O/1057/24

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. UK00003776120
BY THENATIVEFOODSCO, LDA
TO REGISTER THE FOLLOWING TRADE MARK:

IN CLASSES 29, 30, 32 AND 43

AND

IN THE MATTER OF OPPOSITION THERETO
UNDER NO. 435530 BY USINA SAO FRANCISCO, S. A.

Background and Pleadings

1. On 11 April 2022, TheNativeFoodsCo, Lda ('the Applicant') filed an application to register the following trade mark:

2. The application was published for opposition purposes in the Trade Marks Journal on 13 May 2022. Registration is sought in respect of the following goods and services:

Class 29:	*Fruit preserves; Fruit desserts; Prepared fruits; Frozen fruits; Preserved fruits; Fruit purees; Milk drinks containing fruits; Yogurt; Yogurt drinks; Drinking yogurts; Fruit, processed; Arrangements of processed fruit.*
Class 30:	*Fruit jellies [confectionery]; Ice creams; Dairy ice cream; Sherbets [ices]; Ice cream with fruit; Fruit ice cream.*
Class 32:	*Fruit juice drinks; Juices; Fruit juice concentrates; Organic fruit juice; Fruit juice; Fruit-based beverages*
Class 43:	*Catering services; Catering (Food and drink -); Cocktail lounge services; Juice bars; Restaurant services; Takeaway services; Provision of temporary lodgings; Accommodation reservations (Temporary -).*

3. On 12 August 2022 the application was opposed by Usina Sao Francisco, S. A. ('the Opponent') based on section 5(2)(b) of the Trade Marks Act 1994 ('the Act'). The Opposition is directed against the Applicant's specification in its entirety. The Opponent relies upon the following two earlier registrations, in each case relying on the specifications in their entirety:

i) UK00901467984

This mark is a comparable mark pursuant to Article 54 of the Withdrawal Agreement, based on EUTM 001467984, which was registered prior to the withdrawal of the UK from the European Union.

Filing date: 20 January 2000
Date of entry in register: 11 January 2001
Registered in respect of the following goods:

Class 30: *Sugar and coffee*

ii) UK00003666694

This mark was filed pursuant to article 59 of the Withdrawal Agreement and the EU filing date was 3 July 2021.

Filing date: 9 July 2021
Date of entry in register: 3 December 2021
Priority date: 3 July 2020
Registered in respect of the following goods:

Class 5:	*Alcohol for pharmaceutical purposes.*
Class 30:	*Coffee; coffee capsules; flavoured coffee; instant coffee; artificial coffee; coffee substitutes; coffee (unroasted -); cocoa; chocolate; cocoa preparations; none of the aforesaid goods as ready-made drinks/beverages; coffee beans; ground coffee beans; sugar; raw sugar; chocolate powder;*

	processed grains; food preparations based on grains; processed cereals; breakfast cereals; oatmeal; rolled oats; porridge oats; oat flakes; processed quinoa; soya bean paste; soya flour; bran preparations for human consumption; cereal preparations.

4. The Opponent claims that:
   - the Applicant's mark is similar to each of the Opponent's earlier marks;
   - the opposed goods and services are similar to those in respect of which the earlier marks are registered;
     and
   - that there is therefore a likelihood of confusion.

5. The Applicant filed a Defence and Counterstatement in which it denies the claim against it in its entirety.

6. The Opponent is represented by Finnegan Europe LLP. The Applicant is represented by Mark & Us Lawyers Marcas y Patentes SLP.

7. Both parties filed evidence and written submissions during the evidence rounds. A hearing was granted at the request of the Opponent. A skeleton argument was filed by the Opponent in advance of the hearing. The Applicant indicated that it would not attend the hearing and filed written submission in lieu thereof.

EVIDENCE

8. During the first evidence round:
   - the Opponent filed evidence as follows:
     The Witness Statement of Judy McCullagh, Chartered Trade Mark Attorney at the Opponent's representative, dated 6 March 2023, which is accompanied by 18 exhibits: JM1 to JM18. Ms McCullagh states that the evidence introduced is

intended to support the ‘statements regarding the similarity of the [parties’] goods and services’.[1]

- the Applicant filed evidence as follows:
  The Witness Statement of Yolanda Echevarria, of the Applicant’s representative, dated 2 May 2023, which is accompanied by 5 exhibits: YE1 to YE5. Ms Echevarria’s evidence focuses on the question of the distinctive character of the word ‘native’.[2]

9. The Opponent filed the following evidence in reply:
   - The Witness Statement of Fionnuala Richardson, Chartered Trade Mark Attorney of the Opponent’s representative, dated 4 July 2023, which is accompanied by 15 exhibits; FR1 to FR16. Ms Richardson’s evidence addresses the points raised by the Applicant on distinctive character.[3]

10. I will not summarise the parties’ evidence in detail, but I will refer to it in my decision to the extent that it is relevant.

HEARING

11. A hearing took place before me, via video conference, on Thursday 11 January 2024. Ms Fionnuala Richardson, of Finnegan Europe LLP, attended for the Opponent. I will not repeat Ms Richardson’s skeleton argument, or the parties’ written submissions here, but will refer to them, as appropriate, in my decision.

RELEVANCE OF EU LAW

12. The provisions of the Act relied upon in these proceedings are assimilated law, as they are derived from EU law. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 (as amended by Schedule 2 of the Retained EU Law (Revocation and Reform) Act 2023) requires tribunals applying

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[1] Witness Statement of J McCullagh, paragraph [2].
[2] Applicant’s written submissions in evidence round, pages [1] and [2].
[3] Opponent’s written submissions in evidence round, dated 4 July 2023, page [2], 4th- 6th paragraphs.

assimilated law to follow assimilated EU case law. That is why this decision refers to decisions of the EU courts which predate the UK's withdrawal from the EU.

13. The following decision has been made after careful consideration of the papers before me, and the Opponent's oral submissions.

DECISION

<u>Section 5(2)(b)</u>

14. Section 5(2)(b) of the Act 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."

<u>Earlier mark</u>

15. In accordance with section 6 of the Act, the Opponent's marks are earlier marks by virtue of their filing/priority dates, both of which fell before the filing date of the Applicant's mark (11 April 2022).

<u>Proof of use</u>

16. Section 6A of the Act provides that where the date on which the registration procedure of the earlier mark was completed more than 5 years prior to the application date (or priority date) of the applied-for mark, the Opponent may be required to prove use of the earlier mark. In the instant case, section 6A is engaged in respect of the earlier mark UK00901467984 because the mark was registered for more than five years before the filing of the applied-for mark. The Applicant has

not, however, requested proof of its use. Section 6A is not engaged in respect of the earlier mark UK00003666694 because it had been registered for less than five before the filing of the applied-for mark. The Opponent is therefore entitled to rely upon all of the terms for which its marks are registered.

Section 5(2)(b) – case law

17. The following principles are derived from the decisions of the Court of Justice of the European Union ("CJEU") 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 C120/04; *Shaker di L. Laudato & C. Sas v OHIM,* Case C-334/05P; and *Bimbo SA v OHIM,* Case C-591/12P:

(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 they have kept in their mind, and whose attention varies according to the category of goods or services in question;

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

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

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

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

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

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

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

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

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

Comparison of goods and services

18. Section 60A of the Act provides:

(1) For the purpose of this Act goods and services-

(a) are not to be regarded as being similar to each other on the ground that they appear in the same class under the Nice Classification.

(b) are not to be regarded as being dissimilar from each other on the ground that they appear in different classes under the Nice Classification.

(2) In subsection (1), the 'Nice Classification' means the system of classification under the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, which was last amended on 28 September 1975.

19. The CJEU in *Canon*, Case C-39/97, stipulates that all relevant factors relating to the parties' goods and services must be taken into account:

"[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".

20. Goods or services will be found to be in a competitive relationship only where one is substitutable for the other.[4] In *Boston Scientific Ltd v OHIM*, Case T-325/06, the General Court described "complementary" in the following terms: "[...] 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".[5] 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.

[4] *Lidl Stiftung & Co KG v EUIPO*, Case T-549/14.

[5] Paragraph 82

21. Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281[6], identified the following factors for assessing similarity of the respective goods and services:

(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.

22. Goods (or services) may be grouped together for the purposes of assessment, as Geoffrey Hobbs QC (as he then was), sitting as the Appointed Person, said in *Separode Trade Mark* BL O-399-10:

"The determination must be made with reference to each of the different species of goods listed in the opposed application for registration; if and to the extent that the list includes goods which are sufficiently comparable to be assessable for registration in essentially the same way for essentially the same reasons, the decision taker may address them collectively in his or her decision."

23. Case law establishes that "… Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise" but "Where words or phrases in their ordinary and natural meaning are apt to cover the

[6] *British Sugar Plc v James Robertson & Sons Ltd* [1996] R. P. C. 281, pp 296-297.

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."[7]

24. The goods and services to be compared are set out above at [2] and [3].

25. A note on the Opponent's evidence and complementarity:

The Opponent, in its written submissions, addressed the matter of complementarity in the following terms:[8]

> "Furthermore, they [the competing goods] are complementary with consumers used to viewing and purchasing these items together in a finished combination product or separately to be combined at a later date by the consumer as part of a recipe, for example"

26. This is an incorrect statement of the law on complementarity. I therefore directed Ms Richardson to the relevant paragraph on complementarity in *Boston Scientific Ltd*[9] and clarified that the fact that competing goods might be combined to form another product or feature as ingredients in a recipe, without more, did not establish that they were complementary.[10] The evidence adduced in support of complementarity of the parties' goods comprises either: examples of products which combine competing ingredients; or, recipes in which competing goods are ingredients. The number of different combinations of ingredients in recipes is so vast that the fact that certain ingredients might be used together in such a way is not significant in terms of complementarity in trade mark law.

27. The following of the Opponent's exhibits are, therefore, not pertinent to the issue and are of little assistance: Exhibits JM1 to JM10; and exhibits JM12 to JM16.

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[7] *YouView TV Ltd v Total Ltd*, [2012] EWHC 3158 (Ch).
[8] Opponent's written submissions dated 6 March 2023, page 3, final paragraph.
[9] Case T-325/06.
[10] *Les Éditions Albert René v OHIM*, Case T-336/03, [61].

28. In Ms Richardson's skeleton argument, I noted that the competing goods and services have been compared collectively, i.e. the Applicant's goods 'x, y, z' etc have been compared to the Opponent's goods 'a, b, c' etc without identifying where the particular points of similarity lie. I therefore directed Ms Richardson to structure her oral submissions by stating which of the Opponent's terms was the closest comparator to each of the opposed terms.

Class 29

Contested goods: *Preserved fruits*

29. Ms Richardson submitted that the Applicant's goods should be compared to the Opponent's class 30 term *breakfast cereals* (earlier mark UK3666694), arguing that they shared the same intended purpose as snacks. It was submitted that they coincided in users and trade channels and that they were often in competition; for example, the consumer might deliberate over whether to consume a fruit-based snack or a cereal-based snack. It was argued that the respective goods had overlapping methods of use to the extent that both goods might be purchased in order to make muesli, for example. Ms Richardson submitted that the goods were often located in close proximity in supermarkets and that they may be substitutable. I was referred to the decision of the OHIM[11] in the case of *Société des Produits Nestlé S. A. v Barilla G. e R. Fratelli* in which it was found that:[12]

> "[…] *'preserved, dried and cooked fruits'* are also <u>similar</u> to […] '*muesli, ready to eat cereals, cereal bars, cereal preparations, breakfast cereals'.* Most 'mueslis' almost exclusively consist of preserved or dried fruits of various kinds. Therefore, these products share a similar nature. Furthermore, they have a very similar method of use as a consumer might want to buy a selection of dried fruits to prepare muesli. The goods share the same channels of distribution, in particular supermarkets where they are offered close to each other. These goods may serve as substitutes." [original emphasis]

[11] Office for Harmonization in the Internal Market.
[12] Second unnumbered paragraph on page [3].

30. I remind myself that I am not bound by decisions of the OHIM, although they can be persuasive. I am not privy to, nor have I assessed, what evidence was placed before the decision-maker in that matter. I also note that the finding in that case does not extend to indicating what level of similarity was found between the competing goods. I accept that users and trade channels will overlap. However, these overlaps are, without more, unremarkable given that the vast majority of the general population purchases foods of various kinds, and that supermarkets sell a wide range of food goods. I agree that methods of use will overlap to the extent that both cereals and dried fruits (being an example of preserved fruits) can be combined by the consumer to make muesli, a food typically consumed at breakfast time. That said, it is my view that just because two foods can be combined to make a dish/meal does not necessarily mean that those foods are similar. Despite the finding in the above-mentioned *Nestle* case, I do not consider the parties' goods to be in a competitive relationship. Although both cereals and preserved fruits can be consumed as breakfast items or snacks, this does not, to my mind, automatically mean that they are competitive. I consider them to be no more competitive than, say, croissants and porridge (both being breakfast items). I accept that both cereals and preserved fruits might sometimes be located close to one another. On the other hand, I consider that preserved fruits are often located in close proximity to baking ingredients such as flour and sugar. I do not consider the parties' goods to be complementary; neither being necessary or important for the other. As noted above at [25], the fact that foods might be ingredients in the same recipe does not necessarily mean that they are indispensable to each other. The goods may occasionally coincide in terms of their physical natures; e.g. where dried fruits are in the form of flakes (e.g. coconut or banana), they will be somewhat similar to flaked cereals. All things considered, I find the parties' goods to have a low level of similarity.

Contested goods: *Prepared fruits; Fruit, processed; Arrangements of processed fruit*

31. 'Prepared' and 'processed' fruits will encompass 'preserved' fruits. My findings above at [30] therefore apply here and I find the parties' goods to have a low level of similarity.

Contested goods: *Fruit preserves*

32. Ms Richardson submitted that 'fruit preserves' were synonymous with 'preserved fruits'. I disagree. My view is that 'fruit preserves' are akin to jams, whereas 'preserved fruits' will ordinarily be understood to encompass goods such as, *inter alia,* dried fruits (e.g. sultanas) tinned fruits and candied fruits. I nevertheless proceed to compare the Applicant's goods against the Opponent's *breakfast cereals* (earlier mark UK3666694). My observations on user and trade channel overlap above at [30] also apply here. Their purposes will overlap somewhat; both being consumed as 'breakfast' foods. However, their specific methods of use will be different: fruit preserves are accompaniments typically spread on toast and the like, or added to porridge; whereas cereals are more often consumed as a standalone food item. It is possible that the goods might be found near each other in supermarkets, but I do not consider this to be particularly commonplace. The goods are not competitive; neither being substitutable for the other. I do not find complementarity, either; neither good is necessary or important for the other and the average consumer would unlikely attribute both to the same undertaking. The goods differ in terms of their physical nature; fruit preserves being 'spreads' versus breakfast cereals typically being dry goods in the form of flakes, crisps, grains etc. In the light of the foregoing, I find the parties' goods to be dissimilar.

Contested goods: *Frozen fruits*

33. Ms Richardson submitted that the arguments that she advanced with respect to the contested term *preserved fruits* also applied to *frozen fruits.* I therefore compare the contested goods to the Opponent's *breakfast cereals* (earlier mark UK3666694). Users and trade channels will overlap at the level of generality already noted. The goods will overlap in purpose to the very broad extent that both might be consumed as 'breakfast' foods. Methods of use may overlap somewhat, although frozen fruits will more often be accompaniments to other foods such as porridge or yoghurt. The goods will be located in different 'sections' in supermarkets due to the fact that one good is frozen whereas the other is not. The goods will be very different in terms of physical nature: dry grains/flakes/crisps etc.

versus frozen fruits. I find the goods to be neither competitive nor complementary, neither being substitutable or necessary/important for the other. All things considered, I find the parties' goods to be dissimilar. If I am wrong about that, then the level of similarity will be no more than very low.

Contested goods: *Fruit desserts*

34. I compare the contested goods to the Opponent's *breakfast cereals* (earlier mark UK3666694). Users and trade channels will overlap in the manner described in my previous comparisons. The goods will diverge in terms of specific purposes: desserts are usually sweet foods typically consumed after a main meal, whereas breakfast cereals are, as the term indicates, typically consumed for breakfast. I nevertheless recognise that, as with a great number of foods, both goods are sometimes consumed as snacks. Methods of use will overlap to the broad extent that both are foods and might sometimes be consumed as snacks. The goods will unlikely be located in close proximity to one another in supermarkets, although it is not impossible. The goods will have different physical natures; fruit desserts being very different in appearance to breakfast cereals. Although, a fruit dessert could, of course, be consumed at breakfast time, I do not find the competing goods to be commercially realistic alternatives in a competitive sense. A great number of foodstuffs could be consumed at any time of the consumer's choosing and the fact that both, say, a fruit tart and a bowl of cornflakes, for example, might be eaten for breakfast does not, in my view, necessarily mean that they are, commercially speaking, in competition with one another. I do not find the goods to be competitive, either; neither is necessary or important for the other. I find the parties' goods to be dissimilar. If I am wrong about that, then the level of similarity will be no more than very low.

Contested goods: *Fruit purees*

35. The Applicant's goods comprise purees made from fruits. I understand that fruit purees are often used as accompaniments to other foods such as yoghurts or porridge. I compare the contested goods to the Opponent's *breakfast cereals* (earlier mark UK3666694). Users and trade channels will overlap. The goods will

diverge in terms of their specific purposes: fruit purees are typically used as accompaniments for other foods whereas breakfast cereals are 'standalone' foods. Methods of use will therefore differ. The goods will unlikely be located in close proximity to one another in supermarkets. Fruit purees are very different in physical nature to breakfast cereals. I find the goods to be neither competitive nor complementary, neither being substitutable or necessary/important for the other. All things considered, I find the parties' goods to be dissimilar.

Contested terms: *Yogurt; Yogurt drinks; Drinking yogurts; Milk drinks containing fruits*

36. Ms Richardson invited me to compare the contested terms to the Opponent's *breakfast cereals* (earlier mark UK3666694). She argued that there may be some level of competition between the goods as well as 'a shared intended purpose of being consumed at breakfast time'. In this connection, Ms Richardson pointed me to the earlier decision of this Tribunal, O/518/21, in which the Hearing Officer found yoghurts and breakfast cereals to have a low level of similarity on the basis argued by Ms Richardson.[13] I remind myself that I am not necessarily fettered by previous decisions of this Tribunal. I also bear in mind the recent dicta of Mr Iain Purvis K.C., sitting in the High Court, cautioning against treating the comparison of goods and services as a 'box-ticking' exercise in terms of the number of *Treat* or *Canon* factors satisfied.[14] Mr Purvis held that 'the greater the level of generality at which some similarity under the factors can be found (i.e. both goods sold in the same stores or both used by ordinary people), the less relevant it could be to the question of the likelihood of confusion.[15] In the instant case, users and trade channels will overlap at the general level of being purchased by the general public and sold via supermarkets. While both parties' goods might be consumed as breakfast items, I do not consider that this necessarily indicates that they are in a competitive relationship. If I were to find a competitive relationship on this basis, then bacon and sausages would also be found to be in competition with yoghurt or milk drinks. I therefore respectfully disagree with Ms Richardson's argument. The goods will

[13] Paragraph [82].
[14] *UNICORN STUDIO INC v VERONESE,* [2024] EWHC 1098 (Ch), at [24].
[15] As above, at [23].

differ in terms of their physical nature. There is no complementarity between the goods; neither is necessary or particularly important for the other, and the average consumer would unlikely presume both parties' offerings to originate from the same undertaking. Taking a step back and adopting a common-sense approach, I find that if the goods can be found to have any similarity at all, it will be only very low in degree.

Class 30

Contested goods: *Fruit jellies [confectionery]; Ice creams; Dairy ice cream; Sherbets [ices]; Ice cream with fruit; Fruit ice cream.*

37. Ms Richardson submitted that the above goods should be grouped together and compared to the Opponent's *chocolate* (earlier mark UK3666694). It was argued that: the parties' goods share the same purpose, both being desserts; that trade channels will overlap; and that the parties' offerings are in a competitive relationship and that they are, therefore, similar. I accept this submission. I agree that the respective goods serve the same consumer need, both offerings being sweet treats and that a consumer might deliberate over whether to purchase, say, an ice cream or a chocolate bar. Although the goods will often be different in terms of physical nature, there will be some similarity in instances where the Applicant's terms cover chocolate-covered goods. I do not consider the goods to be complementary; neither good being necessary or important for the other from the standpoint of the average consumer. My view is that *fruit jellies [confectionery]* are closer to chocolate than the remaining terms because chocolate is also an item of confectionery and is frequently located on the same shelf as other 'sweets' in supermarkets. I find that *Fruit jellies [confectionery]* have a level of similarity of above 'medium' but not quite reaching 'high'.

38. For the remaining terms, I find the level of similarity to be in the low to medium range.

Class 32

Contested goods: *Fruit juice drinks; Juices; Fruit juice concentrates; Organic fruit juice; Fruit juice; Fruit-based beverages*

39. Ms Richardson submitted that the above goods should be compared to the Opponent's class 30 term *Coffee* (both earlier marks). I note that, under the earlier mark UK3666694, the term is subject to the limitation '*none of the aforesaid goods as ready-made drinks/beverages'* and, therefore, encompasses coffee in the form of dry goods rather than as 'ready-to-drink' beverages. Under the earlier mark UK901467984, however, *coffee* is not subject to such limitation and will, therefore, encompass ready-made cups of coffee, as well as dry goods. It was argued that the parties' goods are similar, whether the coffee is in readymade or dry form, by virtue of their shared purpose, users and trade channels, and the fact that they are in a competitive relationship. I agree with this submission to the extent that *coffee* is in 'ready-to-drink' form. I accept that the goods will be in competition in instances where a consumer deliberates over whether to purchase a juice or fruit-based tea over a cup of coffee, for example. Although trade channels will overlap, I do not find the goods to be complementary; neither being necessary or useful for the other. The goods will be similar in nature; both parties' offerings being/covering ready-to-drink beverages. I find the Applicant's goods to be similar to *coffee* (UK901467984) to a medium degree.

40. I now consider the comparison against *coffee […] none of the aforesaid goods as ready-made drinks/beverages.* Users and trade channels will overlap. I understand that coffee as dry goods (e.g. coffee beans) will often be sold via the same coffee-shops/cafes where the Applicant's 'fruit' drinks will be sold. The goods will have distinct physical natures; liquids versus coffee beans/granules. Although there may be instances where a consumer might consider whether to consume a 'ready-made' fruit drink or a cup of coffee that they have prepared from beans/granules instead, commercially speaking, I do not consider the goods to be in a competitive relationship. My view is that, where purchasing decisions are concerned, a consumer seeking a fruit juice, for example, would unlikely consider coffee in dry form to be a substitute. Conversely, a consumer seeking coffee beans would unlikely settle for fruit juice instead. There is no complementarity between the

goods, neither being necessary or important for the other. I find the goods to have a low level of similarity.

Class 43

Contested services: *Catering services; Catering (Food and drink -); Cocktail lounge services; Juice bars; Restaurant services; Takeaway services*

41. Ms Richardson invited me to compare these services to the Opponent's *coffee* (UK901467984) and *coffee […] none of the aforesaid goods as ready-made drinks/beverages* (UK3666694). It was argued that coffee is typically offered in restaurants and juice bars etc and that the respective goods and services were complementary. Ms Richardson submitted that this was the case with respect to *coffee* in the form of dry goods, arguing that it is not uncommon for restaurants to also sell their own lines of branded goods such as coffee beans, for example. Users and trade channels will inevitably overlap given that being served coffee by a catering undertaking or restaurant/café bar necessarily entails being provided with the cup of coffee. It is my understanding that it is common in the restaurant/catering trade for service providers to also retail a range of consumable goods including coffee as dry goods (i.e. ground or in the form of beans). I consider the parties' offerings to be both competitive and complementary. An average consumer might deliberate over whether to order a coffee in a café to consume on the premises or whether to instead purchase some coffee beans to prepare a beverage at home. Coffee will be important, if not indispensable, to food and drink services on such a way that the average consumer may presume both the coffee and the service in the course of which the coffee is provided originate from the same undertaking. The parties' offerings will differ in terms of their nature by virtue of coffee being a good and the Applicant's offerings being acts of service. In the light of the foregoing, I find the goods and services to be similar to a medium degree.

Contested services: *Provision of temporary lodgings; Accommodation reservations (Temporary -).*

42. Ms Richardson identified *coffee* as the most appropriate comparator for the Applicant’s terms. It was argued that in some hotels, consumers were able to make room reservations and order refreshments at the same point of contact, (i.e. reception desk or ‘ordering point’ in a hotel bar). It was submitted that the goods and services were similar, albeit to a very low degree. The goods and services will have very different purposes: the provision of temporary accommodation and reservation services therefor, versus the sating of thirst. Users will overlap, albeit to the unremarkable extent that both offerings are used by ordinary people. Trade channels will also overlap; the goods and services will be provided in hotels and hostels. Neither party’s offering is substitutable for the other. I do not find complementarity, either. Despite many providers of accommodation/reservation services also providing coffee, neither offering is indispensable for the other. All things considered, I find the goods and services to be dissimilar.

Average consumer and the purchasing act

43. The average consumer is deemed to be reasonably well-informed and reasonably observant and circumspect. The word “average” denotes that the person is typical. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer,* Case C-342/97.

44. The average consumer of the relevant goods and services will be the general public and the professional public (i.e. businesses in the food and drink trade). The cost of the goods and services will vary; from a ‘£1’ yoghurt or a few pounds for a coffee or packet of cereal, to, at the other end of the scale, a fine dining experience at a ‘Michelin star’ restaurant for, say, £200 per head. The goods and services are fairly frequent purchases, many of which will not require any significant level of care. Regardless of the price of the goods, I consider that the average general consumer will display no more than a medium level of attention when making their purchases. Business consumers will, in my view, display more prudence when purchasing foodstuffs/dry goods for beverages for their restaurant, for example, and will likely pay a level of attention just above medium.

45. The goods are likely to be selected from the shelves of a retail or wholesale outlet, or their online equivalents. Consequently, the purchasing act will likely be primarily visual in nature. I acknowledge that there may be an aural aspect to the purchasing process where advice is sought from retail/wholesale staff or purchases are made after recommendations by way of 'word of mouth'.

46. Some similarity between the parties' goods and services is necessary in order for an opposition under section 5(2)(b) of the Act to succeed.[16] I will therefore give no further consideration to the goods and services that I have found to be dissimilar, since the opposition must necessarily fail to that extent.

Comparison of the marks

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

48. The marks to be compared are as follows:

Opponent's marks:	Applicant's mark:

[16] *eSure Insurance v Direct Line Insurance,* [2008] ETMR 77 CA, *per* Lady Justice Arden, [49].

49. Ms Richardson submitted that the competing marks had a ‘high degree of visual, aural and conceptual similarity on account of the identical element NATIVE’, which is the dominant and distinctive element of the opposed mark.

50. The Applicant submitted that: the competing marks were visually different by virtue of the presence of the word ‘foods’ in the applied-for mark, absent from the earlier mark; aurally speaking, the marks were neither identical nor similar; and that, conceptually speaking, the marks referred to different things.

<u>Overall impression of the marks</u>

The earlier marks:

51. Each of the earlier marks is a figurative mark comprising the word ‘NATIVE’ rendered in a moderately stylised typeface. The marks are identical in form, differing only in colour; mark UK901467984 is presented in black, whereas mark UK3666694 is presented in green. The right-hand ‘stroke’ of the ‘v’ is elongated. A shape that might be described as two short parallel flourishes, at an oblique angle, appears where one would ordinarily expect the ‘dot’ for the character ‘i’. All characters are emboldened. My view is that the overall impression of the marks resides in the word ‘NATIVE’, with the stylised element in place of a ‘dot’ for the ‘i’ playing a lesser, although not negligible, role.

The contested mark:

52. The contested mark is a figurative mark comprising the word element ‘NATIVE’ presented in a lightly stylised, albeit fairly plain, typeface. The ‘NATIVE’ element is presented in a large font size relative to the much smaller word elements ‘THE’ and ‘FOODS’ which flank the central ‘NATIVE’ element. The elements ‘THE’ and ‘FOODS’ have been rotated 90 degrees to the left so that the words are read from bottom to top. ‘NATIVE’ is presented in black whereas the smaller elements ‘THE’ and ‘FOODS’ are presented in a pale grey hue. I consider that the overall impression of the mark will reside in the mark as a whole, albeit the dominant element will be the word ‘NATIVE’, which will be noticed first by virtue of its size, positioning and contrasting colour. The elements ‘THE’ and ‘FOODS’, in my view, might not be noticed immediately, due to their much smaller size and fainter hue relative to ‘NATIVE’. Furthermore, ‘FOODS’ will be seen as descriptive. ‘THE’ and ‘FOODS’ will likely play a much lesser role within the overall impression, and may even be overlooked by some average consumers.

<u>Visual comparison</u>

53. Both parties’ marks are figurative and share a common element ‘NATIVE’. The green colouring of the earlier mark UK3666694 does not, in my view, amount to any real difference between the competing marks because presentation of the applied-for mark in the same colour would amount to normal and fair use. The main points of difference are:

- the presence of the ‘flourishes’ in place of a ‘dot’ for the ‘i’ in the earlier marks, which is absent from the applied-for mark;

  and

- the presence of the smaller word elements ‘THE’ and ‘FOODS’ in the applied-for mark, which are absent from the earlier marks.

In the light of the foregoing, I find the marks to have a fairly high level of visual similarity.

Aural comparison

54. The earlier marks will be articulated in the ordinary way: 'NAY-TIV'. I consider that there are two ways in which the applied-for mark might be articulated. My view is that some average consumers might neglect to articulate the 'THE' and 'FOODS' elements of the applied-for mark. For this group of average consumers, the parties' marks will be aurally identical. For the group of average consumers who will articulate the mark in full, i.e. 'THE NAY-TIV FOODS', I find the marks to have a medium level of aural similarity.

Conceptual comparison

55. The word 'native' is a word in the English language with which a significant proportion of average UK consumers will be familiar. It is my understanding, as an ordinary member of the general public, that the word is used in a number of ways, including, *inter alia*:

- to describe a person who has been born in a particular country or geographical area as 'native to Wales', for example;
- to describe a plant or animal as originating from a particular geographical location as 'native to Europe', for example;
- to describe a people indigenous to an area;
- to describe a custom or tradition as having originated from a particular area.

56. My view is that the earlier marks will be understood as indicating people, things or traditions/customs originating from a particular geographical location. I find that, for a significant proportion of average consumers, the applied-for mark will be understood as a reference to foods which originate from a particular geographical location or tradition. All things considered, I find the parties' marks to have a high

level of conceptual similarity. For those average consumers who might overlook the presence of the words ‘the’ and ‘foods’, the marks will be conceptually identical.

Distinctive character of the earlier marks

57. *Lloyd Schuhfabrik Meyer & Co. GmbH* v *Klijsen Handel BV, Case* C-342/97 the CJEU stated that:

> ‘22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *WindsurfingChiemsee* v *Huber and Attenberger* [1999] ECR I-0000, paragraph 49).
>
> 23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51)’.

58. Registered trade marks possess varying degrees of inherent distinctive character. Where a mark is suggestive or allusive of a characteristic of the goods or services, it tends to be low. Inherent distinctive character may range up to a high level for marks which consist of invented words with no allusive qualities.

59. Ms Richardson submitted that the word ‘NATIVE’ has no meaning in relation to the goods in respect of which the earlier marks are registered and that the marks therefore enjoy at least a medium level of inherent distinctive character.

60. The Applicant has argued, essentially, that the word ‘NATIVE’ lacks distinctiveness and that the word features in a ‘great number’ of ‘trade mark registrations that coexist with the Opponent’s earlier marks for identical and similar products’.[17] In support of its argument, the Applicant has adduced evidence by way of details of 36 trade marks currently on the UK register which include the word ‘NATIVE.[18] The marks are variously registered for terms in, *inter alia*, classes 29, 30, 32 and 43.

61. The Applicant has submitted that the earlier marks are descriptive on the grounds that they ‘define one characteristic of the goods, that the goods grow naturally in the soil where they are harvested and are not brought from anywhere else’.[19] Registered trade marks must be assumed to have at least some level of distinctive character.[20] It is therefore not open to me to find that a registered mark is wholly descriptive. I will therefore proceed to consider the extent to which the earlier marks are distinctive.

62. Whilst the presence of a number of marks on the UK register containing the element ‘NATIVE’ is noted, it is not possible to discern from such evidence the number of marks actually in use in the UK marketplace.[21] Furthermore, the Tribunal is not obliged to undertake its own research to examine the specifications in respect of those marks to ascertain whether they are similar to the goods/services at stake in the instant case. However, the Opponent has argued in reply that only 6 of the marks cited by the Applicant appear to be in use on the UK market, supported by evidence by way of excerpts from the trade mark owners’ websites.[22] The evidence indicates that those 6 marks are used for the following goods/services: beer; yerba mate (a beverage); beef; vegan prawn crackers;

[17] Applicant’s written submissions in lieu of a hearing, page 2, 6th unnumbered paragraph.
[18] Exhibits YE2 – YE5.
[19] Applicant’s written submissions in lieu of a hearing, page 1, final unnumbered paragraph.
[20] *Formula One Licensing BV v OHIM,* Case C-196/11P, [41] – [44].
[21] *Zero Industry Srl v OHIM,* case T-400/06, [73].
[22] Opponent’s written submissions dated 4 July 2023, pages [2] – [7]; Exhibits FR1 – FR 16.

salmon; and serviced apartments. The mere fact that marks including the element 'native' is not enough to weaken the distinctive character of a mark

63. I note the dicta from Arnold LJ in *Lifestyle Equities CV & Ors v Royal County of Berkshire Polo Club Ltd & Ors* [2024] EWCA Civ 814 according to which 'experience shows that third party use of similar signs does tend to diminish the distinctiveness of a trade mark. In a crowded market it is harder for one mark to stand out'.[23] However, my view is that the evidence presented does not conclusively establish that the market is 'crowded' by marks featuring 'NATIVE' for goods/services identical or similar to those of the parties.

64. My view is that the earlier marks cannot be said to describe the goods in respect of which they are registered. However, I find that they may be seen as somewhat allusive of the possibility that the foodstuffs and beverage-related consumables are, in some way, 'native' to a particular geographical location or typical of a particular custom/tradition relating to a place. All things considered, I find the earlier marks to enjoy no more than a medium level of inherent distinctive character.

65. Given that the Opponent has not adduced evidence of its marks in use in the UK market (such evidence having not been requested), I am unable to make a finding as to whether the earlier marks enjoy an enhanced level of distinctiveness.

Likelihood of confusion

66. Confusion can be direct or indirect. Mr Iain Purvis Q. C., (as he then was) as the Appointed Person, explained the difference in the decision of *L.A. Sugar Limited v By Back Beat Inc*[24]*.* Direct confusion occurs when one mark is mistaken for another. In *Lloyd Schuhfabrik*[25], the CJEU recognised that the average consumer rarely encounters the two marks side by side but must rely on the imperfect picture of them that they have kept in mind. Direct confusion can therefore occur by

[23] Paragraphs [42] – [49].
[24] Case BL O/375/10 at [16].
[25] *Lloyd Schuhfabrik Meyer and Co GmbH v Klijsen Handel BV* (C-34297) at [26].

imperfect recollection when the average consumer sees the later mark but mistakenly matches it to the imperfect image of the earlier mark in their 'mind's eye'. Indirect confusion occurs when the average consumer recognises that the competing marks are not the same in some respect, but the similarities between them, combined with the goods/services at issue, leads them to conclude that the goods/services are the responsibility of the same or an economically linked undertaking.

67. I must keep in mind that a global assessment is required taking into account all of the relevant factors, including the principles a) – k) set out above at [17]. When considering all relevant factors 'in the round', I must bear in mind that a greater degree of similarity between goods/services *may* be offset by a lesser degree of similarity between the marks, and vice versa.

68. With the exception of *fruit purees* and *fruit preserves* (class 29) and *Provision of temporary lodgings;* and *Accommodation reservations (Temporary -)* (class 43), I have found the Applicant's goods and services to have some level of similarity with the Opponent's goods. The level ranges from 'above medium, but not quite high' to 'very low'. I have found the parties' marks to be visually similar to a fairly high degree. Given that the purchasing act will be primarily visual, the visual aspect of the mark will be particularly impactful. Aurally speaking, my view is that the proportion of average consumers who may neglect to articulate the Applicant's mark in full will likely be significant in number. For those consumers, the marks will be aurally identical. Even if the average consumer does articulate the Applicant's mark in full, the level of aural similarity will be medium. I have found there to be a strong conceptual nexus between the marks; the only real point of conceptual difference residing in the notion of 'foods'. That said, for the average consumer who neglects to articulate the elements 'the' and 'foods' in the Applicant's mark, the marks will be conceptually identical. The shared element 'NATIVE' is the dominant and distinctive element of both parties' marks. The average consumer will pay a level of attention of no more than just above medium when making their purchase. My view is that a significant proportion of average consumers may overlook the visual differences that I have identified between the marks (the 'flourishes' where the 'i' would ordinarily have a dot (Opponent), and the elements

'the' and 'foods' (Applicant)) and presume that one party's mark is the same as the previously-encountered mark of the other party. I find that there is likelihood of direct confusion. I have borne in mind that a greater degree of similarity between marks may offset a lesser degree of similarity between the goods and services. Overall, for a significant proportion of average consumers, the marks are highly similar. My view is that even where the level of similarity found between the goods is only very low, there is a likelihood of direct confusion.

69. I now consider whether there is also a likelihood of indirect confusion.

70. In *L.A. Sugar Limited v Back Beat Inc*[26] Mr Iain Purvis Q. C. (as he then was), as the Appointed Person, explained that [my words in parentheses]:

> '17. Instances where one may expect the average consumer to reach such a conclusion [i.e. to conclude that marks relate to the same or economically linked undertakings] tend to fall into one or more of three categories:
>
> (a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right ('26 RED TESCO' would no doubt be such a case).
> (b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as 'LITE', 'EXPRESS', 'WORLDWIDE', 'MINI' etc.).
> (c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension ('FAT FACE' to 'BRAT FACE' for example)'.

[26] Case BL O/375/10

71. I am mindful that the above categories are not intended to be exhaustive. I have found the earlier marks to have no more than a medium level of inherent distinctive character; that distinctive character residing in the word ‘NATIVE’. My view is that the distinctive character of ‘NATIVE’ is undisturbed by the presence of the additional non-distinctive elements ‘THE’ and ‘FOODS’ in the Applicant’s mark. My view is that the instant case is most closely aligned with the second of Mr Purvis’ categories. I find that if the visual differences between the parties’ marks are noticed, the average consumer may presume the parties’ marks to derive from the same or economically-linked undertakings. For example, the Applicant’s mark might be seen as a particular line of food products related to the over-arching brand ‘NATIVE’. I find that there is a likelihood of indirect confusion. My finding applies to all terms that I have found to have some level of similarity.

72. The Opposition has been partially successful. Subject to a successful appeal, the Application:

- Is refused in respect of the following goods and services only:

Class 29: *Fruit desserts; Prepared fruits; Frozen fruits; Preserved fruits; Milk drinks containing fruits; Yogurt; Yogurt drinks; Drinking yogurts; Fruit, processed; Arrangements of processed fruit.*
Class 30: *Fruit jellies [confectionery]; Ice creams; Dairy ice cream; Sherbets [ices]; Ice cream with fruit; Fruit ice cream.*
Class 32: *Fruit juice drinks; Juices; Fruit juice concentrates; Organic fruit juice; Fruit juice; Fruit-based beverages.*
Class 43: *Catering services; Catering (Food and drink -); Cocktail lounge services; Juice bars; Restaurant services; Takeaway services.*

- may proceed in respect of the following goods and services only:

Class 29: *Fruit preserves; Fruit purees.*
Class 43: *Provision of temporary lodgings; Accommodation reservations (Temporary -).*

COSTS

73. The Opponent has enjoyed the greater level of success and is therefore entitled to a contribution to its costs based upon the scale published in Tribunal Practice Notice 2/2016, calculated as follows:

Filing of Notice of Opposition and Statement of Grounds	£100
Preparation of statement and consideration of the other side's statement	£300
Preparing for and attending a hearing	£500
Preparation of evidence	£200
Sub-total:	£1,100
Less £137.50 to reflect the Applicant's success in respect of 4 out 32 terms (12.5%)	-£137.50
Total:	**£962.50**

74. I have awarded a sum below the minimum threshold for the preparation of evidence because a large part of the Opponent's evidence was unnecessary or of limited assistance.

75. I therefore order TheNativeFoodsCo, Lda to pay to Usina Sao Francisco, S. A. the sum of £962.50. This sum is to be paid within twenty-one days 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 7th day of November 2024

N. R. Morris
For the Registrar,
the Comptroller-General