

0/509/17

TRADE MARKS ACT 1994

TRADE MARK APPLICATION 3163655

IN THE NAME OF BICE INTERNATIONAL LIMITED

AND

OPPOSITIONS 407079 & 407427

BY BICE AG

Background and pleadings

1. Bice AG (“the opponent”) filed two oppositions to application 3163655 by Bice International Limited (“the applicant”) to register BICE as a trade mark for:

“Restaurant services, self-services restaurant service, hospitality services (food, drink and accommodation), catering services, takeaway services, cafes, coffee shops, hotels, motels, resorts, ice cream parlours, snack bars, provision of meeting, conference, convention and exhibition facilities; information, advisory and consultancy services relating to all the aforesaid.”

2. The opposed application was filed on 10th May 2016 and published for opposition purposes on 17th June 2016.

3. The opponent relies on grounds of opposition under s.5(1) and 5(2) of the Act; namely, that it is the proprietor of earlier EU marks 3960432 and 5126693. The ‘432 mark looks like this:



It is currently registered in relation to *coffee*. The applicant in these proceedings applied to the EUIPO to revoke the registration for non-use during the period 12th November 2008 to 11th November 2013. However, although the registration of the mark was revoked for other goods and services, the EUIPO found that there had been genuine use of the mark in relation to coffee.

4. The opponent claims that coffee is similar to the services covered by the contested mark, that the respective marks are similar, and that there is a likelihood of confusion on the part of the public. Consequently, the application should be refused under s.5(2)(b) of the Act.

5. The opponent's '693 mark consists of the word 'bice'. It is registered in relation to a wide range of food and drink products in classes 29 and 30 as well as *Providing of food and drink and temporary accommodation* in class 43. As regards the registration of the '693 mark in relation to food and drink products, it is sufficient to note that the opponent relies on the earlier mark to the extent that it is registered in relation to *coffee*.

6. The opponent claims that the services covered by the contested mark are identical to the services for which the earlier '693 mark is registered. As the marks are also identical, the opponent claims that the application should be refused under s.5(1) of the Act.

7. Alternatively, having regard to the identity of the marks and the similarity between the respective services, and between the services covered by the contested mark and *coffee*, there is a likelihood of confusion on the part of the public and the application should therefore be refused under s.5(2)(a).

8. The applicant filed counterstatements denying the grounds of opposition. As the earlier marks had been registered for more than 5 years at the date of publication of the contested mark, the applicant put the opponent to proof of its statements that the earlier marks had been put to genuine use in the EU in the 5 year period 18th June 2011 to 17th June 2016 ("the relevant period").

9. The proceedings were consolidated.

Pending application for revocation at the EUIPO

10. I am aware that the applicant has a pending application at the EUIPO to revoke trade mark 5126693 for non-use. I am not aware of the precise relevant period(s) in those proceedings, although I note that the EUIPO served the revocation application on the opponent in March 2016. This suggests that the relevant 5 year period in those proceedings is somewhat earlier than the relevant period in these

proceedings. At least until the EUIPO decides the revocation application, I am required to treat the registration as valid in all respects.¹

11. In any event, as the applicant has challenged the opponent's statements of use in these proceedings, s.6A of the Act requires the registrar to determine whether there was genuine use of the earlier EU marks during the relevant period. I am required to do so on the basis of the evidence filed in these proceedings. Although I am not bound by the EUIPO's decision, I will, of course, take account of the decision of the EUIPO in the revocation proceedings concerning the use of the '432 mark in the EU during the five year period ending on 11th November 2013.

Representation

12. The opponent is represented by Walker Morris LLP. The applicant is represented by Nucleus IP Limited. The parties elected to have this decision made off the papers and without an oral hearing. I have taken their written submissions into account.

The evidence

13. The opponent's evidence consists of a witness statement by Jennifer Good, who is a Chartered Trade Mark Attorney at Walker Morris. Ms Good exhibits a copy of an affidavit by Mr Götz Fluck, the CEO of bice Marketing GmbH, which the opponent licenses to use the earlier marks.² In reply to the applicant's evidence (see below), Mr Fluck also filed a witness statement.

14. The applicant's evidence consists of a witness statement by Ese Akpogheneta, who is a Chartered Trade Mark Attorney at Nucleus IP Limited.

The opponent's evidence in chief

15. Mr Fluck states that the opponent has sold coffee under the earlier marks since 2004. He exhibits some packaging from 2012 and February 2016 showing use of the

¹ By analogy with Article 99 of Council Regulation 207/2009

² See exhibit JKG4

'432 mark on the front of packs of coffee and use of the word BICE on the back of the packaging as part of *bice Espresso de Cuba*. In 2008 the opponent started negotiations with café Kleisther in Berlin, which had been selling bice coffee to its customers under that mark, to operate a bice restaurant and café. However, no agreement was reached. In the light of proceedings at the EUIPO about the validity of the earlier marks, and a warning letter issued on behalf of the applicant in these proceedings, the opponent suspended negotiations with café Kleisther.

16. In 2013 the opponent opened online shops for the sales of coffee, including on the online platform Amazon. The opponent also acquired new business customers for its bice coffee in 2013 and 2014; namely, Nährwert GmbH, which operates a shop in Leipzig Germany and Le Frog in Mageburg, Germany. Both of these parties sell bice coffee to their customers.

17. Mr Fluck points out that the commercial risk involved in opening a restaurant and café is higher than simply selling coffee. The ongoing proceedings at the EUIPO therefore delayed the opponent's plans to open a restaurant and café. However, after December 2015, when the EUIPO rejected an application by the applicant in these proceedings to invalidate the opponent's '693 mark on the basis of claimed earlier rights, the opponent resumed its efforts to find a licensee for the earlier marks in relation to restaurant/café services. The opponent subsequently concluded an agreement with Sappheiros Consulting GmbH. This company already operated restaurants and on 4th March 2016 it re-branded one its restaurants in Berlin as a bice restaurant. Since then the menu, the frontage and the interior have featured the mark *bice*. Mr Fluck exhibits a copy of the flyer for the new restaurant, which shows use of the earlier EU marks.³

18. Ms Good exhibits copies of 48 invoices for coffee dated in 2011 and 2012 (and within the relevant period) addressed to individuals and business customers in Berlin and one or two other places in Germany. Each of these bear the earlier EU marks.⁴

³ See annex 5 to exhibit JKG4

⁴ See exhibit JKG5

19. Ms Good further exhibits details of 8 orders for bice coffee made via Amazon in 2013. The page is in German. The sales took place via the Amazon.de website. I therefore infer that these orders were placed by people in Germany. The orders are under the mark *bice*, although the page showing the advertisement for the goods also includes the stylised version of the BICE mark registered as the '432 mark.

20. A redacted version of the licence granted to Sappheiros Consulting GmbH is in evidence together with a partial translation into English.⁵ The sub-licensee is described as a caterer with an intention to run a “*gastronomic business*” under the “*contractual trademarks*.” These are defined in an annex which has not been filed as evidence. However, it evidently includes the word *bice*. The licence is dated 8th January 2016 and covers “*urban Berlin*”. The sub-licensee is authorised to offer goods and services under the marks. The licence obligates the sub-licensee to use the marks and stipulates that such use must begin by 15th March 2016.

21. Ms Good also provides copies of pages from the opponent’s website www.restaurant-bice.de dated 26th August 2016. These appear to show use of the earlier marks in Germany in relation to restaurant services (albeit shortly after the end of the relevant period).⁶ Finally, Ms Good exhibits copies of (undated) pages from the bice restaurant menu and the menu for BICE foods, which she claims is available from FOODORA, a food delivery service operating in Germany. Ms Good claims that the information in her witness statement comes from the opponent or publically available records. I pause at this point to note that Ms Good provides no basis for any personal knowledge that FOODORA is a food delivery service in Germany. Further, the information she provides offers no basis for finding that any such use of *bice* in relation to a food delivery service occurred during the relevant period.

The applicant’s evidence

22. Ese Akpogheneta’s evidence is that between March and May 2017 she searched the website www.restaurant-bice.de identified in the opponent’s evidence and found

⁵ See exhibit JKG8

⁶ See exhibit JKG9

that it was no longer accessible. Instead a holding page appeared which carried a message in German that roughly translates as “*We would like to thank you for your support and visits . After careful consideration, we decided not to have our gastronomy in 2017 at the location.*”

The opponent’s evidence in reply

23. Mr Fluck confirms that Bice Marketing GmbH entered into a licence agreement with Sappheiros Consulting GmbH to operate a restaurant under the name *bice*. The licensee subsequently changed its name to Marmotte Gastronomie Event and Catering GmbH (“Marmotte”).

24. According to Mr Fluck, the CEO of Marmotte, Mr Jan Stens, became seriously ill and underwent heart surgery in February 2016. This delayed the opening of the *bice* restaurant, but it still opened on 4th March 2016. After an initial recovery, Mr Stens became ill again during the summer of 2016 and was placed on the list for a heart transplant. Medical evidence is provided which bears this out.⁷ Sadly, Mr Stens subsequently died on 4th July 2017.

25. Mr Fluck says that Mr Stens played a key role within Marmotte and the *bice* restaurant faced difficulties in his absence. Marmotte attempted to find a new manager to run the restaurant, but they did not find a suitable candidate. The decision was taken to close the restaurant. Mr Fluck does not say when the restaurant closed, but he does claim that the closure was beyond his company’s control.

Proof of use

26. Section 6A of the Act is as follows:

“Raising of relative grounds in opposition proceedings in case of non-use

6A. - (1) This section applies where -

⁷ See exhibits GF1 and GF2

(a) an application for registration of a trade mark has been published,

(b) there is an earlier trade mark of a kind falling within section 6(1)(a), (b) or (ba) in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and

(c) the registration procedure for the earlier trade mark was completed before the start of the period of five years ending with the date of publication.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if -

(a) within the period of five years ending with the date of publication of the application the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

(b) the earlier trade mark has not been so used, but there are proper reasons for non- use.

(4) For these purposes -

(a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(5) In relation to a European Union trade mark or international trade mark (EC), any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Union.

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.”

27. Section 100 of the Act is also relevant. It states that:

“100. If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

28. In *The London Taxi Corporation Limited v Frazer-Nash Research Limited & Ecotive Limited*,⁸ Arnold J. said:

“I would now summarise the principles for the assessment of whether there has been genuine use of a trade mark established by the case law of the Court of Justice, which also includes Case C-442/07 *Verein Radetsky-Order v Bunderversammlung Kameradschaft 'Feldmarschall Radetsky'* [2008] ECR I-9223 and Case C-609/11 *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR 7, as follows:

(1) Genuine use means actual use of the trade mark by the proprietor or by a third party with authority to use the mark: *Ansul* at [35] and [37].

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Centrotherm* at [71]; *Leno* at [29].

⁸ [2016] EWHC 52

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Centrotherm* at [71]; *Leno* at [29].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34]; *Leno* at [29]-[30], [56].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32].”

The ‘432 and ‘693 marks in so far as they are registered for coffee

29. The applicant does not appear to dispute that the earlier marks were used in Germany in relation to coffee during the relevant period. In any event, I find that the opponent’s evidence is sufficient to establish such use. The applicant’s position appears to be that such use was not sufficient to constitute genuine use and/or the limited geographical scope of the use was insufficient to constitute genuine use of the marks in the EU.

30. The opponent points out that the EUIPO accepted such use as genuine use in the EU. Additionally, the opponent argues that whilst the Amazon.de website is primarily targeted at German consumers it is also directed at other German speaking consumers within the EU, particularly the Austrian public. The opponent submits that the use of the earlier marks on the Amazon.de website was specifically targeted at the Austrian public because visitors to amazon.at are automatically directed to amazon.de because Amazon does not maintain a separate website for each EU Member State.

31. It is true that the opponent’s proven sales under the earlier marks are rather limited in volume. Further, most of the sales shown in the 48 relevant invoices in evidence are to people in Berlin. On the other hand, the opponent appears to have

made further sales of coffee under the marks via the amazon.de website, and there is unchallenged evidence that it also sold its coffee through shops in Leipzig and Magdeburg in Germany.

32. In my view, the evidence is sufficient to establish that the opponent made a genuine attempt to create a market for coffee under the earlier marks during the relevant period, at least in Germany.

33. The applicant submits that the use shown of the earlier marks is not sufficient to constitute genuine use of the marks in the EU. In this respect the opponent relies on the judgments of judge Hacon in *The Sofa Workshop Ltd v Sofaworks Ltd*⁹ and Mr Daniel Alexander QC as the Appointed Person in *Nike v Intermar*.¹⁰

34. In *Leno Merken BV v Hagelkruis Beheer BV*,¹¹ the CJEU noted that:

“36. It should, however, be observed that..... the territorial scope of the use is not a separate condition for genuine use but one of the factors determining genuine use, which must be included in the overall analysis and examined at the same time as other such factors. In that regard, the phrase ‘in the Community’ is intended to define the geographical market serving as the reference point for all consideration of whether a Community trade mark has been put to genuine use.”

And

“50. Whilst there is admittedly some justification for thinking that a Community trade mark should – because it enjoys more extensive territorial protection than a national trade mark – be used in a larger area than the territory of a single Member State in order for the use to be regarded as ‘genuine use’, it cannot be ruled out that, in certain circumstances, the market for the goods or services for which a Community trade mark has been registered is in fact

⁹ [2015] EWHC 1773 (IPEC)

¹⁰ BL 0-222-16

¹¹ Case C-149/11

restricted to the territory of a single Member State. In such a case, use of the Community trade mark on that territory might satisfy the conditions both for genuine use of a Community trade mark and for genuine use of a national trade mark.”

And:

“55. Since the assessment of whether the use of the trade mark is genuine is carried out by reference to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark serves to create or maintain market shares for the goods or services for which it was registered, it is impossible to determine a priori, and in the abstract, what territorial scope should be chosen in order to determine whether the use of the mark is genuine or not. A *de minimis* rule, which would not allow the national court to appraise all the circumstances of the dispute before it, cannot therefore be laid down (see, by analogy, the order in *La Mer Technology*, paragraphs 25 and 27, and the judgment in *Sunrider v OHIM*, paragraphs 72 and 77).”

35. The court held that:

“Article 15(1) of Regulation No 207/2009 of 26 February 2009 on the Community trade mark must be interpreted as meaning that the territorial borders of the Member States should be disregarded in the assessment of whether a trade mark has been put to ‘genuine use in the Community’ within the meaning of that provision.

A Community trade mark is put to ‘genuine use’ within the meaning of Article 15(1) of Regulation No 207/2009 when it is used in accordance with its essential function and for the purpose of maintaining or creating market share within the European Community for the goods or services covered by it. It is for the referring court to assess whether the conditions are met in the main proceedings, taking account of all the relevant facts and circumstances, including the characteristics of the market concerned, the nature of the goods

or services protected by the trade mark and the territorial extent and the scale of the use as well as its frequency and regularity.”

36. In *The London Taxi Corporation Limited v Frazer-Nash Research Limited & Ecotive Limited*,¹² Arnold J. reviewed the case law since the *Leno* case and concluded as follows:

“228. Since the decision of the Court of Justice in *Leno* there have been a number of decisions of OHIM Boards of Appeal, the General Court and national courts with respect to the question of the geographical extent of the use required for genuine use in the Community. It does not seem to me that a clear picture has yet emerged as to how the broad principles laid down in *Leno* are to be applied. It is sufficient for present purposes to refer by way of illustration to two cases which I am aware have attracted comment.

229. In Case T-278/13 *Now Wireless Ltd v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* the General Court upheld at [47] the finding of the Board of Appeal that there had been genuine use of the contested mark in relation to the services in issues in London and the Thames Valley. On that basis, the General Court dismissed the applicant's challenge to the Board of Appeal's conclusion that there had been genuine use of the mark in the Community. At first blush, this appears to be a decision to the effect that use in rather less than the whole of one Member State is sufficient to constitute genuine use in the Community. On closer examination, however, it appears that the applicant's argument was not that use within London and the Thames Valley was not sufficient to constitute genuine use in the Community, but rather that the Board of Appeal was wrong to find that the mark had been used in those areas, and that it should have found that the mark had only been used in parts of London: see [42] and [54]-[58]. This stance may have been due to the fact that the applicant was based in Guildford, and thus a finding which still left open the possibility of conversion

¹² [2016] EWHC 52

of the Community trade mark to a national trade mark may not have sufficed for its purposes.

230. In *The Sofa Workshop Ltd v Sofaworks Ltd* [2015] EWHC 1773 (IPEC), [2015] ETMR 37 at [25] His Honour Judge Hacon interpreted *Leno* as establishing that "genuine use in the Community will in general require use in more than one Member State" but "an exception to that general requirement arises where the market for the relevant goods or services is restricted to the territory of a single Member State". On this basis, he went on to hold at [33]-[40] that extensive use of the trade mark in the UK, and one sale in Denmark, was not sufficient to amount to genuine use in the Community. As I understand it, this decision is presently under appeal and it would therefore be inappropriate for me to comment on the merits of the decision. All I will say is that, while I find the thrust of Judge Hacon's analysis of *Leno* persuasive, I would not myself express the applicable principles in terms of a general rule and an exception to that general rule. Rather, I would prefer to say that the assessment is a multi-factorial one which includes the geographical extent of the use."

37. The General Court restated its interpretation of *Leno Marken in TVR Automotive Ltd v OHIM*.¹³ This case concerned national (rather than local) use of what was then known as a Community trade mark (now a European Union trade mark).

Consequently, in trade mark opposition and cancellation proceedings the registrar continues to entertain the possibility that use of an EUTM in an area of the Union corresponding to the territory of one Member State may be sufficient to constitute genuine use of an EUTM. This applies even where there are no special factors, such as the market for the goods/services being limited to that area of the Union.

38. Whether the use shown is sufficient for this purpose will depend on whether there has been real commercial exploitation of the EUTM, in the course of trade, sufficient to create or maintain a market for the goods/services at issue in the EU

¹³ Case T-398/13. See paragraph 57 of the judgment.

during the relevant 5 year period. In making the required assessment I am required to consider all relevant factors, including:

- i) The scale and frequency of the use shown;
- ii) The nature of the use shown;
- iii) The goods and services for which use has been shown;
- iv) The nature of those goods/services and the market(s) for them;
- iv) The geographical extent of the use shown.

39. In *Nike v Intermar*, Mr Daniel Alexander QC, as the Appointed Person, upheld the registrar's decision to reject the sale of 55k pairs of training shoes through one shop in Bulgaria over 16 months as insufficient to show genuine use of the EU trade mark in the European Union within the relevant 5 year period. In that case the goods had been imported from Turkey where the trade mark owner had a much more substantial business.

40. The question before me is therefore whether "*the commercial exploitation of the mark[s] is real*" or whether the use shown would not be "*viewed as warranted in the economic sector concerned to maintain or create a share in the [European Union] market for the goods or services protected by the mark.*"

41. I reject the opponent's submission that the earlier marks have also been targeted at consumers of coffee in Austria. The assertion that visitors to the amazon.at website are automatically redirected to the amazon.de website is just that - assertion. There is no evidence on this point. More importantly, even if it is true, this is simply a feature of Amazon's on-line business model. It in no way justifies the opponent's assertion that it has targeted consumers in Austria. I note that there is no evidence of any sales of coffee to Austria, or even any enquiries from parties located there. In these circumstances, the opponent's argument is untenable.

42. However, for the reasons I explained above, I have no doubt that the opponent has attempted to create a market in Germany for coffee under the earlier marks. The territory of Germany accounts for a significant part of the territory of the EU. Further, the earlier marks appear to have been used in relation to coffee throughout the

relevant period. Additionally, the nature of the use is plainly use as trade marks for coffee.

43. On the other hand, the scale of use of the marks is very modest indeed bearing in mind the size of the EU market for coffee, and there is nothing about the market for coffee which limits or concentrates the relevant public to the territory of Germany.

44. Taking all these factors into account, I find that, on balance, the use shown is sufficient to constitute genuine use of the earlier marks in the EU during the relevant period in relation to coffee.

The '693 mark in so far as it is registered for restaurant and café services

45. The applicant submits that the use shown of *bice* in relation to restaurant services is “*invented*” and/or sham use just to maintain the '693 registration.

46. If by “*invented*”, the applicant is submitting that the opponent’s evidence is false and concocted purely for the purpose of these proceedings, then I reject that submission. The applicant’s witness has provided credible evidence that a restaurant called *bice* opened in Berlin on 4th March 2016. The opponent has not sought to cross examine Mr Fluck on his evidence. Further, the applicant’s own evidence goes no further than showing that the restaurant closed after a relatively short period. In these circumstances, I accept Mr Fluck’s evidence that there was a *bice* restaurant in Berlin which operated with the consent of the opponent.

47. I see more force in the applicant’s submission that the use of *bice* in relation to restaurant services was sham use merely to preserve the '693 registration. The facts that:

- the use only started in 2016 after the applicant’s application to invalidate the '693 mark failed;
- the opponent was acutely aware that the applicant may apply to revoke the registration for non-use;

- the unusual and unexplained reference in the licence agreement of 8th January 2016 that the restaurant had to open by 15th March 2016;
- the subsequent closure of the restaurant after a relatively short period of time;

- all point to the possibility of sham use.

48. On the other hand:

- The opponent's witness explains why a commercial decision was made to delay the opening of *bice* restaurants because of the dispute with the applicant;
- Mr Fluck has provided a credible explanation, with supporting documents, explaining why the restaurant subsequently closed;
- Mr Fluck has not been cross examined on his evidence.

49. In these circumstances, I do not consider that the applicant has established that the opening of the *bice* restaurant in Berlin on 4th March 2016 was merely a sham to preserve the registration of the '693 mark.

50. However, as the *Reber*, *Sofa Workshop* and *Nike v Intermar* cases show, it is not the case that every proven commercial use of a mark must automatically be deemed to constitute genuine use. Returning to the relevant factors and circumstances, I note that:

- (1) The *bice* restaurant was opened on 4th March 2016, just 3.5 months before the end of the relevant period.
- (2) Mr Fluck does not say when the restaurant closed. The webpages dated 26th August 2016 show only that the website was still available at that date, not that the restaurant was still open. It has not therefore been established that the restaurant operated for even 3.5 months of the relevant period.

- (3) Mr Fluck provides no information about the number of customers at the *bice* restaurant, or of any royalties received from the sub-licensee.
- (4) There is no evidence as to the amount spent promoting the *bice* restaurant.
- (5) Although Mr Fluck says that the *bice* restaurant was advertised, the only specific example of advertising he mentions is the flyer in evidence.
- (6) There is no evidence as to the distribution of this flyer, but given that it was for a single restaurant in Berlin it seems unlikely that it would have been distributed on a more than local basis.
- (7) The services offered under the mark appear to have been local restaurant services provided in one city in Germany.
- (8) The EU market for restaurant services is as geographically wide as the market for any of the goods/services marketed in the EU.

51. Taking these factors into account, I find that the extremely limited use of *bice* shown in the opponent's evidence would not be "*viewed as warranted in the economic sector concerned to maintain or create a share in the [European Union] market for the services protected by the mark.*" I therefore reject the opponent's case that it has shown genuine use of the '693 mark in relation to restaurant services.

52. I find that the opponent has not shown use of the '693 mark in relation to any goods or services, other than coffee.

Conclusion on non-use

53. The opponent's notices of opposition contained statements of use of the earlier trade marks and did not plead that there were proper reasons for non-use.¹⁴ It follows from the above findings that the opponent cannot rely on the earlier marks for the purposes of these proceedings, except in relation to *coffee*.

¹⁴ In any event, on-going litigation is not necessarily a proper reason for non-use. See *Naazeen Investments Ltd v OHIM*, Case T-250/13 at paragraphs 70-74.

The section 5(1) and section 5(2) opposition

54. *Coffee* is plainly not identical to the services covered by the contested mark. Therefore the opposition under s.5(1) fails.

55. The opponent is no better off relying on the earlier stylised '432 mark than the earlier '693 bice word mark. I will therefore focus on the latter.

56. The applicant's mark is BICE. The opponent's '693 mark is bice. The applicant's mark is applied for in standard characters and therefore includes use in upper and lower case. Consequently, the marks are identical. Further, even if this is wrong, the difference between upper and lower case letters is the paradigm example of a difference that is so insignificant that it may go unnoticed by an average consumer.¹⁵ So even if the marks are not literally identical, they are identical for the purposes of the comparison required by s.5 of the Act.

57. Section 5(2)(a) of the Act is as follows:

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

(a) it is identical with an earlier trade mark and is to be registered for goods or services similar to those for which the 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".

Comparison of goods and services

58. The respective goods and services are shown below.

Goods for which the earlier mark is entitled to protection	Services covered by contested mark
Coffee	Restaurant services, self-services restaurant service, hospitality services

¹⁵ See *S.A. Société LTJ Diffusion v. Sadas Vertbaudet SA*, Case C-291/00, CJEU

	(food, drink and accommodation), catering services, takeaway services, cafes, coffee shops, hotels, motels, resorts, ice cream parlours, snack bars, provision of meeting, conference, convention and exhibition facilities; information, advisory and consultancy services relating to all the aforesaid
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59. In the judgment of the Court of Justice of the European Union in *Canon*,¹⁶ the court stated at paragraph 23 of its judgment that:

“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”.

60. Goods are intrinsically different in nature to services and they are used in different ways. However, the purpose of *coffee* is plainly similar to the purpose of *coffee shops*. Although coffee shops provide convenient facilities for the consumption of other food and drinks, both *coffee* and *coffee shop services* are focused on the consumption of coffee. Further, the goods and services are clearly complementary in the sense described in the case law¹⁷ and, to a degree, they are in competition. This is because consumers wishing to have a coffee may decide to purchase the beverage as goods or, alternatively, visit a coffee shop and consume a coffee whilst enjoying the services of the service provider. I therefore find that the goods and services are similar to a fairly high degree.

¹⁶ Case C-39/97

¹⁷ See *Boston Scientific Ltd v OHIM*, Case T-325/06, the General Court

61. In *Gérard Meric v Office for Harmonisation in the Internal Market*,¹⁸ the General Court stated that:

“29.goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 Institut für Lernsysteme v OHIM-Educational Services (ELS) [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark.”

The same must apply to services.

62. I find that the terms *restaurant services*, *self-services restaurant service*, *takeaway services*, *cafes* and *snack bars* are wide enough to cover *coffee shop services*. This is because *coffee shop services* covers the provision of coffee as well as food and other drinks. Consequently, *coffee shop services* are a sub-category of *restaurant services*, *self-services restaurant service*, *takeaway services*, *cafes* and *snack bars*. These descriptions must therefore also be regarded as similar to *coffee* to a fairly high degree.

63. *Hospitality services (food, drink and accommodation)* and *catering services* are services provided at locations of the consumer's choice rather than at the premises of the service provider. Therefore these terms do not cover coffee shop services. However, the services would include the provision of hot drinks, particularly tea and coffee, as well as snacks. I therefore find that there is a degree of similarity of purpose between these services and *coffee* and also a low degree of competition. For example, a person organising a business meeting might sometimes purchase coffees themselves from a vendor or, alternatively, arrange for coffee and other refreshments to be provided by a caterer. I conclude that there is a low degree of similarity between the services described above and *coffee*.

¹⁸ Case T- 133/05

64. I see no similarity between *coffee and hotels, motels, resorts, ice cream parlours, provision of meeting, conference, convention and exhibition facilities; information, advisory and consultancy services relating to all the aforesaid*. It follows that the s.5(2) opposition must fail in relation to these services.¹⁹

Global comparison

65. The following principles are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

The principles

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

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

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

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when

¹⁹ See *Waterford Wedgwood plc v OHIM*, Case C-398/07 P (CJEU)

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.

Average consumer and the selection process

66. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. 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*.

67. I find that consumers are likely to pay an average or 'normal' degree of attention when selecting the services covered by the contested mark.

68. The selection process is likely to be primarily visual, such as shop signage, published advertisements and flyers. However, word of mouth recommendations are also likely to play some part in the selection process, so the way the marks sound is also relevant.

Distinctive character of the earlier trade mark

69. The more distinctive the earlier mark the greater is the likelihood of confusion. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* 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 *Windsurfing Chiemsee 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).”

70. The earlier mark is not descriptive, or even allusive, of any characteristics of *coffee*. According to Collins Dictionary, ‘Bice’ is a colour or colours (medium blue or blue-green). However, I believe that this is an obscure meaning. The word will lack any meaning to average consumers of restaurant services etc. It is true that the word consists of only 4 letters, including two vowel. So it cannot be said that ‘Bice’ is a particularly complex word. On the other hand, it is not a word that most consumers will have seen or heard before. I therefore regard the earlier mark as having an above average level of inherent distinctive character.

71. The earlier mark has not been used in the UK. Therefore to the relevant average UK consumer, the distinctiveness of the earlier mark depends entirely on its inherent characteristics.

Likelihood of confusion

72. Given the identity of the marks, the above average level of distinctiveness of the earlier mark, and the fairly high level of similarity between *coffee* and *coffee shop services* (and, by extension, the terms in the applicant’s specification which cover those services) I find that there is a likelihood of confusion if the contested mark is used in relation to *coffee shops, restaurant services, self-services restaurant service, takeaway services, cafes and snack bars*.

73. The position is more debateable when it comes to the registration of the contested mark in relation to *hospitality services (food, drink and accommodation)* and *catering services*. As I explained earlier, there is only a low degree of similarity between these services and *coffee*. However, given that ‘bice’ is a trade mark of above average distinctiveness and that the marks at issue are identical, I find that there is also a likelihood of confusion with regard to these services. In particular, an average consumer who has encountered bice coffee is likely to believe that bice *hospitality and catering services* are provided by the same undertaking that trades in

coffee, or vice versa, or that there is an economic connection between the users of the bice mark, such as a licence.

Outcome

74. I have considered whether to afford the applicant an opportunity to provide a revised specification covering services within the scope of *restaurant services, self-services restaurant service, takeaway services, cafes and snack bars*, which are not coffee shop-type services. I have decided against doing so for two reasons. Firstly, the applicant was given a specific opportunity to provide a non-binding fall-back specification before this decision was taken and did not do so. Secondly, even if there are services within these descriptions which can be adequately distinguished from *coffee shop* services, those services are likely to have a similar degree of similarity to *coffee* as *hospitality* and *catering services*. I have found that there is a likelihood of confusion between those goods/services. That conclusion would probably extend to *restaurant services, self-services restaurant service, takeaway services, cafes and snack bars*, other than coffee shops. Consequently, the work involved in considering a late revision of the applicant's specification is not likely to be productive since it is unlikely to alter the overall result.

75. The opposition under s.5(2) therefore succeeds in relation to the services covered by the contested mark, except for *hotels, motels, resorts, ice cream parlours, provision of meeting, conference, convention and exhibition facilities; information, advisory and consultancy services relating to all the aforesaid*.

Costs

76. Both sides have achieved a roughly equal measure of success in terms of the allowed/refused services. I therefore direct that each side should bear its own costs.

Dated this 11th day of October 2017

A James

**Allan James
For the Registrar**