



Neutral Citation [2020] EWHC 2858 (Ch)

**IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INTELLECTUAL PROPERTY LIST (ChD)**

**On appeal from the United Kingdom Intellectual Property Office (Decision O/152/20 of
Ms Clare Boucher in respect of Opposition No 415472 dated 11 March 2020)**

Sitting remotely at:
The Royal Courts of Justice
Rolls Building
Fetter Lane
London EC4A 1NL

Date: 30 October 2020

UKIPO Decision: O/152/20
Appeal No: CH-2020-000104

Before:

THE HONOURABLE MR JUSTICE MARCUS SMITH

BETWEEN:

**FOUNDATION FOR THE PROTECTION OF THE TRADITIONAL CHEESE OF
CYPRUS NAMED HALLOUMI**

Appellant
(Opponent in the proceedings below)

-and-

BABEL SAJT Kft.

Respondent
(Respondent in the proceedings below)

Mr Simon Malynicz, QC and Dr Stuart Baran (instructed by **Clifford Chance LLP**) for the
Appellant

Mr Christopher Hall (instructed by the **Bristows LLP**) for the Respondent

Hearing date: 20 July 2020

Approved Judgment

I direct that pursuant to CPR PD 39A para 6.1 no official shorthand note shall be taken of this Judgment and that copies of this version as handed down may be treated as authentic.

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Mr Justice Marcus Smith:

A. INTRODUCTION

(1) The Applicant’s Mark and the Applicant’s application

1. On 7 November 2018, Babel Sajt Kft (the **Applicant**¹) applied to register the following trade mark (the **Applicant’s Mark**):



The application was accepted and published in the Trade Marks Journal on 16 November 2018 in respect of the following goods:

“Class 29

Milk and milk products; dairy and dairy products; cheese and cheese products.”

2. The application was opposed by the Foundation for the Protection of the Traditional Cheese of Cyprus named Halloumi (the **Foundation**) on 15 February 2019. The opposition was based on sections 5(2)(b) and 5(3) of the Trade Marks Act 1994 and concerned all goods in the application.
3. Section 5 of the Trade Marks Act 1994 provides as follows:

- “(1) A trade mark shall not be registered if it is identical with an earlier trade mark and the goods or services for which the trade mark is applied for are identical with the goods or services for which the earlier trade mark is protected.
- (2) A trade mark shall not be registered if –
 - (a) it is identical with an earlier trade mark and is to be registered for goods or services similar to those for which the earlier mark is protected, or
 - (b) it is similar to an earlier trade mark and is to be registered for goods of services identical with or similar to those for which the earlier mark is protected,

¹ The terms used in this judgment are set out in Annex 1 hereto, which describes the paragraph of the judgment in which these terms are first used.

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

(3) A trade mark which –

(a) is identical with or similar to an earlier trade mark

shall not be registered if, or to the extent that, the earlier mark has a reputation in the United Kingdom (or, in the case of a European Union trade mark or international trade mark (EC), in the European Union) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier mark.

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

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

(b) by virtue of an earlier right other than those referred to in subsections (1) to (3) or paragraph (a) above, in particular by virtue of the law of copyright, design right or registered designs.

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an ‘earlier right’ in relation to the trade mark.

(5) Nothing in this section prevents the registration of a trade mark where the proprietor of the earlier trade mark or other earlier mark consents to the registration.”

(2) The Foundation’s Mark and the Foundation’s opposition

4. The Opponent relied upon EU Trade Mark 1082965: HALLOUMI (the **Foundation’s Mark**) in support of its opposition to the Applicant’s Mark. The Foundation’s Mark was applied for on 22 February 1999 and registered on 14 July 2000 in respect of the following goods:

“Class 29

Cheese.”

The Foundation’s Mark is a collective trade mark, the (potential and disputed) significance of which I shall return below. Unlike the Applicant’s Mark, set out in paragraph 1 above, the Foundation’s Mark consists only of the word “HALLOUMI”. It is devoid of additional figurative or other features.

(3) The Decision

5. The application to register (and the Foundation’s opposition) came before Ms Clare Boucher (the **Hearing Officer**) and was determined by her decision dated 11 March 2020 (the **Decision**). Neither party requested a hearing, and the Hearing Officer determined the application to register on the papers. This was doubtless because (as the

Opponent noted in its written submissions to me) the Applicant did not challenge the evidence adduced by the Opponent in support of its opposition.²

6. By her Decision, the Hearing Officer determined that the opposition failed and that the Applicant might proceed to registration of its Mark in respect of all of the applied for goods, which I have set out in paragraph 1 above.
7. The Hearing Officer's essential reasoning was as set out in the following paragraphs.

(a) Use in the relevant period

8. The Hearing Officer considered whether the Foundation had established sufficient use of the Foundation's Mark such as to satisfy the statutory use conditions during the relevant period.³ She concluded that the Opponent had demonstrated genuine use in the European Union for its Mark in relation to *Cheese*.⁴

(b) Opposition under section 5(2)(b) of the Trade Marks Act 1994

9. The Hearing Officer then considered the first ground of opposition advanced by the Foundation, which was based upon section 5(2)(b) of the Trade Marks Act 1994.⁵ Section 5(2)(b) provides that a trade mark shall not be registered where:

- (1) There exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark, provided that
- (2) The later mark is similar to the earlier trade mark, and
- (3) The later mark is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected.

10. The Hearing Officer set out her approach in relation to the likelihood of confusion in [61] of the Decision:

“In assessing the likelihood of confusion, I must adopt the global approach set out in the case law...I must also have regard to the interdependency principle, that a lesser degree of similarity between the goods may be offset by a greater degree of similarity between the marks, and *vice versa*...The distinctiveness of the earlier mark must also be taken into account.”

11. The Hearing Officer noted that such a global assessment “does not imply an arithmetical exercise, where the factors are scored and combined to reveal the likelihood of confusion”.⁶ The Hearing Officer's assessment was as follows:

- (1) The Hearing Officer determined the “average consumer” – from whose point of view the question of confusion should be seen – to be “a member of the general public, who would select the goods themselves from the supermarket shelves or

² Paragraph 7 of the Foundation's written appeal submissions.

³ See Decision at [22]ff.

⁴ Decision at [31].

⁵ See Decision at [32]ff.

⁶ Decision at [62].

online from a website.”⁷ She rejected the Foundation’s contention that the “average consumer” would also be a trader in cheese.⁸

- (2) The Hearing Officer considered the similarity of the Applicant’s goods in comparison with the Foundation’s goods, and found that the Applicant’s *cheese* and *cheese products* are self-evidently identical to the Foundation’s *cheese*.⁹ The Judge also found that the Foundation’s *cheese* fell to be included in the Applicant’s more general category of *dairy* and *dairy products*. The Hearing Officer found these products also to be identical.¹⁰
- (3) So far as the Applicant’s *milk* and *milk products* were concerned, the Hearing Officer found that there was a high degree of similarity between these goods and the Foundation’s *cheese*.¹¹
- (4) Turning to the similarity of the marks themselves, the Hearing Officer took the view 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”.¹² She therefore sought to focus on overall impression, without unduly dissecting the marks. Taking this approach:
 - (a) She found the visual similarity between the marks to be low.¹³
 - (b) She considered that the Foundation’s Mark would be pronounced “HA-LOO-ME” and that the Applicant’s Mark would probably be pronounced “HAJ-DOO HA-LOO-ME”. Her conclusion was that if the whole of the contested mark were articulated, there was a medium degree of similarity; if just the first word were articulated – “HAJ-DOO” – then the marks had a very low level of aural similarity.¹⁴
 - (c) Conceptually, the Hearing Officer concluded:¹⁵

“The earlier mark will be recognised by the average consumer as referring to a type of cheese. In my view, the contested mark will be understood to mean the same type of cheese, produced by an entity called “Hajdu”, which the average consumer will see as an invented or foreign word. The flower-like device could

⁷ Decision at [46].

⁸ Decision at [47].

⁹ Decision at [41].

¹⁰ Decision at [41].

¹¹ Decision at [43]. The Hearing Officer explicitly based this conclusion on her assessment of the “average consumer”: “It seems to me that the average consumer is likely to think that the responsibility for the goods lies with the same undertaking, given the crucial role of milk in cheese production” – Decision at [43].

¹² Decision at [49].

¹³ Decision at [54].

¹⁴ Decision at [55].

¹⁵ Decision at [56].

make the average consumer think that the goods bearing the mark are natural products, but the remaining figurative elements will be seen as merely decorative. The marks have, to my mind, no more than a medium degree of conceptual similarity.”

- (d) Finally, the Hearing Officer considered that there was a greater likelihood of confusion on the part of the average consumer if the earlier mark was highly distinctive.¹⁶ In this case, the Foundation submitted that its Mark had a high level of distinctiveness because of its nature as a collective mark.¹⁷ The Hearing Officer rejected this submission – relying in particular on the decision of the Court of Justice of the European Union in Case C-766/18P, *Foundation for the Protection of the Traditional Cheese of Cyprus named Halloumi v. European Union Intellectual Property Office*¹⁸ – and concluded that whilst the Foundation’s mark “must be assumed to have at least some distinctive character”,¹⁹ the distinctiveness of the mark in this case was inherently weak.²⁰

- (5) The Hearing Officer considered the fact that the Applicant’s Mark contained two elements:²¹

“The opponent’s submission is that the average consumer would be used to seeing the products of Foundation Members sold under both a producer mark and the earlier collective mark. Examples are reproduced in paragraph 18 of this decision. I agree that the average consumer, on seeing the contested mark, would believe “Hajdu” to be the producer of the goods, which are described by the word “HALLOUMI”. Thus, they have independent distinctive roles, but this does not...necessarily result in a likelihood of confusion. I must make the global assessment based on all relevant factors”.

- (6) Considering these factors – and the risk of direct and indirect confusion – the Hearing Officer made a global assessment, and concluded that, despite the identity or close similarity of the goods, there was no likelihood of direct or indirect confusion.²²

(c) ***Opposition under section 5(3) of the Trade Marks Act 1994***

12. The Foundation also opposed the Applicant’s Mark on the basis of section 5(3) of the Trade Marks Act 1994. The Hearing Officer’s Decision in this regard is not appealed, and it is therefore unnecessary to consider in any detail this part of the Hearing Officer’s Decision.²³

¹⁶ Decision at [57].

¹⁷ Decision at [58].

¹⁸ Decision at [58].

¹⁹ Decision at [59].

²⁰ Decision at [59].

²¹ Decision at [64].

²² Decision at [69].

²³ See paragraph 1 of the Grounds of Appeal and paragraph 3 of the Foundation’s written appeal submissions.

(4) The Grounds of Appeal

13. The Foundation's grounds of appeal are set out in a document bearing that title (the **Grounds of Appeal**).

14. The grounds on which the Foundation appeals can be classified under the following heads:

(1) First, it is contended that the Hearing Officer erred in her identification of the average consumer. The Grounds of Appeal contend:

“2. The Hearing Officer erred in holding ([48]) that the average consumer comprised only members of the ordinary public and did not include members of the trade, for example buyers for the major supermarkets. She ought to have held that the relevant public included both members of the ordinary public and trade buyers.

3. She erred in holding that the goods would tend to be purchased most often by the ordinary public and, further, that that was decisive. Not only was that illogical as a matter of fact (since all such goods would have passed through the hands of traders first) but there was no requirement in law to identify the largest group or most frequent purchasers. Confusion can be assessed from the perspective of any substantial proportion of the relevant public, and confusion among any such section suffices for the purposes of section 5(2)(b).

4. The Hearing Officer ought to have held that, even if members of the ordinary public were not confused (which the appellant disputes in any event) those in the trade were even more likely to be confused, since they would be more familiar with the marketing by the proprietor (to which she referred by way of example at [16]); more likely to know that the earlier mark enjoyed protected status as an EU collective mark; and more likely to be familiar with the market and the typical manner of use made by various producers (examples of which are below [18]) and therefore to view the junior mark in the same vein.”

(2) Secondly, it was contended by the Foundation that the Hearing Officer had failed to accord to the Foundation's Mark an appropriate minimum degree of distinctiveness. Paragraph 5 of the Grounds of Appeal states:

“The Hearing Officer failed to accord the earlier mark the minimum degree of inherent distinctiveness, as required by:-

- a. The fact that it was registered as a collective mark, not an ordinary trade mark;
- b. The fact that it enjoys a presumption of validity in these proceedings;
- c. The fact that there was no need for the proprietor to contend that the mark enjoyed enhanced distinctive character or reputation for conditions (a) and (b) above to apply, since it sufficed in these proceedings for the mark to be accorded a minimum or even weak (which the appellant disputes, but it does not matter for this appeal) distinctive character.”

(3) Thirdly, it was contended that the Hearing Officer wrongly held that the average consumer would understand the Foundation's Mark to be the name of a cheese and would not understand the Mark as anything other than the name of a cheese. Such findings were, according to the Foundation, not open to the Hearing Officer

because its Mark was “required to be accorded a minimum distinctive character as a collective mark, i.e. that it communicated to some extent at least that goods bearing it originate from members of the association which is the proprietor of the earlier mark”.²⁴

- (4) Fourthly, the Hearing Officer misapplied the test of distinctiveness and confusion. The Grounds of Appeal state:

- “8. The Hearing Officer wrongly stated the test of distinctiveness and confusion ([69]) for collective marks and therefore (or independently of that error) failed to apply the right test to the facts. There is no requirement that a collective mark indicate that the applicants goods are connected with the association that owns the earlier mark. Indeed the association is not permitted to use the mark at all. The requirement is that the use causes average consumers, or a significant number of them (including the trade), to think that the goods marked with the later mark may originate from members of the association.
9. The Hearing Officer’s analysis of the so-called “Medion” principle was in error. While she rightly held ([64]) that the HAJDU and HALLOUMI elements each had an independent distinctive character in the applied for mark, she then failed to factor this into her assessment qualitatively, considering what kind of distinctiveness they enjoyed. It was necessary for her to take account of the different distinctive character of each element, with HAJDU indicating origin, and HALLOUMI signalling the same meaning and with the same distinctiveness (even weak) as a collective mark. Had she carried out the correct analysis, she should have found that this supported a finding of a likelihood of confusion.
10. The Hearing Officer failed to take account of the principle that even marks with a weak distinctive character (which the appellant disputes but it does not matter for the purposes of this appeal) may lead to a likelihood of confusion. The degree of distinctive character is but one of many factors to take into account. Of particular relevance, which the Hearing Officer overlooked, was the meaning and significance of the common HALLOUMI element in the junior mark, and whether that was similar or the same to paradigm use by third parties as a collective mark – which it plainly was. As such her assessment of the similarities between the marks was flawed, particularly from visual and conceptual perspectives. Further she failed to give any or any sufficient weight to the interdependence principle in a case such as this – it was within the notional and fair use of the later mark to use it on goods which were identical to those covered by the earlier collective mark – a fact which was likely to increase the risk of confusion.”

(5) Approach

15. I propose to consider the points raised in the Grounds of Appeal in the following manner:
- (1) The Foundation contended that the Hearing Officer had failed to accord its Mark an “appropriate minimum degree of distinctiveness”: see paragraph 14(2) above. I shall explain in due course why I consider the term “minimum degree of distinctiveness” to be an unhelpful one, but the essential point taken by the

²⁴ Paragraphs 6 and 7 of the Grounds of Appeal.

Foundation was that its Mark has been registered as a European Union collective mark and that – by virtue of that fact – certain attributes of its Mark could not, or could not properly, be disregarded by the Hearing Officer. Section B considers the extent to which it can properly be said that a registered mark has – by virtue of its registration – an inherent and not to be denied distinctiveness.

- (2) Section B also considers the extent to which it can properly be said that the Foundation’s Mark distinguishes a product produced by a member of the Foundation and the generic thing that is a cheese called halloumi. This point – the Foundation’s contention is summarised in paragraph 14(3) above – is in my judgment closely related to the preceding point and for that reason is considered in the same Section.
- (3) Section C considers a point distinct from, but related to, that considered in Section B. The Opponent’s Mark was, as I have described, a collective trade mark. In short, the word “HALLOUMI” was intended to distinguish the *Cheese* product of the members of the association (the Foundation) which is the proprietor of the Mark from those of other undertakings. Of course, that implies that the members of the Foundation will generally wish to differentiate their products as between themselves. That is the essence of the grounds of appeal summarised in paragraphs 14(4) above. Section C considers the extent to which an assessment of distinctiveness must take account of the fact that a collective trade mark is not the mark of an individual undertaking, but of an association of undertakings, where the association holds and enforces the mark for the benefit not of itself but of its members.
- (4) In light of the matters considered in Sections B and C, I consider in Section D the extent to which the Hearing Officer failed to have proper regard to these matters when considering the test under section 5(2)(b) of the Trade Marks Act 1994. In considering these points, I bear in mind that this is an appeal from a Hearing Officer and not a rehearing of the dispute that the Hearing Officer resolved in her Decision. As Robert Walker LJ noted in *Bessant v. South Cone Inc*:²⁵
 - (a) An appellate court should show real reluctance in interfering with the decision of (here) a Hearing Officer, absent a distinct and material error of principle; and
 - (b) The appellate court should not treat a decision as containing an error of principle simply because of its belief that the decision could have been better expressed.

The approach that I take is that it is necessary to identify some error of principle on the part of the Hearing Officer or find that the Hearing Officer was clearly wrong in her approach.

- (5) In Section E, I consider the Foundation’s point summarised in paragraph 14(1) above, namely whether the Hearing Officer erred in her identification of the

²⁵ [2003] RPC 5 at [28] and [29].

“average consumer”. As is well-known, the average consumer is the construct by which the likelihood of confusion on the part of the public is assessed.

16. Section F considers how this appeal should be disposed of.

B. THE FOUNDATION’S MARK’S “MINIMUM DISTINCTIVE CHARACTER”

(1) Introduction

17. The law governing European Union collective marks has developed over time. A European Union collective mark is a species of European Union Trade Mark (**EUTM**). EUTMs are unitary trade marks, providing the same rights and protections, and having equal effect, throughout the European Union.

18. The basic legislation governing the EUTM system is contained in a series of EUTM Regulations, beginning with Regulation 40/94.²⁶ Regulation 40/94 was amended several times, in particular by Regulation 422/2004.²⁷ A consolidated version (Regulation 207/2009) was adopted in February 2009.²⁸ This was itself amended several times, in particular by Regulation 2015/2424.²⁹ A further consolidating Regulation – Regulation 2017/1001 – has since been adopted.³⁰

19. The Opponent’s Mark was applied for on 22 February 1999 and registered on 14 July 2000. The relevant regime would, therefore, have been that of Regulation 40/94. Before me, the parties referred to the later Regulation 207/2009, but not to the current Regulation 2017/1001. It was not suggested that the legislative history affected the “minimum distinctive character” of the Foundation’s Mark, and I propose therefore (if only for convenience) to refer to Regulation 2017/1001 when considering this minimum distinctive character.

(2) “Minimum distinctive character”

20. A European Union collective mark (**EU collective mark**) is an EUTM which is described as such when the mark is applied for and is capable of distinguishing the goods or services of the members of the association which is the proprietor of the mark from those of other undertakings.³¹

²⁶ Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark.

²⁷ Council Regulation (EC) No 422/2004 of 19 February 2004 amending Regulations (EC) No 40/94 on the Community trade mark.

²⁸ Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark.

²⁹ Regulation 2015/2424 of the European Parliament and of the Council of 16 December 2015 amending Council Regulation (EC) No 207/2009 on the Community trade mark and Commission Regulation (EC) No 2868/95 implementing Council Regulation (EC) No 40/94 on the Community trade mark, and repealing Commission Regulation (EC) No 2869/95 on the fees payable to the Office for Harmonization in the Internal Market.

³⁰ Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark (codification).

³¹ Article 74(1) of Regulation 2017/1001.

21. Thus, an EU collective mark is applied for, not by an individual undertaking but by “[a]ssociations of manufacturers, producers, suppliers of services, or traders which, under the terms of the law governing them, have the capacity in their own name to have rights and obligations of all kinds, to make contracts or accomplish other legal acts, and to sue or be sued, as well as legal persons governed by public law”.³²
22. An applicant for an EU collective mark must submit regulations governing its use within two months of the date of filing. The regulations governing use must specify “the persons authorised to use the mark, the conditions of membership of the association and, where they exist, the conditions of use of the mark, including sanctions”.³³
23. In addition to the grounds for refusal for registration contained in Articles 41 and 42 of Regulation 2017/1001, Article 76 contains additional grounds for refusal that are specific to EU collective marks. It is unnecessary, for present purposes, to consider these provisions in detail. What is important to note is that EU collective marks are subject to the same absolute grounds of refusal as other EUTMs, subject to certain very specific differences or derogations. As to this:
 - (1) Article 4 of Regulation 2017/1001 provides that:

“An EU trade mark may consist of any signs, in particular words, including personal names, or designs, letters, numerals, colours, the shape of goods or of the packaging of goods, or sounds, provided that such signs are capable of:

 - (a) distinguishing the goods or services of one undertaking from those of other undertakings; and
 - (b) being represented on the Register of European Union trade marks (“the Register”), in a manner which enables the competent authorities and the public to determine the clear and precise subject matter of the protection afforded to its proprietor.”
 - (2) Article 7 of Regulation 2017/1001 provides:

“(1) The following shall not be registered:

 - (a) signs which do not conform to the requirement of Article 4;
 - (b) trade marks which are devoid of any distinctive character;
 - (c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service, or other characteristics of the goods or service;
 - (d) trade marks which consist exclusively of signs or indications which have become customary in the current language or in the bona fide and established practices of the trade;

³² Article 74(1) of Regulation 2017/1001.

³³ Article 75(2) of Regulation 2017/1001.

- (e) signs which consist exclusively of:
 - (i) the shape, or another characteristic, which results from the nature of the goods themselves;
 - (ii) the shape, or another characteristic, of goods which is necessary to obtain a technical result;
 - (iii) the shape, or another characteristic, which gives substantial value to the goods;
- (f) trade marks which are contrary to public policy or to accepted principles of morality;
- (g) trade marks which are of such a nature as to deceive the public, for instance as to the nature, quality or geographical origin of the goods or service;
- (h) trade marks which have not been authorised by the competent authorities and are to be refused pursuant to Article 6ter of the Paris Convention for the Protection of Industrial Property (“Paris Convention”);
- (i) trade marks which include badges, emblems or escutcheons other than those cover by Article 6ter of the Paris Convention and which are of particular public interest, unless the consent of the competent authority to their registration has been given;
- (j) trade marks which are excluded from registration, pursuant to Union legislation or national law or to international agreements to which the Union or the Member State concerned is party, providing for protection of designations of origin and geographical indications;
- (k) trade marks which are excluded from registration pursuant to Union legislation or international agreements to which the Union is party, providing for protection of plant variety rights and which are in respect of plant varieties of the same or closely related species.

...

- (3) Paragraph 1(b), (c) and (d) shall not apply if the trade mark has become distinctive in relation to the goods or services for which registration is requested as a consequence of the use which has been made of it.”

(3) Article 74(2) provides:

“By way of derogation from Article 7(1)(c), signs or indications which may serve, in trade, to designate the geographical origin of the goods or services may constitute EU collective marks within the meaning of paragraph (1). An EU collective mark shall not entitle the proprietor to prohibit a third party from using in the course of trade such signs or indications, provided that he uses them in accordance with honest practices in industrial or commercial matters; in particular, such a mark shall not be invoked against a third party who is entitled to use a geographical name.”

24. If an EU collective mark – or, for that matter, an EUTM – has been registered, it is not permissible, in subsequent opposition proceedings, to deny that which has been already

granted. In Case C-196/11 P, *Formula One Licensing BV v. Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)*, the General Court, in an appeal from opposition proceedings, appeared to have concluded that the earlier mark had no distinctive element, but simply a descriptive function.³⁴ The CJEU said this:

- “40. It follows from the coexistence of Community trade marks and national trade marks, and from the fact that the registration of the latter does not fall within the sphere of competence of OHIM, and that judicial review in respect of them does not fall within the jurisdiction of the General Court, that in proceedings opposing the registration of a Community trade mark, the validity of national trade marks may not be called into question.
41. Therefore, in such opposition proceedings, it is not possible to find, with regard to a sign identical to a trade mark protected in a Member State, an absolute ground for refusal, such as the lack of distinctive character, provided by Article 7(1)(b) of Regulation No 40/94 and Article 3(1)(b) of Directives 89/104 and 2008/95. In this respect, it should be noted that the characterisation of a sign as descriptive or generic is equivalent to denying its distinctive character.”
25. Thus, it is impermissible to assert, in opposition proceedings, an absolute ground for refusing to register the earlier mark. Although *Formula One* concerned an earlier national trade mark under consideration before an EU court, the same approach must hold good as regards an earlier EUTM (including an EU collective mark) under consideration in these courts.
26. Article 7 of Regulation 2017/1001 lists various marks that may not be registered. These are absolute grounds for refusing registration, in the sense that a mark will not be registered if any one of these grounds pertains, irrespective of the existence of other marks. When considering these absolute grounds for refusing registration, only the characteristics of the mark for which registration is sought is considered.
27. Most of these grounds are immaterial for present purposes. Two, however, are highly material. They are as follows:
- (1) Articles 7(1)(a) and (b) prevent the registration of trade marks that are devoid of distinctive character. Put shortly, no distinctive character, no registrable trade mark.
- (2) Article 7(1)(d) prevents the registration of trade marks that are “generic”. A “generic” trade mark cannot – by definition – serve to differentiate the origin of products falling within that generic label.³⁵ *Kerly* cites the CJEU’s decision in *BRAVO (Merz & Krell)*:
- “21. Trade mark rights constitute an essential element in the system of undistorted competition which the Treaty is intended to establish. In such a system, undertakings must be able to attract and retain customers by the quality of their

³⁴ At [20], where the CJEU summarises the General Court’s approach on this point.

³⁵ See Mellor *et al* (eds), *Kerly’s Law of Trade Marks and Trade Names*, 16th ed (2018) (*Kerly*) at [10-111]ff.

products or services, which is made possible only by distinctive signs allowing them to be identified...

22. From that point of view, the essential function of the trade mark is to guarantee the identity of the origin of the marked goods or service to the consumer or end user by enabling him, without any possibility of confusion, to distinguish the goods or service from others which have another origin...
23. That essential function of trade marks has been incorporated by the Community legislature into Article 2 of the Directive, which provides that signs which are capable of being represented graphically may only constitute a trade mark if they are capable of distinguishing the goods or services of one undertaking from those of other undertakings.
24. Accordingly, signs or indications that are not capable of fulfilling the essential function of a trade mark cannot enjoy the protection conferred by registration..."

Again, to put it shortly, if a trade mark is generic, then it is incapable of registration.

(3) The danger in the term “minimum distinctive character”

28. The Foundation refers to the Article 7 requirements set out above as “minimum distinctive requirements”. I consider this label to be a dangerous (or, at least, not a helpful) one for two reasons:

- (1) First, it focusses exclusively on the (admittedly important) requirement of distinctive character. However, whilst clearly related, the requirement that a mark not be generic is of equal importance, at least in this case, because of the Hearing Officer’s repeated statements that the Foundation’s Mark referred to a cheese called halloumi, and not to a product of that name produced by members of the Foundation.
- (2) Secondly, the reference to a minimum standard distracts essentially from the fact that registration as a trade mark is intended not as a negative, but as a positive indicator of origin. *Kerly* puts this point in the following way:

“10-055 The wording used in ss/arts 3(1)(b), (c) and (d) appears, at first sight, to set an absolute and very low requirement for distinctive character: “*devoid of any distinctive character*” and “trade marks which consist *exclusively*” of, essentially non-distinctive signs or indications. Faced with this language, applicants have argued repeatedly that they need only show a scintilla of distinctive character in order to overcome these hurdles and/or that the hurdle is very low.

10-056 Underlying many of the arguments put forward by applicants seeking to overcome arts 7(1)(b)/3(1)(b) grounds is the beguiling notion that there is a sliding scale of distinctiveness from, say, 0 to 100, where 100 is wholly distinctive and 0 is wholly devoid of distinctive character/wholly descriptive/completely generic. The notion of a scale of distinctiveness can be useful to explain how a mark may be distinctive yet also convey a message which is descriptive of the goods or services in question, and also how the message may change over time. This notion can be misused. Applicants like the concept of a sliding scale because they can argue that a low score of 1, 2,

3, x, etc must be sufficient to overcome these absolute grounds. If the tribunal or court then says, well, a minimum degree of distinctive character is more than x, then the applicant argues that their mark is just over that minimum level. This type of argument is essentially bogus and there are two ways to explain why.

10-057 First, this “sliding scale” argument ignores the fact that marks below the borderline set by these absolute grounds suffer from a disability or inertia. In truth, the only way to overcome such disability or inertia is through the correct type of use on a substantial scale so that the public are educated to understand the mark conveys an origin message. The “sliding scale” argument allows the disability or inertia to be ignored, and this is illegitimate.

10-058 Secondly, if the “sliding scale” notion is adopted, it should be recognised that it works down to a notional point, but then there is a cliff or step. Marks with sufficient inherent distinctive character are able to step up out of the morass of non-distinctive matter.

10-059 The further point is that the assessment of distinctive character has to be undertaken through the eyes of the average consumer of the goods or services in question. The average consumer test itself contains a threshold, in this sense: an applicant may be able to show that a small proportion of people do understand their mark to convey an origin message, but that is not sufficient to show that the average consumer would so understand the mark.

10-060 These considerations in fact provide the answer as to why the absolute grounds are expressed as they are. They do not need to be expressed or interpreted in terms of a minimum level of distinctive character because of the nature of distinctive character. It carries with it its own threshold.”

29. For these reasons, I intend to be cautious in my adoption of the language used in the Grounds of Appeal. The critical question, to my mind, is the distinctive character of the mark in question as a positive and not a negative attribute; and the extent to which registration of a mark precludes a later tribunal from resiling from the existence of such distinctiveness.

C. ARE EU COLLECTIVE MARKS “SPECIAL”?

30. The Foundation contended that the Hearing Officer misapplied the test of distinctiveness and confusion due to the collective nature of the Foundation’s Mark. The (alleged) misapplication of the test is a matter considered in Section D below. This Section considers the suggestion that collective marks in some way require different treatment, when compared to “ordinary” marks (i.e., non-collective EUTMs).

31. The Hearing Officer considered this point at [58] of the Decision. She referred to the submission that she understood was made before her – namely that “a collective mark necessarily enjoys increased protection” – and ruled against that submission by relying upon the CJEU’s decision in Case C-766/18 P, *Foundation for the Protection of the Traditional Cheese of Cyprus named Halloumi v. European Union Intellectual Property Office (EUIPO)*. In that decision, the CJEU stated:

- “71. The appellant’s argument that the distinctiveness of the earlier mark should, having regard, in particular, to Article 66(2) of Regulation No 207/2009,³⁶ be assessed differently where the earlier mark is an EU collective mark cannot be accepted.
72. In that regard, it must be noted that in the absence of any provision to the contrary in Articles 67 to 74 of Regulation No 207/2009, Article 7(1)(b) and Article 7(3) of that Regulation apply to EU collective marks. Consequently, those marks must in any event, whether intrinsically or through use, be distinctive.
73. Article 66(2) of Regulation No 207/2009 is not an exception to that requirement of distinctiveness. While that provision permits, by way of derogation from Article 7(1)(c) of that Regulation, registration as EU collective marks of signs which may serve to designate the geographical origin of goods or services, it does not, on the other hand, allow the signs thus registered to be devoid of distinctiveness. Where an association applies for a registration, as an EU collective mark, of a sign which may designate a geographical origin, it is therefore incumbent on it to ensure that that sign has elements which enable the consumer to distinguish the goods or services of its members from those of other undertakings.”
32. This decision is not only binding on me, as it was on the Hearing Officer, it is clearly right. EU collective marks are a creature of legislation, and according to the terms of that legislation, they are governed by the same rules as EUTMs, save to the extent that that legislation provides differently (as, on occasion, it does, but not materially so in this case).
33. It is, accordingly, to those differences that one must look. I am not, here, concerned with questions of geographical origin. What is before me, in the shape of the Foundation’s Mark, is a mark that has been registered as an EU collective mark and which, therefore, has elements which enable consumers to distinguish the goods of the members of the Foundation from those of other undertakings.
34. In this case, the Foundation’s Mark “consists of the word “HALLOUMI” in capital letters and a standard font. The overall impression of the mark lies in the word itself”.³⁷ There are no additional verbal or figurative elements, although of course such could have been included. In paragraph 27 of the Applicant’s written submissions before me, the very fair point was made that “an applicant for a collective mark must decide upon the level of distinctive character it wishes to include. It is illustrative to consider how others who have registered descriptive terms within collective marks have nonetheless sought to distinguish them through the inclusion of figurative indicia...”. One such example is EUTM 10240059:

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³⁶ The provisions are not materially different in Regulation 2017/1001.

³⁷ To quote from [52] of the Decision. It might be said that the words “in capital letters and a standard font” are redundant, in that the Foundation’s Mark is a “word” mark, claiming that word without limitation as to font/typeface/colour, etc. However, the Hearing Officer’s point – that the impression of the mark lies in the word itself – is made at least in part through these words, and I read them in that light.



35. This trade mark obviously contains additional figurative elements rendering the mark in this case more distinctive. But, for the reasons already given, the undoubtedly less distinctive (in absolute terms) Mark of the Foundation must, nevertheless, be regarded as having elements which enable consumers to distinguish the goods of the members of the Foundation from those of other undertakings by virtue of the fact that the Foundation's Mark has been registered.
36. Moreover, whilst a collective trade mark will be used by the members of the relevant association to differentiate their product from undertakings other than members of that association, each member of the association will, equally naturally, seek to differentiate its undertaking from that of other member undertakings. In the present case, that will be – and certainly has been – done by combining the mark of the undertaking with the Foundation's Mark and/or by using the Foundation's Mark in conjunction with another mark. Annex 1 to the Foundation's written submissions before me contained many examples of this. It is unnecessary, for present purposes, to set these out. The point is, if I may say so, an obvious one.
37. It is entirely unsurprising in the context of EU collective marks in general and the Foundation's Mark in particular that member undertakings will seek to differentiate:
- (1) Their association (here: the Foundation) from the rest of the world; and
 - (2) Themselves from other members of that association (again, here, the Foundation).

The consequence is a need to consider the collective mark – here, the Foundation's Mark – in its proper context. The approach – which I consider to be intrinsic to collective marks – might be said to be the precise reverse or converse of the approach to considering compound marks. Where a mark has multiple elements, the correct approach to assessing distinctiveness is described in *Kerly*:³⁸

“The requirement to assess the mark as a whole deserves some further discussion, not least because there are numerous examples of tribunals being found to have committed a reviewable error in their assessment of marks which comprise a combination of elements. For such marks, it is normal and permissible for a tribunal to examine the constituent elements of such a mark, provided that it then goes on to assess the whole. It is only the assessment of the whole which matters, anything else is secondary. Care is required in the way in which the tribunal expresses its findings, and in particular, the way in which it moves from interim findings on individual constituent elements to its principal assessment of the mark as a whole.”

38. It seems to me – and neither party was able to point to any authority on the matter – that similar wariness as to the constituent elements of a mark should inform a tribunal when considering a compound mark one element of which constitutes, or may constitute, in its own right, a collective mark.

³⁸ At [10-078].

39. I do not propose to say more about the approach that a tribunal should take, for these questions are, unsurprisingly, acutely fact sensitive. However, the general approach is an important one that must be borne in mind.

D. PROPER REGARD IN THE DECISION TO THE MATTERS CONSIDERED IN SECTIONS B AND C

(1) Introduction

40. Section 5(2)(b) of the Trade Marks Act 1994 precludes the registration of a later mark where – even though the later mark satisfies the absolute grounds for its registration – there is a likelihood of confusion on the part of the public because of the later mark’s similarity with an earlier mark.

41. Unsurprisingly, the question of similarity focusses on two aspects:

(1) *The similar or identical nature of the goods for which the earlier and the later marks are registered.* In this case, the Hearing Officer found that the goods for which the Applicant’s Mark were to be registered and the goods for which the Foundation’s Mark had been registered were similar or identical in the manner that I have described in paragraphs 9ff above. These parts of the Decision are not appealed, and I need consider them no further for the present.

(2) *The similarity between the marks themselves.* In this case, the Hearing Officer carefully directed herself as to the relevantly applicable law, and in general terms no complaint is made by the Foundation as to the manner in which the Hearing Officer directed herself. Indeed, if I may say so, the Hearing Officer set out the relevant law succinctly and clearly. Rather, the Foundation made three specific criticisms of the Decision:

(a) First, it was contended that the Hearing Officer had failed properly to take account of the fact that the Foundation’s Mark had – by virtue of its registration – an established and not to be challenged distinctiveness: see Article 7(1)(a) and (b) of Regulation 2017/1001.

(b) Secondly, and relatedly, it was contended that the Hearing Officer had failed properly to take account of the fact that the Foundation’s Mark had – by virtue of its registration – an established and not to be challenged non-generic quality (if I can describe the requirement in Article 7(1)(d) of Regulation 2017/1001 in this way).

(c) Thirdly, it was contended that the Hearing Officer failed properly to take into account the nature of distinctiveness that is the essence of an EU compound mark, namely that it is not (and cannot be) the mark of an individual undertaking, but rather the mark of an association of undertakings, and that such a collective mark does not and cannot differentiate by origin as between its members.

I have set out the relevant law in Sections B and C above. I turn now to consider the terms of the Decision. I propose to consider these three contentions in the reverse order set out above.

(2) Failure to consider the “special” nature of EU collective marks

42. I have already found that the Hearing Officer was correct to conclude that EU collective marks like the Foundation’s Mark fall to be considered like any other EUTM. However, I have also concluded that the very nature of an EU collective mark – as the mark of an association, rather than a single undertaking – requires particular consideration. That is not because of any difference in the law: it is because of the intrinsic difference between EU collective marks and other EUTMs, which requires particular consideration when seeking to determine how similar an EU collective mark is when compared with an (earlier or later) EUTM (whether that EUTM is collective or not).
43. When considering the similarity between the Applicant’s Mark and the Foundation’s Mark, the Hearing Officer’s approach was to regard the Foundation’s Mark as a part of the Applicant’s Mark, such that the distinguishing features of the Foundation’s Mark were subsumed into the Applicant’s Mark. This was so when considering both the visual and aural similarities of the two marks:

- (1) The Hearing Officer’s evaluation of the Applicant’s Mark was as follows:³⁹

“The contested mark [i.e., the Applicant’s Mark] consists of a red oval which contains the word “Hajdu” in white letters in the title case. The dot on the top of the j is part of a device which resembles an incomplete flower. The dot is the centre and around it are four shapes that look like petals. At the very top of the oval, the red colour fades. Below the oval is another red shape with curved edges and this contains the word “HALLOUMI” in smaller white capital letters. The verbal elements are presented in a standard font. The consumer’s eye is drawn to the verbal elements and because of its size and position it is the word “Hajdu” that is more noticeable. However, the figurative elements and the word “HALLOUMI” also make a contribution to the overall impression of the mark.”

All of this is an accurate description of the Applicant’s Mark, save that there is a complete failure to recognise that the Foundation’s Mark, a separate and self-standing mark in its own right, has been incorporated into the Applicant’s Mark. Of course, this incorporation contributes to the “overall impression”. However, I would have expected some appreciation to have been given to the fact that the Foundation’s Mark is actually more or less copied (the font may be slightly different, and the colouring is white on red not black on white, but these are immaterial distinctions) into the Applicant’s Mark whilst retaining – as the Hearing Officer recognised – its status as a separate part of the overall mark. The Applicant’s Mark is, in truth, an amalgam of two marks: the upper part, the Applicant’s, which bears no similarity to the Foundation’s Mark, and the lower part, which is to all intents and purposes the Foundation’s Mark.

- (2) I stress that the Hearing Officer was obviously right to consider the Applicant’s Mark as a whole. However, she erred in failing also to consider the combinatorial aspect of the Applicant’s Mark, and in particular the fact that a separate element within the Applicant’s Mark actually comprised the Foundation’s Mark.

³⁹ At [53] (emphasis added).

- (3) When making a visual comparison, the Hearing Officer concluded:⁴⁰

“The earlier mark is wholly contained in the contested mark. However, the additional verbal and figurative elements in the contested mark are noticeable points of difference. Overall, I find the visual similarity between the marks to be low.”

This wholly disregards the possibility – and I put it no higher than that, at this stage – that the average consumer may have considered the Applicant’s Mark to be an amalgam of (i) the Foundation’s Mark (a badge designating origin of the product from a member of the Foundation) and (ii) the mark of the individual foundation member. If that is right, then the Applicant’s Mark was conveying an origin as follows: “This halloumi is made by Hajdu, a member of the Foundation”. It seems to me that in failing to consider this possibility, the Hearing Officer fell into error. Moreover, this is not an error of factual evaluation; it is a failure to assess or consider material facts when conducting a critical part of the analysis within section 5(2)(b) of the Trade Marks Act 1994.

- (4) Precisely the same criticism can be made of the aural comparison:⁴¹

“The earlier mark will be pronounced “HA-LOO-ME”. The average consumer will, in my view, not be certain how to pronounce the contested mark, so is likely to articulate it phonetically: “HAJ-DOO” or, if the second word is pronounced, “HAJ-DOO HA-LOO-ME”. If the whole of the contested mark is articulated, there is, to my mind, a medium degree of similarity; if just the first word is articulated, I find the marks to have a very low level of aural similarity.”

44. The Hearing Officer appears to have been alive to the likelihood of the average consumer regarding “Hajdu” as being the specific producer of the generic “Halloumi”:⁴²

“The opponent’s submission is that the average consumer would be used to seeing the products of Foundation Members sold under both a producer mark and the earlier collective mark...I agree that the average consumer, on seeing the contested mark, would believe “Hajdu” to be the producer of the goods, which are described by the word “HALLOUMI”. Thus, they have independent distinctive roles, but this does not, as the court said, necessarily result in a likelihood of confusion. I must make the global assessment based on all relevant factors.”

However, relying on the fact that it would be wrong “artificially to dissect the marks”,⁴³ the Hearing Officer failed to consider the combinatorial aspect of the Applicant’s Mark, in that it could be regarded as actually incorporating the Foundation’s Mark and the significance that an average consumer might attach to that fact.

(3) Failure properly to consider the non-generic nature of the Foundation’s Mark

45. I have concluded that the Foundation’s Mark has – by virtue of its registration – an established and not to be challenged non-generic quality. It may be that this quality can

⁴⁰ Decision at [54].

⁴¹ Decision at [55].

⁴² Decision at [64].

⁴³ Decision at [50].

be lost over time, such that a trade mark that was once non-generic is now generic. Neither I nor the Hearing Officer saw any evidence on this point, and I do not consider that it was open to the Hearing Officer to disregard, without more, this quality of the Foundation's Mark, given the CJEU's *s dicta* in *Formula One*.

46. In these circumstances, I do not see how the statement made by the Hearing Officer at [56] of the Decision – and specifically the first sentence of this paragraph, which I have underlined – can be justified:

“The earlier mark will be recognised by the average consumer as referring to a type of cheese. In my view, the contested mark will be understood to mean the same type of cheese, produced by an entity called “Hajdu”, which the average consumer will see as an invented or foreign word. The flower-like device could make the average consumer think that the goods bearing the mark are natural products, but the remaining figurative elements will be seen as merely decorative. The marks have, to my mind, no more than a medium degree of conceptual similarity.”

47. It is, of course, quite possible for halloumi to designate both a cheese and a product produced by a member of the Foundation. It cannot, however, be asserted without careful explanation, that the average consumer, when perceiving the Foundation's own Mark, would consider it to be a reference only to a cheese. This is, on its face, a conclusion that the Foundation's Mark is merely a designation of a generic, when (if that were the case) the Foundation's Mark should never have been registered in the first place. Again, it seems to me that there is a material and reviewable error on the face of the Decision in this regard.

(4) Failure properly to consider the distinctiveness of the Foundation's Mark

48. I have concluded not merely that the Foundation's Mark is not generic, but also that it is (at least to an extent) distinctive. I prefer – for reasons already given – not to refer to a “minimum” distinctiveness. The Hearing Officer accepted this – at least in principle. At [59] of the Decision, the Hearing Officer – referring to the decision in *Formula One* – stated that “[a] registered mark must be assumed to have at least some distinctive character”. Without more, however, she then concluded:

“I find that the distinctiveness of the mark is inherently weak.”

No reasoning is provided in support of this conclusion. If and to the extent that the Hearing Officer was relying on the (on the face of it) similar conclusion of the CJEU in Case C-766/18P, *Foundation for the Protection of the Traditional Cheese of Cyprus named Halloumi v. European Union Intellectual Property Office*, then I do not consider that it was open to her to adopt, without more, the conclusions of the CJEU on a question of fact. Of course, I accept that the CJEU's conclusion that collective marks should not be treated any differently from EUTMs is binding law: but the question of the similarity or otherwise of the marks here in question is a question of fact, on which the Hearing Officer appears to have abdicated her role as decision-maker. After setting out [71] to [76] of the CJEU's decision, the Hearing Officer simply concludes:⁴⁴

⁴⁴ At [59].

“On the basis of the evidence before me, I see no reason to disagree with this analysis. A registered mark must be assumed to have at least some distinctive character: see [*Formula One*]. I find the distinctiveness of the mark is inherently weak.”

This conclusion is not a reasoned one.

E. THE AVERAGE CONSUMER

49. The Hearing Officer considered the nature of the “average consumer” at [44] to [45] of the Decision, and no issue is taken with her general description of the law in this area. She concluded, at [46], that:

“The average consumer would be a member of the general public, who would select the goods themselves from the supermarket shelves or on-line from a website. The visual element will therefore be the most significant and, as the goods are fairly low cost and everyday purchases, the average consumer will be paying no more than a medium level of attention.”

50. The Hearing Officer rejected the Foundation’s contention that the average consumer would also be a trader in cheese:

“47. The opponent submits that the average consumer will also be a trader in cheese. The CJEU addressed the significance of the trade’s perception of trade marks in *Björnekulla Fruktindustrier AB v. Procordia Food AB*, Case C-371/02, where it found that:

“24. In general, the perception of consumers or end users will play a decisive role. The whole aim of the commercialisation process is the purchase of the product by those persons and the role of the intermediary consists as much in detecting and anticipating the demand for that product as in increasing or directing it.

25. Accordingly, the relevant circles comprise principally consumers and end users. However, depending on the features of the product market concerned, the influence of intermediaries on decisions to purchase, and thus their perception of the trade mark, must also be taken into consideration.”

48. The goods at issue are ones that will be purchased regularly, as part of a weekly shop, and the average consumer will not seek the advice of an intermediary in making their purchase. It is true that specialist cheese retailers exist, but it seems to me that the goods will tend to be purchased most often from a more general retail outlet, such as a supermarket. Consequently, I find that the average consumer is a member of the general public.”

51. In its written submissions on appeal, the Foundation suggested that the Hearing Officer had erred in this conclusion.⁴⁵ It was suggested that the Hearing Officer had misread the decision in *Björnekulla* as obliging her to look only at the perception of ultimate consumers or end users.⁴⁶ I reject this contention: as it seems to me, the Hearing Officer recognised that it was for her to consider which class or classes of person comprised the “average consumer” in this case and that – for the reasons she gave – she concluded that in this case, the “average consumer” was the ultimate consumer or end user. I do

⁴⁵ Written submissions of the Foundation at paragraphs 53ff.

⁴⁶ At paragraph 56.

not consider that she regarded herself as obliged to reject out of principle or out of hand the notion that trade users could, in an appropriate case, be an “average consumer”.

52. The Foundation’s second point of attack was that the Hearing Officer had disregarded significant and unchallenged evidence adduced by the Foundation “of trade fairs, trade journals and other sales initiatives targeting the UK trade public” and that “[t]here was evidence of significant promotional spend in the UK, most of which was aimed at the trade”.⁴⁷ The Foundation went on to submit:

“65. Trade buyers would be more likely to be familiar with the typical way that the HALLOUMI Mark was used – with a distinctive single-origin identifying trade mark or “house mark” such as those contained in Annex 1, since they make their selections from a number of different manufacturers. They may have attended the trade fair at the Excel7, or read the The Grocer article referred to above, which told them that the mark was a collective mark. When confronted by the HAJDU HALLOUMI mark of the Respondent they would be bound to think, contrary to fact, that HAJDU (whoever that was) was a member of the association and that goods so marked emanated from a member.

66. The Foundation filed voluminous, unchallenged evidence of marketing and promotion to the UK trade. The Hearing Officer summarised this material and then promptly ignored it when it came to considering its relevance to the issue of confusion. The trade consumers, on the Hearing Officer’s findings, are the ones seeing all the material illustrating considerable use of the HALLOUMI Mark in context as trade marks, in many cases in materials expressly describing the mark as a protected EU collective mark. If all this very considerable volume of press, advertising and other material is directed to such people, then there is no room for the Hearing Officer to have found that they – and their views and impressions of the HALLOUMI Mark – are insignificant.

67. Had the Hearing Officer properly engaged with the question of whether trade consumers were a significant proportion of the relevant public, she would have found that they were. Having so found, she would have fed this into the global assessment, and would have carried out that assessment in light of the considerable volume showing use of the HALLOUMI Mark as a trade mark which she considered was specifically directed at such trade consumers.”

53. But for one factor, which I shall come to consider, I regard these points as going to the weight of the evidence before the Hearing Officer. Although the Hearing Officer considered matters on the papers, and heard no evidence, her assessment of that evidence is entitled to considerable respect, and I would not be prepared to override her assessment merely because – if I had been the Hearing Officer – I would have reached a different conclusion.

54. However, I am persuaded that the Hearing Officer failed to take any or (at least) any proper account of the fact that the Foundation’s Mark was a collective mark in her assessment of the identity of the average consumer. As is clear from the evidence adduced by the Foundation, a trade consumer (like a supermarket) would be aware of the difference between an EU collective mark (as designating the product of an

⁴⁷ To quote from paragraph 59.

association of producers, governed by the specific rules of that association) and an EUTM (designating a single undertaking as the origin of the product). That is clear:

- (1) From the branding of goods sold by supermarkets, where the “HALLOUMI” mark is used both in conjunction with the supermarket’s own mark;⁴⁸ and
- (2) From the branding of goods using the name of the producer member of the Foundation in conjunction with the “HALLOUMI” mark.⁴⁹

55. In my judgment, given the importance that trade purchasers of food products attach to origin and manner of production, a supermarket would place particular importance on the fact that the Foundation, through its rules, polices the manner in which the cheese produced by its members is made. Thus, by way of example, Article 7(1) of the rules of the Foundation specifies the characteristics that the cheese produced must have in order to be able to use the Foundation’s Mark.

F. DISPOSAL

56. For the reasons I have given, I consider that all of the Grounds of Appeal described in paragraph 15 above should succeed. I consider that in each case the Hearing Officer has erred in principle and that, in consequence, the Decision must be set aside.

57. Given that the Hearing Officer dealt with the opposition on the papers, I do not consider that it would be appropriate for me to remit the Applicant’s application to register. I consider, instead, that the matter is best dealt with by me in this judgment.

58. Taking the terms of the Decision and the terms of this judgment as read, so as to avoid undue repetition, I conclude that the application to register the Applicant’s Mark should be refused because there is a likelihood of confusion on the part of the public under section 5(2)(b) of the Trade Marks Act 1994. As to this:

- (1) The Hearing Officer found, and I accept, that there is a high degree of similarity or identity as between the goods in respect of which the Foundation’s Mark is registered (i.e., *Cheese*) and the goods in respect of which the Applicant’s Mark is registered (i.e., *Milk* and *milk products*; *dairy* and *dairy products*; *cheese* and *cheese products*). It is unnecessary to repeat the Decision, nor my summary of it in paragraphs 8ff above.
- (2) The “average consumer”, a class or classes of person that needs to be identified in order to ascertain whether there exists a likelihood of confusion on the part of the public within section 5(2)(b), comprises:
 - (a) The ultimate consumers of the Foundation’s and the Applicant’s products, that is the members of the general public who would select these products from supermarket shelves (or other shops) and purchase them (**Consumers**).

⁴⁸ See the examples at Annex 2 to this judgment.

⁴⁹ See paragraph 36 above, and paragraphs 53 to 68 of the Foundation’s written submissions on appeal.

- (b) The trade purchasers of the Foundation's and the Applicant's products, that is the supermarkets (and other shops) who would purchase these products for on-sale to Consumers (**Trade Purchasers**).

I consider that each of these classes, separately, comprises a group capable of amounting to the "average consumer". I consider (if that consideration is relevant), the latter class to be more significant.

- (3) I do not consider that Consumers would be alive to the significance of the fact that the Foundation's Mark was a collective mark, designating as the producer of the goods sold under that mark a member of the Foundation, producing halloumi according to the rules of the Foundation. Whilst I cannot properly treat "HALLOUMI" as an entirely generic term, it does seem to me that the term can either designate:

- (a) Cheese produced by a member of the Foundation; or
- (b) A sort of cheese having the characteristics of cheese produced by a member of the Foundation, without necessarily any other appreciation of the origins of the product.

I consider that Consumers would generally understand the term in the latter sense, and would regard the use of the word "HALLOUMI" in the Applicant's Mark as referring to a type of cheese and not to cheese made by any specific group of producers. I am aided in reaching that conclusion by the fact that there is no added figurative detail to the Foundation's Mark to render it distinctive. Whilst, again, I must accept that the Foundation's Mark is distinctive, when the Foundation's Mark is subsumed into the Applicant's Mark, I do not consider that a Consumer would view the Applicant's Mark in that light. The Consumer would not consider the Applicant's Mark to be an amalgam of (i) the mark of the undertaking producing the cheese (i.e., "Hajdu") and (ii) the Mark of the Foundation. Rather, I consider the Consumer would view the mark as describing the undertaking – Hajdu – as producing a particular form of cheese known as halloumi. In short, I do not consider that a Consumer would be confused by the Applicant's Mark into considering that the producer of the cheese was a member of the Foundation. That is, essentially, because I do not consider that the Consumer would – considering the Applicant's Mark as a whole – regard it as in any way referring to or designating origin from a member of the Foundation.

- (4) Matters are, I consider, very different in the case of Trade Purchasers. A Trade Purchaser would be very conscious of the significance of an EU collective mark, and would appreciate that, whilst halloumi might designate a type of cheese in purely abstract terms, it was also, and more importantly, the Foundation's Mark, designating the origin of the product as stemming from a member of the Foundation. Trade Purchasers attach an entirely understandable importance in the origin of the goods that they on-sell to Consumers. I consider that a Trade Purchaser would regard the word "HALLOUMI" – without any figurative or other embellishment – as primarily a mark of origin. A Trade Purchaser would regard the incorporation of the word "HALLOUMI" into a larger mark as precisely the sort of differentiation as was described in paragraph 43 above. In short, a Trade Purchaser would consider the Applicant's Mark to be an amalgam

of (i) the Foundation's Mark (a badge designating origin of the product as being from a member of the Foundation) and (ii) the mark of the individual foundation member. On this basis, the Applicant's Mark was conveying an origin as follows: "This halloumi is made by Hajdu, a member of the Foundation".

- (5) I consider, for that reason, that there is a very strong likelihood that a Trade Producer would consider that there was a high degree of similarity between the Foundation's Mark and the Applicant's Mark, in that the latter was incorporating and using the Foundation's Mark as a badge of producer origin (viz, a member of the Foundation), and then further specifying the producer as being a specific member of the Foundation, viz Hajdu. That, of course, would not be right: Hajdu is not in any way associated with the Foundation.

For these reasons, I consider there to be a very strong likelihood of confusion on the part of a Trade Purchaser in associating the Applicant's Mark with that of the Foundation's Mark.

59. For all these reasons, the Foundation's appeal is allowed and I reject the Applicant's application to register its Mark.

ANNEX 1

TERMS USED IN THE JUDGMENT

(paragraph 1, footnote 1)

TERM	FIRST USE IN THE JUDGMENT
Applicant	§1
Applicant's Mark	§1
Decision	§5
EU collective mark	§20
EUTM	§17
Foundation	§2
Foundation's Mark	§4
Grounds of Appeal	§13
Hearing Officer	§5
<i>Kerly</i>	§27(2) fn 35

ANNEX 2

USE OF THE FOUNDATION'S MARK IN CONJUNCTION WITH AN INDIVIDUAL TRADE MARK

(paragraph 54, footnote 48)

M&S
EST. 1884

