

**O-589-16**

TRADE MARKS ACT 1994

IN THE MATTER OF CONSOLIDATED PROCEEDINGS

INTERNATIONAL APPLICATION WO0000001244388

IN THE NAME OF ALOIS DALLMAYR KAFFEE OHG

IN RESPECT OF THE TRADE MARK:

**ESPRESSO ARTIGIANO**

AND

AN OPPOSITION THERETO

UNDER NO 405353 BY HK4 GROUP LIMITED

AND

IN THE MATTER OF UK APPLICATION NO 3128132

IN THE NAME OF HK4 GROUP LIMITED

IN RESPECT OF THE TRADE MARK:

**Artigiano**

AND

AN OPPOSITION FOR THERETO

UNDER NO 405664 BY ALOIS DALLMAYR KAFFEE OHG

## Background and pleadings

1. On 24 February 2015, Alois Dallmayr Kaffee oHG (hereinafter ADK) applied for protection of its international trademark no. WO0000001244388 ESPRESSO ARTIGIANO in the UK for the following goods:

### **Class 30**

Coffee; coffee extracts; tea; tea extracts; cocoa; cocoa extracts; coffee substitutes; coffee-based, tea-based, chocolate-based and cocoa-based beverages, including mixtures and preparations therefore; non-alcoholic coffee, tea, cocoa and chocolate beverages; non-alcoholic, ready-to-drink coffee, tea, cocoa and chocolate preparations.

2. It was published on 31 July 2015 following which Altura Coffee Group Limited (now HK4 Group Limited (hereinafter HK4)) filed a notice of opposition under the provisions of sections 5(2)(b) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”).

3. HK4 relies on the following UK trade mark and services in support of the grounds under 5(2)(b):

<b>Mark details and relevant dates:</b>	<b>Services:</b>
<p><b>No.</b> 2632002</p> <p><b>Artigiano</b></p> <p>Filed: 20 August 2012 Registered: 4 January 2013</p>	<p><b>Class 35</b> Retail services in connection with the sale of food and drink, alcoholic and non-alcoholic drinks.</p> <p><b>Class 43</b> Providing of food and drink; cafés; snack bars; bars.</p>

4. With regard to the opposition under section 5(4)(a) of the Act, HK4 relies upon the word ‘Artigiano’ which it states was first used in March 2013, throughout the UK.

5. On 25 January 2016, ADK filed a counterstatement in which it denied the grounds of opposition.

6. On 22 September 2015, HK4 applied to register 'Artigiano' as a trade mark under no. 3128132, in classes 7, 9, 11, 16, 21, 30, 32, 35, 38, 39, 41, 42 and 43. For the purposes of these consolidated proceedings the relevant class is as follows:

**Class 30**

Coffee, tea, cocoa and artificial coffee; rice; tapioca and sago; flour and preparations made from cereals; bread, pastry and confectionery; ices; sugar, honey, treacle; yeast, baking-powder; salt and pepper; mustard; vinegar, sauces (condiments); spices; ice; coffee, cocoa, tea (herbal and non-herbal), powdered chocolate and vanilla, flavouring syrups to add to beverages; baked goods, pastries and breads, and ready-to-make mixes of the same; sandwiches; pizzas; pasta and pasta products; cakes; ketchup and sauces; preparations for making sauces; spices; vinegar, chutney; custard powder; salad dressings; prepared meals; mousses and puddings. chocolate and confectionery items; hot and cold ready-to-eat fruit and whole grain based cereal, ready-to-drink coffee, bases for making milkshakes [flavourings].

7. It was published on 9 October 2015, following which ADK filed an opposition relying on grounds under the provisions of section 5(2)(b), the Act.

8. ADK relies upon class 30 of its international application WO0000001244388 mark and opposes only class 30 of HK4's application.

9. On 12 February 2016, HK4 filed a counterstatement denying the grounds of opposition.

10. The proceedings were consolidated.

11. HK4 filed evidence, ADK filed submissions and both parties filed skeleton arguments. The substantive hearing took place on 8 September 2016, by video conference. ADK was represented by Ashton Chantrielle of Counsel instructed by Taylor Wessing LLP. HK4 was represented by Carl Steele of Ashfords LLP.

Both sides seek an award of costs.

## Evidence filed by HK4

### Witness statement of Stephen Keough, with exhibits SK1 – SK14

12. Mr Keough is a Director of HK4. His witness statement is dated 12 May 2016. The relevant points from the evidence are as follows:

- The company which is now called HK4 Group Ltd was founded on 1 October 2012. It has had a number of name changes since its foundation but has been HK4 Group Limited since 27 February 2016.
- Since March 2013 HK4 has continuously offered for sale and sold in the UK, coffee, tea and other non-alcoholic beverages and offered and supplied retail services connected with those goods, and café, snack bar and bar services all under the brand name and trade mark Artigiano.
- HK4 operates cafés, coffee shops and wine bars in London, Reading, Exeter and Cardiff. Exhibit SK3 shows the fronts of three retail premises which have the word ARTIGIANO displayed above the door. The fourth photograph shows an interior of a bar/café located in Exeter. No branding is evident from the photograph.
- Mr Keough describes the business in the following terms:  
  
*“...during the day from these locations we sell beautifully crafted espresso coffee, artisan food and other drinks (such as juices and smoothies) and snacks...However, in the evening, the same locations become wine bars, selling fine wines and craft beers, cocktails and mixers.”*
- Press articles detailing the opening of the four ‘Artigiano’ stores are provided at SK4. The first was printed in the *Exeter Express and Echo* on 4 December 2013 and is titled, ‘Artigiano espresso bar coming to Exeter High Street’. The second was published in *Get Reading* on 5 December 2014 and is titled, ‘Artigiano gets the green light for Broad Street coffee bar’. The third and final exhibit is taken

from *Wales Online* on 11 February 2015. It is titled, 'Upmarket coffee and wine bar chain Artigiano outlines plans for Cardiff opening'.

- Exhibit SK5 is described as sample menus. These are not dated but Mr Keough states that all of its locations stock and sell a wide variety of alcoholic and non-alcoholic beverages, including coffee, tea and hot chocolate under the mark Artigiano and have done continuously since they first opened. The menus show a range of coffee including, inter alia, espresso, macchiato, piccolo, flat white, latte. Also included are teas, iced coffees, juices and smoothies. Food menus are included in the exhibit and are headed 'nibbles' and 'pizza planks'. The final page of the exhibit is a photograph of menu boards in a particular store.

13. HK4 provided sales figures showing trading activity in the UK in respect of its Artigiano branded cafés, coffee shops and bars. In addition, figures relating to the sale of non-alcoholic beverages have been provided for the same period. For the sake of convenience I present them in the same table below:

<b>Date</b>	<b>Total (net)</b>	<b>Non-alcoholic beverages</b>
April 2013 – January 2014	£388,914.00	-
February 2014	£93,540.03	£45,456.27
March 2014	£115,739.80	£49,935.18
April 2014	£116,683.90	£49,922.39
May 2014	£132,568.07	£51,085.78
June 2014	£112,338.37	£44,493.68
July 2014	£134,260.86	£49,387.81
August 2014	£128,139.31	£51,089.06
September 2014	£136,475.36	£55,511.78
October 2014	£138,569.83	£57,197.27
November 2014	£124,643.70	£54,840.40
December 2014	£149,995.90	£63,318.95
January 2015	£157,529.12	£68,255.01
February 2015	£173,635.46	£70,733.55

14. With regard to promotion of the Artigiano brand, Mr Keough provides the following figures:

<b>Date</b>	<b>Amount spent</b>
2013	£30,000
2014	£72,144.86
2015 (until February)	£752.00

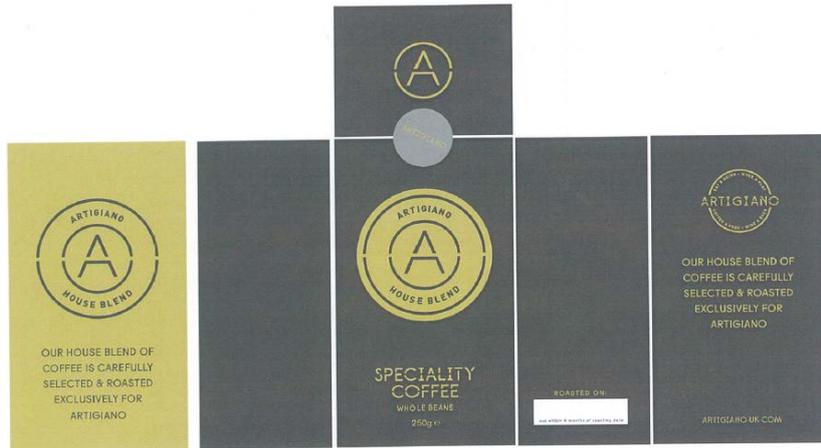
15. He states that the money was spent on development and maintenance of the 'Artigiano' website, Facebook and Twitter activity, leaflet drops and advertising in local newspapers and publications. Exhibit SK7 is a report from Google Analytics showing that between March 2014 and 24 February 2015 there were 32,133 UK visitors to HK4's website [www.artigiano.com](http://www.artigiano.com). SK10 and SK11 show examples of advertising in Ex Magazine in March 2014 and the *Express & Echo* in August 2014. Both are full page advertisements.

16. SK8 is described by Mr Keough as a sample selection of publications, magazine features and articles written about HK4 and its business. For example, the second article is taken from *Exeter Express and Echo*, is dated 16 February 2015 and is titled, 'Restaurants line up for Exeter's £12m Guildhall development as Artigiano in talks to create flagship venue.' All of the articles were published prior to 24 February 2015.

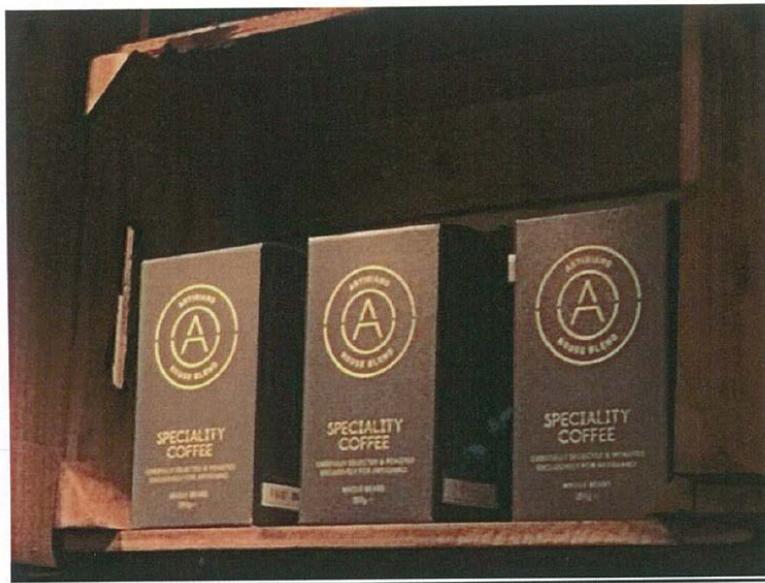
17. At paragraph 18 of his statement Mr Keough says:

*"Within all four of our locations we also sell our own branded coffee in 'Artigiano' branded boxes for the public to buy and take home. We first started selling this 'Artigiano' branded coffee in November 2014."*

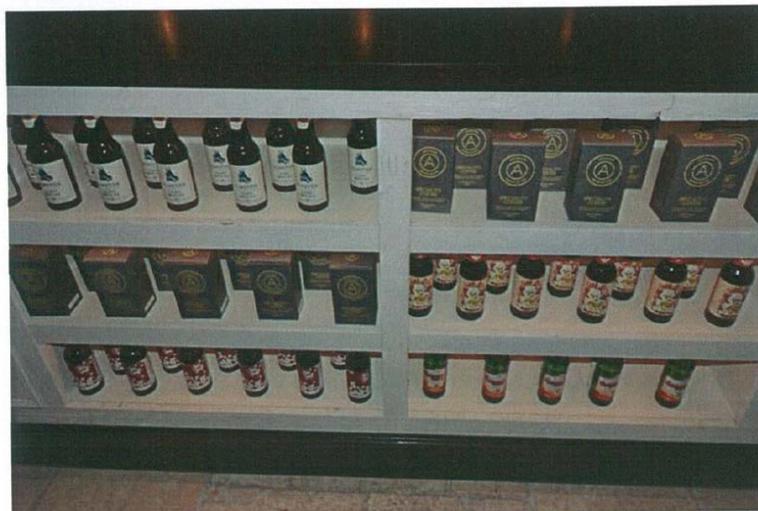
18. Exhibit SK12 includes examples of packaging design for coffee and photographs of the coffee on sale in stores.



Exeter store November 2014:



Reading store December 2014:



19. Mr Keough states that exhibit SK14 shows that leading coffee shop chains such as Costa, Starbucks and Café Nero sell their own branded coffee. The first pages of the exhibit are listings from a google search dated between 24 February 2014 and 24 February 2015. The listings include Starbucks Medium House Blend, Starbucks Via Columbian Roast and Ground Instant Coffee, Tassimo Coffee Costa Americano Pods, Costa Roast and Ground Espresso, all for sale on Sainsbury's website. It also shows similar products on sale at mysupermarket, ASDA and Tesco.

20. Pages 4 and 5 of the exhibit are taken from waybackmachine and are dated 14 November 2014. The pages show Costa Espresso Ground Coffee 200G for sale at Tesco. Pages 6 and 7 are a print from waybackmachine dated 2 November 2014 showing Starbucks F/T Espresso Coffee Beans 200G, also for sale at Tesco. Page 8 was printed on 29 April 2016 and shows Tassimo Costa Americano Coffee Pods 16 servings, for sale at ASDA. Results for searches conducted in respect of Morrisons show a similar range of dry coffee goods as those listed above. In addition, a number of ready to drink Starbucks coffee drinks are also for sale, such as Starbucks Discoveries Seattle Latte 200ml and Starbucks Doubleshot Espresso 200ml. These pages are dated 29 April 2016. The final pages of the exhibit are prints taken from the websites of Starbucks and Café Nero which show their own particular blends of coffee for sale as beans and as ground coffee. Page 36 of the exhibit is printed from Costa's twitter feed, is dated 9 October 2015 and shows a promotion of its new 'Old Paradise Street' blend of coffee.

21. This concludes my summary of the evidence to the extent that it is necessary.

### **Approach**

22. I will deal first with the opposition proceedings 405353, namely HK4's opposition against ADK's Espresso Artigiano mark. I will then consider, if necessary, ADK's opposition 405664 against HK4's later application.

## DECISION

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

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

(a)...

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

24. An earlier trade mark is defined in section 6 of the Act, the relevant parts of which state:

“6.-(1) In this Act an “earlier trade mark” means -

(a) a registered trade mark, international trade mark (UK) or Community trade mark or international trade mark (EC) which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks.

(2) References in this Act to an earlier trade mark include a trade mark in respect of which an application for registration has been made and which, if registered, would be an earlier trade mark by virtue of subsection (1)(a) or (b), subject to its being so registered.”

25. The mark relied upon by HK4 is an earlier mark, which is not subject to proof of use because, at the date of the application of ADK’s mark, it had not been registered for five years.<sup>1</sup>

---

<sup>1</sup> See section 6A of the Act (added by virtue of the Trade Marks (Proof of Use, etc.) Regulations 2004: SI 2004/946) which came into force on 5th May 2004.

## Section 5(2)(b) case law

26. In his decision in *La Chemise Lacoste SA v Baker Street Clothing Ltd* - BL O/330/10 (approved by Arnold J in *Och-Ziff Management Europe Ltd v Och Capital LLP* [2011] FSR 11), the Appointed Person, Mr Geoffrey Hobbs QC, expressed the test under this section (by reference to the Court of Justice of the European Union (CJEU) cases mentioned) on the basis indicated below:

### The CJEU cases

*Sabel BV v Puma AG* [1998] RPC 199; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117; *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77; *Marca Mode CV v Adidas AG & Adidas Benelux BV* [2000] E.T.M.R. 723; *Matratzen Concord GmbH v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-6/01; *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH* C-120/04; *Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* C-334/05 P.

### 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, in certain circumstances, be dominated by one or more of its components;

(f) and beyond the usual case, where the overall impression created by a mark depends heavily on the dominant features of the mark, it is quite possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

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

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

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

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

(k) if the association between the marks causes the public to wrongly believe that the respective goods [or services] come from the same or economically-linked undertakings, there is a likelihood of confusion.”

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

27. In accordance with the above cited case law, I must determine who the average consumer is for the goods at issue and also identify the manner in which those goods will be selected in the course of trade.

28. 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*<sup>2</sup>, 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.”

29. The average consumer of coffee, tea, cocoa and chocolate and of cafés, coffee shops and snack bars will be a member of the general public. The goods and services are low cost, frequent purchases which are likely to be primarily visual, though there may be an aural element where the consumer consults a salesperson prior to purchase. A number of factors may be taken into account such as the particular origin or blend of the coffee or ingredients in a food product, as well as in store point of sale information about a particular drink or snack available. However, taking all of these factors into account, the level of attention paid to the purchase will be no more than average.

## **Comparison of goods and services**

30. The goods and services to be compared are as follows:

---

<sup>2</sup> [2014] EWHC 439 (Ch)

HK4's Services	ADK's goods
<p><b>Class 35</b> Retail services in connection with the sale of food and drink, alcoholic and non-alcoholic drinks.</p> <p><b>Class 43</b> Providing of food and drink; cafés; snack bars; bars.</p>	<p><b>Class 30</b> Coffee; coffee extracts; tea; tea extracts; cocoa; cocoa extracts; coffee substitutes; coffee-based, tea-based, chocolate-based and cocoa-based beverages, including mixtures and preparations therefore; non-alcoholic coffee, tea, cocoa and chocolate beverages; non-alcoholic, ready-to-drink coffee, tea, cocoa and chocolate preparations.</p>

31. The relevant legal authorities, which I bear in mind when making this comparison, can be found in *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer*, in which the CJEU stated at paragraph 23 of its judgment:

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

32. Also, the factors identified in *British Sugar Plc v James Robertson & Sons Limited (Treat)*<sup>3</sup> (hereafter *Treat*) for assessing similarity between goods:

- (a) the respective *uses* of the respective goods;
- (b) the respective *users* of the respective goods;
- (c) the physical nature of the goods;
- (d) the respective trade channels through which the goods reach the market;

---

<sup>3</sup>[1996] R.P.C. 281

(e) in the case of self-serve consumer items, where in practice they are 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 are competitive, taking into account how goods are classified in trade.

33. I also bear in mind *YouView TV Ltd v Total Ltd*<sup>4</sup>, in which 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”.

34. With regard to whether the goods are complementary, in *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*<sup>5</sup>, the GC stated that “complementary” means:

“...there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that

---

<sup>4</sup> [2012] EWHC 3158 (Ch)

<sup>5</sup> Case T-325/06

customers may think that the responsibility for those goods lies with the same undertaking”.

35. I also bear in mind the guidance given by Mr Daniel Alexander QC, sitting as the Appointed Person, in the *LOVE*<sup>6</sup> case, where he warned against applying too rigid a test:

“20. In my judgment, the reference to ‘legal definition’ suggests almost that the guidance in *Boston* is providing an alternative quasi-statutory approach to evaluating similarity, which I do not consider to be warranted. It is undoubtedly right to stress the importance of the fact that customers may think that responsibility for the goods lies with the same undertaking. However, it is neither necessary nor sufficient for a finding of similarity that the goods in question must be used together or that they are sold together. I therefore think that in this respect, the Hearing Officer was taking too rigid an approach to *Boston*”.

37. HK4 states in its skeleton argument that its class 35 and 43 services are generally offered and supplied in the same places as those where the class 30 goods are offered for sale and sold and that they are directed at the same public.

38. It also states:

*“It is common practice that businesses providing the class 35 and 43 services in this case (in particular, coffee shops) also offer for sale their own branded class 30 goods (for example, packaged and branded coffee), often under the same or a similar trade mark as that used to promote and sell class 35 and 43 services.”*

39. In support of this statement HK4 relies on exhibit SK14 attached to Stephen Keough’s witness statement. Paragraph 21 of that statement describes the exhibit as screenshots of certain pages taken from UK websites for Starbucks, Costa and Café Nero showing that these ‘coffee shop chains’ sell their own branded coffee. Mr

---

<sup>6</sup> *BL O/255/13*

Keough states that he has seen such goods offered for sale in a number of supermarkets and includes screen shots from those websites within the exhibit which show that to be the case. Exhibit SK12 shows that HK4 also sells coffee in some of its premises which are branded 'Artigiano'.

40. When comparing ADK's goods in class 30 with HK4's retail services for food and drink and provision of food and drink, cafés, snack bars and bars, there is clearly a difference between the nature of the tangible goods and the nature of the services. However, it is also clear that goods and services may be complementary, share channels of trade and can be in competition with each other.

41. I bear in mind *Oakley Inc v OHIM*<sup>7</sup>, in which the GC held that although retail services are different in nature, purpose and method of use to goods, retail services for particular goods may be complementary to those goods, distributed through the same trade channels, and therefore may be similar to a degree.

42. Mr Geoffrey Hobbs QC sitting as the Appointed Person in *Miss Boo*<sup>8</sup> reviewed the case law concerning retail services versus goods. He said, at paragraph 9:

"The position with regard to the question of conflict between the use of BOO! for handbags in Class 28 and shoes for women in Class 25 and use of MissBoo for the listed services is considerably more complex [than the position with regard to the use of the marks in relation to goods in class 18]. There are four main reasons for that: (i) selling and offering to sell goods does not, in itself, amount to providing retail services in Class 35; (ii) an application for registration of a trade mark for retail services in Class 35 can validly describe the retail services for which protection is registered in general terms; (iii) for the purpose of determining whether such an application is objectionable under Section 5(2)(b), it is necessary to ascertain whether there is a likelihood of confusion with the opponent's earlier trade mark in all the circumstances in which the trade mark applied

---

<sup>7</sup> T-116/06, paragraphs 46-57

<sup>8</sup> BL O/391/14

for might be used if it were to be registered; (iv) the criteria for determining whether, when and to what degree services are ‘similar’ to goods are not clear cut.”

43. On the basis of the European court’s judgments in *Sanco SA v OHIM*<sup>9</sup>, and *Assembled Investments (Proprietary) Ltd v OHIM*<sup>10</sup>, upheld on appeal in *Waterford Wedgewood Plc v Assembled Investments (Proprietary) Ltd*<sup>11</sup>, Mr Hobbs concluded that:

i) Goods and services are not similar on the basis that they are complementary if the complementarity between them is insufficiently pronounced that, from the consumer’s point of view, they are unlikely to be offered by one and the same undertaking;

ii) In making a comparison involving a mark registered for goods and a mark proposed to be registered for retail services, it is necessary to envisage the retail services normally associated with the opponent’s goods and then to compare the opponent’s goods with the retail services covered by the applicant’s trade mark.

iii) It is not permissible to treat a mark registered for ‘retail services for goods X’ as though the mark were registered for goods X.

44. Mr Hobbs rejected the submission that the consequence of the GC’s findings in *Oakley* was that goods could only be regarded as similar to retail services where the retail services related to exactly the same goods as those for which the other party’s trade mark was registered (or applied for).

45. In this case, ADK’s goods are clearly complementary to HK4’s services for the provision of drink in class 43 and retail services relating to those same goods in class 35, the goods in this case being essential to the services. The purpose of both for the consumer is the quenching of thirst or enjoyment of their chosen beverage. The

---

<sup>9</sup> Case C411/13P

<sup>10</sup> Case T-105/05, paragraphs 30-35

<sup>11</sup> Case C-398/07P

channels of trade may be the same and the users will be the same, namely members of the general public. The consumer may choose to visit a bar or café and enjoy their drink of choice in that location, or may take the drink away or, in some cases, buy the ingredients necessary to make the same drink at home. I agree with HK4 that there is a pattern of trade in respect of these particular goods and the services being offered which means that the average consumer of the services would not be surprised to see the related goods for sale from the same undertaking, either in a café or coffee shop or from a third party retailer. In other words, they are complementary in the sense outlined by Mr Alexander QC in LOVE<sup>12</sup>. A service to provide drinks cannot occur without the drinks themselves and in line with Mr Hobbs' first point, I find it highly likely that the average consumer may conclude that they are offered by one and the same undertaking.<sup>13</sup> Taking all of these factors into account, I find that there is a high degree of similarity between ADK's goods and HK4's services in classes 35 and 43.

### Comparison of marks

46. The marks to be compared are as follows:

HK4's mark	ADK's mark
Artigiano	ESPRESSO ARTIGIANO

47. In making a comparison between the marks, I must consider the respective marks' visual, aural and conceptual similarities with reference to the overall impressions created by them, bearing in mind their distinctive and dominant components<sup>14</sup>, but without engaging in an artificial dissection of the marks, because the average consumer normally perceives a mark as a whole and does not analyse its details.

---

<sup>12</sup> *Op. cit.* 7

<sup>13</sup> Also supported by HK4's evidence at SK14

<sup>14</sup> *Sabel v Puma AG, para.23*

48. HK4's mark consists of the word 'Artigiano' in title case with no stylisation. Consequently, the overall impression rests in the mark as a whole.

49. ADK's mark consists of the two words 'ESPRESSO' and 'ARTIGIANO' presented in capital letters. They are shown in a plain typeface with no other stylisation. For coffee and coffee-related goods, 'ESPRESSO' will simply be seen as a type of coffee and for those goods it is ARTIGIANO which dominates the overall impression of the mark. For the remaining goods the overall impression rests in the mark as a whole.

50. HK4 states that the marks are visually, aurally and conceptually similar on the basis that both contain the word ARTIGIANO. No indication is given regarding the extent to which they are similar.

51. ADK states that the marks are visually and aurally similar to a low degree due to the fact that even though both contain the word 'ARTIGIANO', its own mark also includes the word ESPRESSO which is "no less dominant or distinctive than the word ARTIGIANO." Furthermore, ADK states that it is at the beginning of the mark and is the first word the consumer will see.

52. Both marks contain the word ARTIGIANO. It is the second word of ADK's mark, which has the first word ESPRESSO, and is the totality of HK4's mark. Consequently, the four syllables of HK4's mark are identical to the last four in ADK's mark (which has an additional three syllables at the beginning). Visually and aurally I find these marks to share a medium degree of similarity.

53. Conceptually, HK4 states that, in its view, the average UK consumer would not give any meaning to the word ARTIGIANO.

54. ADK states, at paragraph 17 of its skeleton argument:

*"Conceptually, the marks are similar to a moderate degree. HK4's Earlier Mark means "artisan". [ADK's] Mark means 'espresso artisan'. The espresso part of the mark will make a difference because it relates to*

*espresso specifically [where] HK4's Earlier Mark is more general and could relate to any service that is provided in an artisan fashion."*

55. For a conceptual message to be relevant it must be capable of immediate grasp by the average consumer.<sup>15</sup> The assessment must be made from the point of view of the average consumer who cannot be assumed to know the meaning of everything. Anna Carboni stated in *Chorkee*:<sup>16</sup>

*"36...By accepting this as fact, without evidence, the Hearing Officer was effectively taking judicial notice of the position. Judicial notice may be taken of facts that are too notorious to be the subject of serious dispute. But care has to be taken not to assume that one's own personal experience, knowledge and assumptions are more widespread than they are."*

56. The parties have not provided evidence in respect of the average UK consumers' understanding of the word ARTIGIANO. In the absence of any such evidence I am not prepared to find that the UK consumer would understand the word to be the Italian word for 'artisan'. Clearly there will be UK consumers who do speak Italian but it is highly unlikely to be a significant number. I think it is far more likely that the average UK consumer would consider it to be a word in another language with which they were not familiar or, less likely, an invented word. It is that conclusion which the average consumer will draw from HK4's mark, the totality of which is 'Artigiano'. ADK's mark includes the word ESPRESSO which in my view, would allude to coffee or a method of preparing coffee. The second word, ARTIGIANO would not give a meaning but, in the context of the mark as a whole, may be seen as an origin of a particular coffee. In any case, HK4's mark has no meaning whereas ADK's mark alludes to coffee. In conclusion, they are conceptually different.

---

<sup>15</sup> *This is highlighted in numerous judgments of the GC and the CJEU including Ruiz Picasso v OHIM [2006] e.c.r.-I-643; [2006] E.T.M.R. 29.*

<sup>16</sup> *BL O-048-08*

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

57. In determining the distinctive character of a trade mark and, accordingly, in assessing whether it is highly distinctive, it is necessary to make an overall assessment of the greater or lesser capacity of the trade mark to identify the goods and/or services for which it has been used as coming from a particular undertaking and thus to distinguish those goods from those of other undertakings - *Windsurfing Chiemsee v Huber and Attenberger*.<sup>17</sup>

58. With regard to the distinctiveness of its mark, HK4 states in its skeleton argument:

*“31. It is submitted that the inherent, intrinsic distinctive character of the mark ‘ARTIGIANO’ is high. The mark would not be understood by the average English speaking consumer in the UK as being descriptive of any of the services in question or their characteristics.”*

59. I agree: the mark has a high level of inherent distinctive character, it does not have a clear meaning to the average UK consumer, which would give any indication of the nature of the services being provided, nor does it allude to such services.

60. At paragraph 32 of its skeleton argument HK4 submits:

*“The mark ‘ARTIGIANO’ has also acquired distinctive character in the UK marketplace, as a result of its use in connection with the provision of coffee, tea and other non-alcoholic beverages, the supply of retail services connected with those goods and the provision of café, cafeteria, canteen, snack bar and bar services, thereby giving rise to a greater likelihood of confusion .”*

61. The term ‘acquired distinctive character’ would normally be used in a situation where a mark had no or an inherently low degree of inherent distinctive character which had been enhanced by the use made of it. I think it more likely that HK4 intended

---

<sup>17</sup> *Joined Cases C-108/97 and C-109/97 [1999] ETMR 585.*

to use the term 'enhanced distinctive character'. It is clear from the evidence that HK4 has a business which concerns the provision of food and drink, sales being made from a number of premises in the UK. Turnover figures have been provided and are not insignificant but I have no indication of the size of the relevant market, which I imagine is substantial, or its place within it.

62. Had the correct issue been raised, namely, the consideration of enhanced distinctive character for the mark ARTIGIANO, I would not have been able to conclude that an already high level of inherent distinctive character had been enhanced based on the information provided, i.e. sales from four premises, with no indication of market share and a fairly low level of advertising and promotion. In other words, had the matter been properly worded, I do not believe the use shown to have been made of the mark would have made a material difference to the distinctive character of the mark. The mark has a high degree of inherent distinctive character.

### **Likelihood of confusion**

63. In assessing the likelihood of confusion, I must adopt the global approach advocated by case law and take into account the fact that marks are rarely recalled perfectly, the consumer relying instead on the imperfect picture of them he has kept in his mind.<sup>18</sup> I must also keep in mind the average consumer for the goods, the nature of the purchasing process and have regard to 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.

64. I have found the marks to be visually and aurally similar to a medium degree and to be conceptually different. HK4's services in classes 35 and 43 are highly similar to ADK's goods in class 30.

65. I have identified the average consumer, namely a member of the general public and have concluded that the level of attention paid to the purchase will be no higher than average. The purchasing process is primarily a visual one, though I do not rule

---

<sup>18</sup> *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V* paragraph 27

out an aural element, especially where advice is sought from a salesperson prior to the purchase.

66. In reaching a decision on the likelihood of confusion, I am mindful of the guidance on how to approach issues of similarity involving composite signs. In *Whyte and Mackay Ltd v Origin Wine UK Ltd and Another*,<sup>19</sup> Arnold J. considered the impact of the CJEU's judgment in *Bimbo*<sup>20</sup> on the court's earlier judgment in *Medion v Thomson*. The judge said:

“18. The judgment in *Bimbo* confirms that the principle established in *Medion v Thomson* is not confined to the situation where the composite trade mark for which registration is sought contains an element which is identical to an earlier trade mark, but extends to the situation where the composite mark contains an element which is similar to the earlier mark. More importantly for present purposes, it also confirms three other points.

19. The first is that the assessment of likelihood of confusion must be made by considering and comparing the respective marks — visually, aurally and conceptually — as a whole. In *Medion v Thomson* and subsequent case law, the Court of Justice has recognised that there are situations in which the average consumer, while perceiving a composite mark as a whole, will also perceive that it consists of two (or more) signs one (or more) of which has a distinctive significance which is independent of the significance of the whole, and thus may be confused as a result of the identity or similarity of that sign to the earlier mark.

20. The second point is that this principle can only apply in circumstances where the average consumer would perceive the relevant part of the composite mark to have distinctive significance independently of the whole. It does not apply where the average consumer would perceive the composite mark as a unit having a different meaning to the meanings of the separate components. That includes the situation where the meaning of

---

<sup>19</sup> [2015] EWHC 1271 (Ch)

<sup>20</sup> Case C-591/12P

one of the components is qualified by another component, as with a surname and a first name (e.g. BECKER and BARBARA BECKER).

21 The third point is that, even where an element of the composite mark which is identical or similar to the earlier trade mark has an independent distinctive role, it does not automatically follow that there is a likelihood of confusion. It remains necessary for the competent authority to carry out a global assessment taking into account all relevant factors.”

67. I also bear in mind the following paragraph from *Annco, Inc. V OHIM*,<sup>21</sup> in which the General Court stated:

“50. Indeed, the likelihood of confusion cannot be determined in the abstract, but must be assessed in the context of an overall analysis that takes into consideration, in particular, all of the relevant factors of the particular case (*SABEL*, paragraph 18 above, paragraph 22; see, also, Case C-120/04 *Medion* [2005] ECR I-8551, paragraph 37), such as the nature of the goods and services at issue, marketing methods, whether the public’s level of attention is higher or lower and the habits of that public in the sector concerned.”

68. HK4’s mark is ‘Artigiano’. ADK’s mark is ‘Espresso Artigiano’. The goods and services all relate to goods which include coffee or services which are the provision of or retail of goods which include coffee, though the specifications also include other beverages and foodstuffs. The word ‘Espresso’ is clearly entirely descriptive for goods and services related to coffee and less so for those that are not. When encountering ADK’s mark as a whole, in my view it is the second word Artigiano which would be perceived as the signifier of origin. It is clear from the evidence that there is a pattern of trade in respect of these goods and services which means that it is not uncommon when visiting, inter alia, a coffee bar or café, to be able to buy goods such as ground coffee, coffee beans and teas which are the same as those served in the coffee bar or café in question for consumption on the premises.

---

<sup>21</sup> Case T-385/09

69. Consequently, when encountering these marks, bearing in mind the high distinctive character of the earlier mark, the nature of the goods and services and the overall impression of both marks, the average consumer would conclude that the goods and services originated from linked undertakings. This type of indirect confusion was considered in *L.A. Sugar Limited v By Back Beat Inc*,<sup>22</sup> in which Mr Iain Purvis Q.C. as the Appointed Person noted that:

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

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

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

(b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand

---

<sup>22</sup> *Case BL-O/375/10*

extension (terms such as “LITE”, “EXPRESS”, “WORLDWIDE”, “MINI” etc.).

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

70. The common element in these marks, Artigiano, is clearly distinctive and it is also the case that for coffee-related goods and services, the application Espresso Artigiano simply adds the non-distinctive element ‘Espresso’. Whether the average consumer encountered the goods or the services first, the common element is such that there would be a likelihood of confusion.

## **CONCLUSION**

**71. HK4’s opposition succeeds under section 5(2)(b).**

72. Having succeeded in full under this ground of opposition, I will not go on to consider HK4’s case under 5(4)(a) as it puts HK4 in no better position.

**73. In the consolidated proceedings 405664, ADK relies on this refused mark as the sole basis of proceedings under section 5(2)(b) of the Act. Consequently, that opposition fails.**

## **COSTS**

74. HK4 has succeeded in respect of both oppositions and is entitled to a contribution towards its costs. I award costs on the following basis:

Official fee (Opposition: 405353):	£200
Preparing a statement and considering the other side’s statement (x2):	£500
Preparing evidence:	£500

Preparation for and attending a hearing: £400

Total: £1600

75. I order Alois Dallmayr Kaffee oHG to pay HK4 Group Limited the sum of £1600. This sum is to be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 15th day of December 2016**

A handwritten signature in black ink, appearing to be 'Al Skilton', written in a cursive style.

**Ms Al Skilton  
For the Registrar,  
The Comptroller-General**