TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO 2021999
BY COFFEE EXPRESS LIMITED
TO REGISTER A TRADE MARK IN CLASS 30

AND

IN THE MATTER OF OPPOSITION THERETO UNDER NO 46754
IN THE NAME OF ANTHONY JOHN GARDINER
AND ANNELIES RENATE GARDINER

TRADE MARKS ACT 1994

IN THE MATTER OF Application No 2021999
by Coffee Express Limited
to register a trade mark in Class 30

And

IN THE MATTER OF Opposition thereto under
No 46754 in the name of Anthony John Gardiner
and Annelies Renate Gardiner

DECISION

On 24 May 1995, Coffee Express Limited of Block 2, Unit 2, Dundyvan Industrial Estate, Coatbridge, Lanarkshire, ML5 4AB, applied to register a trade mark in Class 30 in respect of the following specification of goods:

> Coffee and preparations for making coffee; mixtures of coffee and chicory; coffee essences and coffee extracts; coffee based beverages; sugar and preparations for use as substitutes for sugar in coffee; coffee whitener; artificial coffee; flavourings for coffee

The trade mark applied for is as follows:

The application, numbered 2021999, was published for opposition purposes on 29 January 1997 and on 24 April 1997 Anthony John Gardiner and Annelies Renate Gardiner as joint opponents filed notice of opposition to the application. The grounds on which the opposition is based are, in summary:

1	**Under Section 3(1)(a)(b)(c)&(d)**	Because the mark is not represented graphically, is not capable of distinguishing the applicants' goods, is devoid of any distinctive character, is descriptive of a characteristic of the goods or has become customary in the trade.
2.	**Under Section 3(3)(b)**	Because use of the mark in relation to goods other than coffee, expresso coffee or coffee machines would deceive the public.
3.	**Under Section 3(3)(b)**	Because use of the mark by the applicants would deceive the public into believing the goods are associated with the opponents.
4.	**Under Section 3(3)(a)**	Because the mark would be contrary to public policy.
5.	**Under Section 3(6)**	Because the application was made in bad faith.
6.	**Under Section 5(4)(a)**	Because of the law of passing off.

The opponents ask that the application be refused in the exercise of the Registrar's judgement and/or discretion and that costs be awarded in their favour.

The applicants filed a counterstatement in which the deny all of the grounds on which the opposition is based, and ask that costs be awarded in their favour.

Both sides filed evidence in these proceedings. The matter came to be heard on 20 December 1999, when the applicants were represented by Mr Giles Fernando of Counsel, instructed by Murgitroyd & Co, their trade mark attorneys, the opponents were represented by Ms Fiona Clark of Counsel, instructed by Keith W Nash, their trade mark attorneys.

The opponents' evidence

This consists of three Statutory Declarations. The first is dated 16 November 1997 and comes from Anthony John Gardiner, one of the joint opponents in these proceedings.

Mr Gardiner begins saying that in the Autumn of 1993, he and his wife set up a partnership which used COFFEE EXPRESS as part of its trading style, and refers to exhibit AJG1 which consists of a Certificate of Registration for Value Added Tax by way of confirmation. He says that since 1 January 1994 the partnership has been supplying and delivering coffee, filter coffee machines and filters for such machines under a trade mark consisting of the words COFFEE EXPRESS on

its own, and in conjunction with a CUP OF STEAMING COFFEE, and refers to exhibits AJG2 and AJG3 which consist of examples of both marks.

Mr Gardiner says that up to May 1995 (the date of application) the partnership has supplied £70,000 of goods and has installed 90 coffee machines to over 100, mostly business customers in the Cambridge area who buy the goods for their employees. He says that they also advise on coffee selection with the intention of encouraging use of their own brand coffee and filters. He goes on to refer to exhibit AJG4 which consists of invoices for coffee supplied under the COFFEE EXPRESS word only and composite marks in January - March 1994, and two price lists for COFFEE EXPRESS coffee dated November 1993 and November 1994.

Mr Gardiner refers to search of Yellow Pages which was carried out prior to filing the application to ascertain whether any other companies were using the COFFEE EXPRESS trade mark. He says that although this search did not find any, he has since discovered that two other companies in other parts of the country supply coffee machines and equipment under names which include COFFEE EXPRESS and refers to exhibit AJG5 which consists of an extract from Electronic Yellow Pages which shows this to be the case, although not that it was so at the relevant date. He says that his company has built up a substantial goodwill in the trade marks in the Cambridge area, and says that use of the mark by another trader would damage this goodwill. He concludes his Declaration saying that he considers the applicants' attempt to obtain a national monopoly of COFFEE EXPRESS is not justified.

The second Statutory Declaration is dated 16 October 1997 comes from Annelies Renate Gardiner, the wife of Anthony John Gardiner and the second of the joint opponents. Mrs Gardiner repeats the statements made by her husband regarding the history of the partnership, the trade marks, business activities and customer base, and refers to four exhibits which are the same as AJG1, AJG2, AJG3 and AJG4 referred to earlier.

The final Statutory Declaration is dated 15 August 1997 and comes from David Leslie Roberts, a Chartered Patent Agent and European Patent Attorney employed by Keith W Nash & Co, the opponents representatives.

Mr Roberts gives his views on the registerability of the applicants' trade mark which he considers to be apt to describe coffee, preparations for making coffee, and in particular, coffee made by or for use in an expresso machine. He refers to exhibit DLR1 which consists of an definitions for the words EXPRESS and EXPRESSO which he has taken from various dictionaries, and to exhibit DLR2 which consists of the results of a search for trade marks incorporating the device of a CUP AND SAUCER registered in respect of coffee and the like preparations. Mr Roberts refers to the fact that most of these registrations have a disclaimer of the device, and to the number of different proprietors that own such marks, drawing the conclusion that this suggests that such a device when used in relation to coffee and the like is not distinctive of any one particular trader.
He expresses the view that the combination of such a device and the words COFFEE EXPRESS would not be any more distinctive and comments that the specification covers goods other than coffee.

Applicants' evidence

This consists of a Statutory Declaration dated 6 November 1998, and comes from Simon Anthony Chiswell, the Managing Director of Coffee Express Limited, a position he has held since 1989. Mr Chiswell confirms that the facts contained in his Declaration are either from his own knowledge or have been obtained from company records.

Mr Chiswell says that the applicants started business and have used the trade mark COFFEE EXPRESS in the United Kingdom since 1989, and he gives an explanation of how the mark came to be adopted. He says that his company began trading in Scotland and London and now has a base in Manchester and customers throughout the United Kingdom. He refers to exhibit SAC1 which consists of invoices bearing the COFFEE EXPRESS and CUP AND SAUCER device, the earliest dated February 1991 and relating to the supply of coffee. Mr Chiswell refers to a number of well known companies that are customers and for whom his company acts as a distributors or agents.

Mr Chiswell lists the approximate turnover for goods sold in the United Kingdom under the COFFEE EXPRESS mark for the years 1990 to 1996, which range from £41,940 in 1990 increasing year on year to £512,518 in 1994, the remaining full years being after the relevant date. He goes on to say that approximately £12,000 per year is spent on promoting the mark and refers to exhibit SAC2 which consists of an invoice for, and the advertisement placed in a Glasgow Student Charity Appeal magazine dated September 1990, and an advertisement placed in the Lancashire Evening Post on 4 February 1993. Both advertisements show the mark as applied for being used in relation to the rental of coffee machines and samples of coffee. He next refers to exhibit SAC3 which consists of items of printed matter referring to COFFEE EXPRESS, and in particular, a letter dated 13 May 1991 from the Editor of CATERING magazine inviting Coffee Express Limited to contribute to a report on coffee to be featured in the August 1991 edition of the magazine. Mr Chiswell says that his company has also participated in Trade Shows and Exhibitions and refers to exhibits SAC4 and SAC5 which consist of an event directory for an exhibition held in Glasgow on 13/14 December 1993 at which the applicants were exhibitors, and photographs marked 17 March 1991 showing a COFFEE EXPRESS exhibition stand. He goes on to refer to other activities which have built the reputation of the trade mark, and refers to exhibit SAC6 which consists of correspondence with overseas companies dating from 1993.

Mr Chiswell next says that he first became aware of the opponents in 1994 and that they had been requested to stop using the applicant's trade mark. He concludes his Declaration by referring to the examination of the trade mark.

Opponents' evidence in reply

This consists of Statutory Declaration dated 6 April 1998, and comes from the same Anthony John Gardiner referred to earlier.

Mr Gardiner says that his business was formed after investigating whether any other traders used the COFFEE EXPRESS trade mark, and that he only became aware of the applicants through one of his company's coffee suppliers. Mr Gardiner goes on to set out details of a telephone conversation and subsequent meeting between himself and Mr Chiswell, and to deny that his

company has in any way attempted to trade on the goodwill or reputation of the applicants.

That concludes my review of the evidence insofar as it is relevant to these proceedings, and I turn to consider the respective grounds upon which the opposition has been brought.

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Decision

At the hearing Ms Clark accepted that the mark is represented graphically and that the opponents' objection under Section 3(1)(a) is that the mark is not capable of distinguishing. With that in mind I turn first to consider the grounds under Section 3(1). That section reads as follows:

> **3.(1)** The following shall not be registered -
>
> **(a)** signs which do not satisfy the requirements of section 1(1),
>
> **(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, quantity, intended purpose, value, geographical origin, the time of production of goods or rendering of services, or other characteristics of goods or services,
>
> **(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:
>
> Provided that, a trade mark shall not be refused registration by virtue of paragraph (b), (c) or (d) above if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it.

Section 1(1) in turn reads:

> **1-(1)** In this Act "trade mark" means any sign capable of being represented graphically which is capable of distinguishing the goods or services of one undertaking from those of other undertakings.
>
> A trade mark may, in particular, consist of words (including personal names), designs, letters, numerals or the shape of goods or their packaging.

I begin by looking at how the law stands. In the British Sugar Plc v James Robertson & Sons Ltd (TREAT) trade mark case, (1996) RPC 9, Mr Justice Jacob said:

> "...I begin by considering the "not a trade mark" point. Section 1(1) has two parts, *sign*, and *capable of distinguishing*. *Sign* is not an issue: a word is plainly included within the meaning of *sign* as the remainder of Section 1 indicates. But what about *capable of distinguishing*? Does this add any requirement beyond that found in section 3(1)? Section 3(1)(b) bars the registration of a mark which is *devoid of any distinctive character* unless it has *in fact acquired a distinctive character*. I cannot see that the closing words of the first sentence of section 1(1) add anything to this. If a mark on its face is non-distinctive (an ordinary descriptive and laudatory words fall into this class) but is shown to have a distinctive character in fact then it must be *capable of distinguishing*. Under section 10 of the old Act, for a mark to be registerable in Part B, it also had to be *capable of*

> *distinguishing*. But the Pickwickian position was that some marks, even though 100% distinctive in fact, were not regarded as *capable of distinguishing* within the meaning of that provision. I do not think the Directive and the 1994 Act takes a more limited meaning over.
>
> Thus, *capable of distinguishing* means whether the mark can in fact do the job of distinguishing. So the phrase in Section 1(1) adds nothing to section 3(1) at least in relation to any sign within sections 3(1)(b)-(d). The scheme is that if a man tenders for registration a sign of this sort without any evidence of distinctiveness then he cannot have it registered unless he can prove it has a distinctive character. That is all. There is no pre-set bar saying no matter how well it is proved that a mark has become a trade mark, it cannot be registered. That is not to say that there are some signs which cannot in practice be registered. But the reason is simply that the applicant will be unable to prove the mark has become a trade mark in practice - "Soap" for "Soap" is an example. The bar (no pun intended) will be factual not legal.

and

> "Next is "Treat" within Section 3(1)(b). What does *devoid of any distinctive character* mean? I think the phrase requires consideration of the mark on its own, assuming no use. Is it the sort of word (or other sign) which cannot do the job of distinguishing without first educating the public that it is a trade mark? A meaningless word or a word inappropriate for the goods concerned ("North Pole" for bananas) can clearly do. But a common laudatory word such as "Treat" is, absent from use and recognition as a trade mark, in itself (I hesitate to borrow the word *inherently* from the old Act but the idea is much the same) devoid of any distinctive character."

I also have regard to the comments of Aldous LJ in the Phillips Electronics NV v Remmington Consumer Products Limited case (1999) RPC 23 in which he stated:

> "The more the trade mark describes the goods, whether it consists of a word or shape, the less likely it will be capable of distinguishing."

The decisions above indicate that the correct approach is to start with the premise that a trade mark is capable of distinguishing insofar as it is not incapable. A trade mark which is found to have sufficient inherent distinctive character to be able to distinguish must be capable of distinguishing. A trade mark which does not have any inherent distinctive character may nonetheless acquire distinctiveness through the use made of it, and in doing so it must, by inference, be capable of distinguishing.

To establish an objection under Section 3(1)(d) in inter-parte proceedings requires evidence to establish that the term is in use, although not necessarily showing the mark being used in the course of trade. There is no such evidence and I dismiss this ground. The wording of sub-section (c) imposes a less stringent test than under sub-section (d) going to whether the mark is sufficiently descriptive of a characteristic of the goods for there to be a reasonable likelihood that it will be required for use by other traders. If the answer to this question is in the affirmative, it follows that the mark must, prima facie, be lacking in the necessary distinctive character to

function as a trade mark and contrary to sub-section (b).

The opponents say that the mark consists of the word COFFEE which describes the goods it is to be used in connection with, the word EXPRESS which means that it is coffee you will get quickly, or will possibly be taken to denote expresso coffee, combined with a picture of a cup and saucer which is common to the trade and with the surrounding line border adds nothing to the mark. They also point to the use of the words COFFEE EXPRESS by a number of other companies (exhibit AJG5) although there is no indication of when, or whether these companies have traded. That a number of traders may use the words COFFEE EXPRESS as a trade mark or trading style does not make them customary in the trade, and can be taken at best as a pointer towards the aptness of the words for use in connection with the goods or services.

The evidence shows the device of a cup and saucer to be a common element in a number of trade marks registered in respect of beverages. In some instances a disclaimer of the device has been entered although there are some marks incorporating a reasonably ordinary representation of a cup and saucer without such a disclaimer. While the evidence is inconclusive on this point, I take the view that a fairly ordinary device of a cup/saucer, which is the position in this case, has a direct reference to the goods and is consequently devoid of any distinctive character. The words COFFEE and EXPRESS are both ordinary and well known words in the English language. That COFFEE describes the goods or some characteristic of the goods is beyond dispute, and while I can accept the allusion to "speed" ascribed to the word EXPRESS, I do not consider that it will be taken to denote EXPRESSO (coffee) which I would take to be a reasonably well known word in its own right. While the individual components of the mark may lack distinctive character, the whole does, by combining the elements create a trade mark which in my view is capable of distinguishing the applicants' goods. Consequently, I dismiss the grounds founded under Section 1(1) and Section 3(1)(a)(b) and (c).

Turning to the ground founded under Section 3(3)(a). The opponents have not said why they consider registration of the mark to be contrary to public policy and no evidence or substantive submissions support this ground, and this ground is dismissed.

The objection founded under Section 3(6) appears to be based primarily on a meeting in June 1994 at which Mr Chiswell (on behalf of the applicants) is said to have indicated that as the applicants use their mark in Scotland, this was far enough away from Cambridge where the opponents use the mark to avoid any problems. Notwithstanding this the applicants went ahead and made an application to register themselves as the proprietors of the trade mark COFFEE EXPRESS with rights extending throughout the country.

A claim that an application was made in bad faith implies some deliberate action by the applicants which they know to be wrong, or as put by Lindsay J in the GROMAX trade mark case (1999) RPC 10 "..includes some dealings which fall short of the standards of acceptable commercial behaviour..". It is a serious objection which places an onus of proof upon the party making the allegation. The evidence shows that at the date that the meeting between the applicants and the opponents is said to have taken place, the applicants had been trading under their mark for a number of years, albeit in a separate geographic area from that of the opponents. In the light of what appears to be a steadily expanding business I do not consider it to be unreasonable for them to consider it to be appropriate to seek to protect their rights in the mark. Whether or not they

did so in the knowledge that the opponents rights would be protected by Section 11(3) is not shown in the evidence. Taking the best view that I can, I find that the evidence filed by the opponents is not sufficient to establish a case of bad faith, and consequently, the objection under Section 3(6) fails.

I go next to the objection under Section 3(3)(b) which raises objections on two counts albeit both relating to the possibility of the public being deceived. The first arises out of the opponents' use of their mark and is based on the premise that members of the public familiar with the opponents' trade mark will confuse the applicants' mark with theirs. Section 3(3)(b) is an absolute ground and is not concerned with the relative rights a party may have in another mark and consequently this line of argument cannot succeed.

The second strand is founded on the possible use of the mark on goods which are not coffee or expresso coffee. The goods for which registration is sought are either coffee, coffee based, for use with coffee or alternatives to coffee. Mr Fernando submitted that a person seeing the mark would believe that the goods are coffee or for use with coffee but would have no expectations beyond this and would not be deceived. I consider this argument to have some weight. I am also mindful of the fact that coffee comes in many different forms such as decaffeinated, powder, ground, granules, beans, and is made from many different varieties of coffee beans, originating in different countries. Also, it seems to me that a person who elects to use an alternative to the usual additives to coffee will have made a conscious decision and will know what they are looking for. In both instances I would take the view that the consumer will be well informed, circumspect and well used to differentiating between the available products. Accordingly I dismiss the grounds founded under Section 3(3)(b).

I turn finally to the ground under Section 5(4)(a). That Section reads as follows:

> **5.(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

No reference is made to any rule of law in the Statement of Grounds although from Ms Clark's submissions it is apparent that the objection is to be found in the law of passing off. Mr Hobbs QC set out a summary of the elements of an action for passing off in WILD CHILD Trade Mark 1998 RPC 455. The necessary elements are said to be as follows:

- that the plaintiff's goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
- that there is a misrepresentation by the defendant (whether or not intentional leading or likely to lead the public to believe that goods or services offered by the defendant are goods or services of the plaintiff; and
- that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant's misrepresentation.

The evidence shows that the opponents have used the words COFFEE EXPRESS on its own and in conjunction with the device of a cup of beverage as part of its trading style and in a trade mark sense since at least November 1993, which gives them at best some eighteen months use prior to May 1995, the date of application. This use has been in relation to coffee machines and coffee for use in such machines. They state that by May 1995 they had achieved £70,000 in sales although do not say whether this figure relates solely to sales of coffee or whether it includes turnover derived from a trade in coffee machines although in my view the two items are so closely allied that this makes little difference. They claim to have more than 100 customers and installed some 90 coffee machines, primarily in the Cambridge area. On this evidence I consider it reasonable to conclude that at the time the application was made the opponents are likely to have built a modest level of goodwill and reputation in the Cambridge area in respect of the supply of coffee making machines and coffee for use in such machines.

The applicants in turn say that they have used the trade mark COFFEE EXPRESS since 1989, initially in Scotland and London. Exhibit SAC1 shows use of the mark in the years 1991 to 1993 relating to sales of coffee to customers in London, Banbury and Surbiton, exhibit SAC2 shows that the mark was promoted to the public in 1993 and exhibit SAC3 that the mark was known in the catering trade as early as May 1991. The turnover figures given date from 1990 and from a relatively low level show a year on year increase and at the date that the opponents commenced use of their mark were at a significant level.

From the evidence I am led to the conclusion that at the date that the opponents commenced use of their mark the applicants had already established a significant trade under their mark and had acquired the usual trapping of goodwill and reputation that go along with this. The geographical area covered by their trade extends from Scotland to parts of the Midlands and the South of England which I would consider to be of sufficient extent to warrant a national registration. In the circumstances I do not see how I can come to the view that should the applicants use their mark this will amount to misrepresentation, or that damage will be caused to the opponents. Any rights established by the opponents in the Cambridge area likely to be preserved under the provisions of Section 11(3), although I do not give this any weight in reaching this decision. I therefore dismiss the ground founded under Section 5(4)(a).

Finally, the Registrar has no discretion to refuse an application which meets the requirements for registration set out in the Act, and consequently, this final ground cannot succeed.

The opposition having failed on all grounds I order that the opponents pay the applicants the sum of £635 as a contribution towards their costs. This sum to be paid within one month of the expiry of the appeal period or within one month of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 20 day of April 2000

Mike Foley
for the Registrar
The Comptroller General