionery), custards; puddings, dessert products; flavourings (other than essential oils), essences for foodstuffs (except etheric essences and essential oils); all included in this class.

(3) No: 3152680

Trade mark:

KOKO DESIRE

Filed: 2 March 2016

Registered: 3 June 2016

**Goods:**

**Class 29**

Coconut products, coconut jam, coconut based dairy product substitutes and food products made therefrom; compotes, dessert products; non-dairy yoghurts; coconut based snack foods.

**Class 30**

Bread, pastry and confectionery; desserts; ices; fruit ices; water ices ice creams; frozen confectionery and chilled desserts confectionery; frozen yoghurt; sorbets; ice lollies; preparations included in Class 30 in liquid or frozen form for use in making water ices and fruit ices; biscuits; cookies, cakes, pastries; chocolate; flavourings in the form of concentrated sauces; mixes for preparing sauces; fruit jellies (confectionery); coconut paste (condiment); custards; puddings; dessert products.