

O/572/19

**TRADE MARKS ACT 1994**

**IN THE MATTER OF:**

**TRADE MARK REGISTRATIONS 3238084 & 3289424  
IN THE NAME OF SHENZHEN MEIXIXI CATERING MANAGEMENT CO., LTD  
AND  
OPPOSITION THERETO UNDER NOS 410369 & 600000898  
BY XIAOLONG CHEN**

**AND**

**TRADE MARK REGISTRATIONS 3216975, 3224448 AND 3248493  
IN THE NAME OF XIAOLONG CHEN  
AND  
APPLICATION NUMBERS 502271, 502272 AND 502273  
BY SHENZHEN MEIXIXI CATERING MANAGEMENT CO., LTD  
FOR THE TRADE MARKS TO BE DECLARED INVALID**

## **Background and pleadings**

### **The invalidations**

1. The first group of actions in these consolidated proceedings concerns three trade mark registrations in the name of Xiaolong Chen. On 28 September 2018, Shenzhen Meixixi Catering Management Co., Ltd (“Shenzhen”) applied to have the trade marks declared invalid under s. 47(2) of the Trade Marks Act 1994 (“the Act”). In each of the invalidations, the grounds are based on ss. 5(2)(b) and 5(4)(b) of the Act. The particulars are as follows.

2. The first application for invalidity regards trade mark registration number 3248493 for the mark shown below:



The mark was applied for on 5 August 2017. It was registered on 27 October 2017 in respect of the following goods and services:

Class 16: Bottle wrappers of paper or cardboard; Bags [envelopes, pouches] of paper or plastics, for packaging; Plastic film for wrapping; Packing paper; Sheets of reclaimed cellulose for wrapping; Absorbent sheets of paper or plastic for foodstuff packaging; Boxes of cardboard or paper; Table napkins of paper; Place mats of paper; Printed matter.

Class 32: Fruit extracts (Non-alcoholic -); Fruit juices; Waters [beverages]; Beverages (Non-alcoholic -); Non-alcoholic fruit juice beverages; Beverages (Preparations for making -); Fruit-based soft drinks flavored with tea; Water-

based beverages containing tea extracts; Milky tea, non-milk-based; Milk (Peanut -) [non-alcoholic beverage]; Non-alcoholic beverages.

Class 35: Advertising; Publicity; Marketing studies; Sales promotion for others; Import-export agencies; Procurement services for others [purchasing goods and services for other businesses]; Photocopying services.

3. Under s. 5(2)(b), Shenzhen relies upon four UK trade mark registrations, as follows (the full specifications are attached as an annexe to this decision):

(i) UK trade mark registration 3202416 (“the 416 mark”):



Filing date: 15 December 2016; date of entry in register: 10 March 2017.

Registered in classes 30, 32, 35 and 43; all goods and services are relied upon.

Goods and services for which invalidation is sought: all goods and services in classes 32 and 35.

(ii) UK trade mark registration 3202486:



Filing date: 15 December 2016; date of entry in register: 10 March 2017.

Registered in classes 30, 32, 35 and 43; all goods and services are relied upon.

Goods and services for which invalidation is sought: all goods and services in classes 32 and 35.

(iii) UK trade mark registration 3237404 (“the 404 mark”):



Filing date 14 June 2017; date of entry in register: 8 September 2017.

Registered in class 16; all goods are relied upon.

Goods for which invalidation is sought: all goods in class 16.

(iv) UK trade mark registration 3237395:

**喜茶**

Filing date: 14 June 2017; date of entry in register 22 September 2017.

Registered in class 16; all goods are relied upon.

Goods for which invalidation is sought: all goods in class 16.

4. Shenzhen also makes two claims under s. 5(4)(b) of the Act. It asserts that it is the holder of Chinese copyright registrations for two works. It claims that it created the first work, shown below, on 20 February 2017 in China and that this image was first published in Shenzhen, China, on 23 February 2017 (“the HEYTEA copyright work”):



5. Shenzhen also relies upon the work shown below, which is asserted to have been created by Shenzhen in China on 13 February 2016 and is said to have been published in Shenzhen, China, on the same date (“the HEEKCAA copyright work”):



6. The second invalidation action concerns trade mark number 3216975, for the following trade mark:



It has both a filing and priority date of 7 March 2017 and was entered in the register on 2 June 2017 in respect of the following services:

Class 43: Services for providing food and drink; temporary accommodation.

7. Under s. 5(2)(b), Shenzhen relies upon two earlier trade marks, under both of which the invalidation is directed against all of the goods and services in the registration. These are as follows:

(i) UK trade mark number 3202416 (see paragraph 3(i), above):

For the purposes of this invalidity, Shenzhen relies upon all of its goods and services in classes 30, 32 and 43 only.

(ii) UK trade mark number 3202486 (see paragraph 3(ii), above). Shenzhen relies upon all of its goods and services in classes 30, 32 and 43 only.

8. Under s. 5(4)(b), Shenzhen claims two prior copyright works, namely those detailed at paragraphs 4 and 5, above.

9. The final application for invalidation concerns trade mark registration 3224448, shown below:



It has a filing date of 11 April 2017 and was entered in the register on 30 June 2017 for the following goods in class 30:

Class 30: Coffee, tea, cocoa and artificial coffee; rice; tapioca and sago; flour and preparations made from cereals; bread, pastries and confectionery; edible ices; sugar, honey, treacle; yeast, baking-powder; salt; mustard; vinegar, sauces (condiments); spices; ice.

10. The claim under s. 5(2)(b) is based upon the same two trade marks, and the same goods and services, as detailed in paragraph 7, above. It is directed against all of the goods and services in the registrations.

11. Under s. 5(4)(b), Shenzhen again makes two claims based upon its copyright in the works detailed at paragraphs 4 and 5, above.

12. For all of the invalidation actions, Shenzhen claims under s. 5(2)(b) that the parties' trade marks are very similar, with the earlier marks being reproduced entirely in the contested mark and the second of the Chinese characters meaning "TEA". It asserts that the goods and services are identical or similar. These factors will, it claims, lead to a likelihood of confusion, including a likelihood of association.

13. Mr Chen filed counterstatements in which he denies the basis of the invalidation. I note in particular that he denies that the image relied upon is identical to that in his trade mark registration. He also states that "HEYTEA" is not confusingly similar to Shenzhen's earlier marks "because the meaning of the second of two Chinese character is TEA. As the two Chinese character is orally to Xi Cha, not HEYTEA, the second character Cha is not phonetically to TEA. TEA could be any tea companies around the world or in the UK". He asserts that "HEEKCAA" is "totally different from HEYTEA either in writing or sound". He also denies that the goods and services are identical or similar.

### **The oppositions**

14. The second group of cases are oppositions filed by Mr Chen against two trade mark applications in the name of Shenzhen.

15. The first opposed application was filed by Shenzhen on 18 June 2017, under number 3238084, for the trade mark shown below:



HEYTEA

The application was published on 25 August 2017 in respect of a range of goods and services in classes 16, 30, 32, 35 and 43 (listed in full in the annexe to this decision).

16. Mr Chen opposes the application under ss. 5(1) and 5(2)(b) of the Trade Marks Act 1994 (“the Act”). Under these grounds, Mr Chen relies upon the following earlier marks and all of the goods and/or services for which they are registered:

(i) UK trade mark registration 3224448 (see paragraph 9, above).

Opposed goods: Various goods in class 30.

(ii) UK trade mark registration 3216975 (see paragraph 6, above)

Opposed services: all services in class 43

(iii) UK trade mark registration 3248493 (see paragraph 2, above)

Opposed goods and services: all goods and services in classes 16, 32 and 35.

17. The second opposed application was filed by Shenzhen on 12 February 2018, under number 3289424. The trade mark is shown below:



**HEYTEA**

It was published on 4 May 2018 in respect of goods and services in classes 16, 29, 30, 32, 35 and 43 (see annexe for full details).

18. The opposition is based upon ss. 5(1), 5(2)(a) and 5(2)(b). Mr Chen relies upon the following trade marks, and all of the goods and/or services for which the marks are registered:

(i) UK trade mark registration 3216975 (see paragraph 6, above).

Opposed goods/services: various goods and services in classes 16, 30, 32, 35 and 43.



(ii) UK trade mark registration 3224448 (see paragraph 9, above).

Opposed goods/services: various goods and services in classes 16, 30, 32, 35 and 43.

(iii) UK trade mark registration 3248493 (see paragraph 2, above)

Opposed goods/services: various goods and services in classes 16, 30, 32, 35 and 43

19. Shenzhen filed counterstatements in which it denies the basis of the oppositions. It makes various admissions regarding the similarity between some of the goods and services. I need not detail them here but will return to those admissions as appropriate later in this decision.

20. Given their filing dates, both the marks relied upon by Shenzhen in the invalidations and those relied upon by Mr Chen in the oppositions qualify as earlier marks under s. 6 of the Act for the respective proceedings. As Shenzhen's marks had not completed their registration process more than five years before the dates of the applications for invalidation, they are not subject to the use provisions in s. 47(2A). The position is similar for the trade marks relied upon by Mr Chen in his oppositions: the marks had not been registered for five years by the date of publication of the opposed marks and the proof of use provisions at s. 6A do not, therefore, bite. The consequence is that Shenzhen in the invalidities and Mr Chen in the oppositions may rely upon all of the goods and/or services they have identified, without demonstrating that they have used their marks.

21. Both parties filed evidence. Neither party asked to be heard. Only Shenzhen filed written submissions in lieu, which I will bear in mind. This decision is taken following a careful reading of all of the papers.

22. Mr Chen is not professionally represented. Shenzhen has been professionally represented throughout and is currently represented by Kilburn & Strode LLP.

## **Case Management**

23. A Case Management Conference (“CMC”) was held during proceedings to determine an application for an extension of time to file evidence by Shenzhen. I allowed an extension until 27 March 2019 but refused the longer extension sought. My reasons were given in my letter to the parties dated 25 March 2019.

## **Evidence**

### **Shenzhen’s evidence**

24. Shenzhen’s evidence consists of two witness statements of Quan Qifeng, the Senior Legal Director of Shenzhen.

25. Much of Mr Quan’s evidence is not relevant as it postdates the relevant dates and/or concerns Shenzhen’s activities in Asia, with no evidence that these activities took place in the UK or had any impact on the UK consumer. I record here that his evidence is that Shenzhen has been trading under the “HEYTEA” brand since 2015 in China. The business has expanded into other countries in Asia and there are produced a number of articles relating to the opening of branches in Singapore and Hong Kong, many of which reference the fame of the brand in mainland China.<sup>1</sup> There are also undated prints from Shenzhen’s website and various images of its shops and branding.<sup>2</sup> I note that among the pages said to show Shenzhen’s branding are two examples which appear to show devices identical to Mr Chen’s contested registrations.<sup>3</sup> These are dated April 2017 and 28 March 2017 and are from [www.weibo.com](http://www.weibo.com). There is no indication that any of these documents was seen in or relates to activities in the UK.

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<sup>1</sup> QQ1, QQ2.

<sup>2</sup> QQ3, QQ8.

<sup>3</sup> QQ8, pp. 186 and 189.

26. Mr Quan states that the Chinese characters 喜茶 are the Chinese transliteration of “HEYTEA”.<sup>4</sup> He also states that “HEEKCAA” is the Cantonese pronunciation of 喜茶 (HEYTEA in Chinese).<sup>5</sup>

27. Copies of the certificates of the registration in China of the copyright in the works shown at paragraphs 4 and 5, above, along with certified translations of the same are exhibited.<sup>6</sup> I note that the English translations show Shenzhen recorded as both author and owner. The first publication dates are recorded as 23 February 2017 and 13 February 2016, whilst the registration dates are 5 September 2018 and 21 October 2016, respectively.

28. In addition, there are five judgments relating to proceedings in China which are dated between November 2017 and November 2018.<sup>7</sup> Shenzhen relies upon these judgments to demonstrate that it has protected its copyrighted works and to counter the claim made in support of Mr Chen’s case that the images are widely used in China.

### **Mr Chen’s evidence**

29. This consists of the witness statement of Mika Chen, “a sales manager”, dated 7 March 2019. It is not clear how Ms Chen is connected to Mr Chen. Much of the evidence is either not relevant or is submission. I will only summarise the most relevant evidence. I will bear the submissions in mind and return to them as appropriate later in this decision.

30. Ms Chen exhibits seven undated photographs and one other image. They are said to contain the same characters 喜茶; all but one appear to contain these, or similar, characters. Five contain devices of a person drinking from a cup, with varying degrees

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<sup>4</sup> Quan 1, §3.

<sup>5</sup> Quan 1, §11.

<sup>6</sup> QQ4-QQ7.

<sup>7</sup> QQ9.

of clarity. All of these bear some degree of resemblance to the device contained within the claimed copyright registrations.

31. According to Ms Chen, “喜茶” is orally to Xi Cha (if translated, it may be similar to Happy Tea), not HEYTEA, the second character Cha is not phonetically to TEA. [...] Therefore, there’s no similarity between Heytea and Chinese character ‘喜茶’.”<sup>8</sup>

32. That concludes my summary of the evidence, insofar as I consider it necessary.

33. I begin by considering the invalidations filed by Shenzhen, given that the oppositions are dependent on the outcome of those attacks. Shenzhen’s submissions in lieu focus on the 416 and 404 marks. That seems to be a sensible starting point and I will therefore consider the position in relation to the 416 and 404 marks first. I will return to the other earlier marks if it becomes necessary.

34. Section 5 of the Act has application in invalidation proceedings because of the provisions set out in s. 47. The relevant legislation is set out below:

“47. – [...]

(2) The registration of a trade mark may be declared invalid on the ground-

(a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or (b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied, unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

[...]

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<sup>8</sup> Chen, §4.

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made.

Provided that this shall not affect transactions past and closed”.

### **Section 5(2)(b)**

35. Section 5(2)(b) of the Act reads as follows:

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

[...]

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

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

36. 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 are:

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

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

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

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

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may 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 will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

### **Comparison of goods and services**

37. When making the comparison, all relevant factors relating to the goods and services in the specification should be taken into account. In *Canon*, the Court of Justice of the European Union (“CJEU”) stated at paragraph 23 of its judgment:

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

38. Guidance on this issue has also come from Jacob J. (as he then was) in *British Sugar Plc v James Robertson & Sons Ltd* (the *Treat* case), [1996] R.P.C. 281, where he identified the factors for assessing similarity as:

(a) The respective uses of the respective goods or services;

(b) The respective users of the respective goods or services;

(c) The physical nature of the goods or acts of service;

(d) The respective trade channels through which the goods or services reach the market;

(e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be, found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;

(f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

39. Where the goods in a specification are included in a more general category covered by the competing specification, they can be considered identical: *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T- 133/05 at [29].

40. As regards complementarity, in *Kurt Hesse v OHIM*, Case C-50/15 P, the CJEU stated that complementarity is an autonomous criterion capable of being the sole basis for the existence of similarity between goods. In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T- 325/06, the General Court stated that “complementary” means:

“[...] there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking”.

41. The purpose of examining whether there is a complementary relationship between goods is to assess whether the relevant public are liable to believe that responsibility for



the goods lies with the same undertaking or with economically connected undertakings: it is neither necessary nor sufficient that the goods/services are used together: *Sandra Amelia Mary Elliot v LRC Holdings Limited*, BL O/255/13.

42. Given that Mr Chen's contested marks are identical, and the earlier 404 and 416 marks are also identical, I will consider the goods and services by class.

#### Class 16

*Bottle wrappers of paper or cardboard; Bags [envelopes, pouches] of paper or plastics, for packaging; Plastic film for wrapping; Packing paper; Sheets of reclaimed cellulose for wrapping; Absorbent sheets of paper or plastic for foodstuff packaging; Boxes of cardboard or paper; Table napkins of paper; Place mats of paper; Printed matter.*

43. The specification for the 404 mark contains the identical list of goods. These goods are all identical.

#### Class 30

*Coffee, tea, honey*

44. These terms are contained within the earlier 416 specification and are self-evidently identical.

*Artificial coffee*

45. This is similar in nature to coffee in the 416 mark's specification. It also has a similar purpose, as both are beverages for consumption or ingredients for making such beverages. I accept that artificial coffee is unlikely to have the caffeine properties of coffee itself and that there may therefore be some divergence in purpose as a consequence. Methods of use and consumer are likely to be the same. I also consider

that the channels of trade will coincide: the goods are likely to be sold in close proximity. The goods may be alternatives to one another and there is, therefore, a competitive relationship. There is no complementarity as outlined in the case law. There is a high degree of similarity between these goods.

### *Cocoa*

46. The 416 mark's specification includes "drinks based on cocoa". Whilst these goods may not be identical (a cocoa-based beverage is arguably not the same as cocoa itself (as a beverage)), any differences are minor: they will overlap in nature, purpose, methods of use, consumer and channels of trade. There will be a competitive relationship but no complementarity. These goods are highly similar.

### *Treacle*

47. The 416 mark's specification includes "molasses for food". These goods are both thick, sweet, sticky liquids used in cooking which have a good degree of overlap in nature and purpose. They have the same methods of use and consumers; their channels of trade are likely to be the same. There is no complementarity but they are potential alternative products. There is a high degree of similarity overall.

### *Sugar*

48. "Honey" in the 416 mark's specification is, like sugar, added to food and drinks to sweeten them. One is, however, a viscous liquid whilst the other is a granular substance. There is some overlap in their channels of trade, though whilst both may be found, for example, in the 'home baking' aisle of a supermarket, they are more likely to be on adjacent rather than the same shelves. They are not complementary but there is clearly potential for competition. There is a medium degree of similarity.

## *Rice*

49. This term is wide enough to include prepared rice, being both prepared dishes and prepared (dried) rice mixes. I therefore consider that Shenzhen's strongest case rests with its services in class 43 of the 416 mark's specification, as prepared rice may be purchased as an alternative to the use of the earlier mark's restaurant or catering services. There may be a complementary relationship and there may be shared channels of trade. There is a fairly low degree of similarity.

## *Preparations made from cereals, bread, pastries, edible ices*

50. The above are prepared foodstuffs which may be served, for example, in the cafés and teahouses covered by the 416 mark's class 43 specification. Although the goods and service differ in nature and purpose, there is potential for competition with the prepared goods being purchased instead of Shenzhen's services being employed. It is also possible that the goods and services may share channels of trade. There may be a degree of complementarity, as the goods form part of the provision of food covered by the earlier services and the consumer may perceive both the goods and the services to be the responsibility of the same undertaking. These goods and services are similar to a fairly low degree.

## *Mustard; vinegar, sauces (condiments); spices*

51. These goods have an affinity with the opponent's restaurant/catering services as they may be served as accompaniments to the foodstuffs provided and there may be some overlap in channels of trade. They are not in competition with the opponent's services but there may be some complementarity, though I do not think the latter is a particularly strong point of overlap. They are similar to a low degree.

*Tapioca and sago; flour; confectionery; yeast, baking-powder; salt; ice.*

52. I can see no meaningful similarity between these goods and any of the goods or services in the earlier specifications. There is no similar nature or purpose. Although the goods may be sold in the same premises as the goods in classes 30 and 32 of the 416 mark's specification, they are unlikely to be on shelves particularly close to one another, there is no competition and no complementarity. As regards the 416 mark's class 43 services, there is a different nature and purpose. Whilst goods containing these foodstuffs may be served in establishments covered by Shenzhen's specifications or, in the case of confectionery, the goods themselves may be served, I am not, in the absence of evidence, prepared to draw the conclusion that there is any meaningful overlap in channels of trade, or that there is complementarity as defined in the case law. These goods and the earlier services in class 43 are not in competition. The goods in class 16 of the 404 mark's specification are, in my view, yet further removed. There is no similarity.

### Class 32

*Fruit extracts (Non-alcoholic -); Fruit juices; Waters [beverages]; Beverages (Non-alcoholic -); Non-alcoholic fruit juice beverages; Beverages (Preparations for making -); Non-alcoholic beverages.*

53. These goods are all listed in the 416 mark's specification, albeit with some variation in their precise wording. These goods are identical.

*Fruit-based soft drinks flavored with tea; Water-based beverages containing tea extracts; Milky tea, non-milk-based; Milk (Peanut -) [non-alcoholic beverage]*

54. The 416 mark's specification contains the term "beverages (non-alcoholic)". That is a very wide term, covering all types of beverages which do not include alcohol. The

above goods are encompassed within the broader term in the earlier specification and are identical on the principle outlined in *Meric*.

Class 35: Advertising; Publicity; Marketing studies; Sales promotion for others; Import-export agencies; Procurement services for others [purchasing goods and services for other businesses]; Photocopying services.

55. The 416 mark's specification lists all of the above services. They are self-evidently identical.

### Class 43

#### *Services for providing food and drink*

56. With the exception of "hotels", the services in the earlier 416 mark's specification are all services which are concerned with the provision of food and drink. The above term would encompass all of these services, which are identical on the basis of *Meric*.

#### *Temporary accommodation.*

57. The 416 mark's specification contains the term "hotels". It is clearly the case that hotels offer accommodation on a temporary basis. I consider that the above term encompasses all types of temporary accommodation, including hotels. These services are also identical under *Meric*.

58. I should point out that, although I have not compared all of the terms in the contested specification with all of the goods and services in the earlier specifications in my analysis above, I have considered the position in their regard. I do not think the other terms in the earlier specification would put the opponent in any stronger a position that that considered above. I proceed on that basis.

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

59. It is necessary for me to determine both who the average consumer is for the respective parties' goods and services and the manner in which these goods and services are likely to be selected by the average consumer in the course of trade. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

“60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median”.

60. The lists of goods and services are varied and, in some cases, the average consumer will not be the same, or may include more than one group, in each class. I will return to this point when I consider the likelihood of confusion.

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

61. The distinctive character of a trade mark can be appraised only, first, by reference to the goods and services in respect of which registration is sought and, secondly, by reference to the way it is perceived by the relevant public: *Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91. In *Lloyd Schuhfabrik*, 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-2779, 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)".

62. The earlier mark consists of a device featuring a person drinking from a cup. It is suggestive of consumption, particularly in relation to the drinks in classes 30 and 32, and for the services in class 43, all of which may involve the consumption of drinks. A device of a person drinking is also not particularly distinctive in relation to food. However, it is a stylised representation, which I take into account and which increases its inherent distinctiveness. I consider that the earlier mark has a fairly low level of distinctive character for the goods and services in classes 30, 32 and 43. It is somewhat more distinctive in relation to the goods in class 16 and the services in class 35. Though I accept that all of these goods and services could have some connection with food and drink, it is insufficiently clear a link to have a materially detrimental effect on the mark's distinctive character. For these goods and services, it is distinctive to a medium degree.

63. Although Shenzhen has provided some evidence of the earlier mark's use, none of it relates to the UK. The evidence is insufficient to establish that the earlier mark has

enhanced its distinctiveness through use. Nor do I consider that the evidence provided by Ms Chen of claimed common use of the device disturbs the above findings: none of it is dated and none of it appears to relate to the UK. It certainly does not establish that widespread use of the same or a similar mark in the UK has weakened the inherent distinctiveness of the mark.

### **Comparison of trade marks**



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

“[...] it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion”.

65. It would be wrong, therefore, to dissect the trade marks artificially, although it is necessary to take into account the distinctive and dominant components of the marks.

66. Due weight must be given to any other features which are not negligible and therefore contribute to the overall impressions created by the marks. Mr Chen's contested registrations are all in respect of the same identical mark, therefore, the marks to be compared are:



Shenzhen's mark	Mr Chen's marks
	

67. Shenzhen's mark consists of a device of a person drinking from a cup. The overall impression is contained in the device as a whole.

68. Mr Chen's marks show a device of a person drinking from a cup. Chinese characters appear on the cup in the device. Underneath is the word "HEYTEA" in capital letters. Beneath that are two Chinese characters. The registered trade mark symbol ® appears to be present next to both "HEYTEA" and the Chinese characters but will be afforded no trade mark significance. The overall impression is dominated by the device and the words "HEYTEA". Although the latter are rather smaller than the device, the greater weight generally afforded to words results in the words and the device having a roughly equal role. The Chinese characters are, for the majority of consumers, likely to be perceived as little more than decorative and will have a lesser role. Even for those who are able to read them, their position and relative size is likely to result in their weight being subordinate to that of the other elements.

69. Visually, both marks share what is the virtually identical device of a person drinking from a cup. The only difference appears to be that the device in Mr Chen's marks also features Chinese characters on the cup itself. There are obvious differences because of

the additional words and Chinese characters which appear below the device in Mr Chen's marks and which have no counterpart in Shenzhen's mark. However, bearing in mind my assessment of the overall impression, the marks are visually similar to a reasonably high degree.

70. The device in either mark is unlikely to be articulated. The consumer is likely to articulate at least the word "HEYTEA" in the later mark. However, whether the word "HEYTEA" alone, or the word "HEYTEA" with the Chinese characters, irrespective of their pronunciation, are articulated, there is an aural difference between the marks.

71. Conceptually, both marks bring to mind the concept of a person drinking. "HEYTEA" does not have a clear concept itself but the easily identifiable "TEA" element in the word is likely to suggest that the person is specifically drinking tea, in the later mark. There remains a high degree of conceptual similarity.

### **Likelihood of confusion**

72. The factors considered above have a degree of interdependency and must be weighed against one another in a global assessment (*Canon* at [17]; *Sabel* at [22]). They must be considered from the perspective of the average consumer and a determination made as to whether the average consumer is likely to be confused. In making my assessment, I must keep in mind that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them he has retained in his mind (*Lloyd Schuhfabrik* at [26]).

73. Confusion can be direct or indirect. Direct confusion involves the average consumer mistaking one mark for the other. Indirect confusion is where the consumer notices the differences between the marks but concludes that the later mark is another brand of the owner of the earlier mark or a related undertaking. In *L.A. Sugar Limited v By Back Beat Inc*, BL O/375/10, Iain Purvis Q.C., sitting as the Appointed Person, explained that:

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

74. In *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17, James Mellor Q.C., sitting as the Appointed Person, stressed that a finding of indirect confusion should not be made merely because the two marks share a common element. In this connection, he pointed out that it is not sufficient that a mark merely calls to mind another mark. This is mere association not indirect confusion.

75. Where there is no similarity between the goods and services, there can be no confusion and the opposition against the dissimilar goods under this ground is dismissed.<sup>9</sup>

76. Given the range of goods and services, the average consumer will vary from a member of the public to a professional or business person. The level of attention will also vary. For example, a member of the public purchasing food and drink is likely to pay a medium level of attention, whilst the professional engaging advertising services will take a reasonably high degree of care. Nonetheless, it seems to me that all of the goods and services are likely to be subject to a purchasing process which is mainly visual. There is scope for an aural component to the purchase of all of the goods and

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<sup>9</sup> See, for example, *Waterford Wedgwood plc v OHIM* – C-398/07 P (CJEU).

services, though particularly for the services in class 35, which I take into account, though this will remain subordinate to visual considerations.

77. In this context, my finding that the marks are visually similar to a reasonably high degree is particularly important. Even where the consumer is a professional taking a higher than ordinary level of care, my view is that the visual and conceptual similarities are such that there is a likelihood of indirect confusion: the differences may be noticed but are insufficient to create the impression on the consumer that the products originate from different companies. I do not consider that the aural differences mitigate the risk of confusion, given the lesser role of aural elements in the purchase. For such services, the earlier mark will have a medium level of distinctive character. However, even for those services where the earlier mark has a relatively low degree of inherent distinctiveness, I still consider that there is a likelihood of indirect confusion. These goods and services are likely to be purchased with a lower but still reasonable level of attention. Combined with the important role of the device in the later marks, and it being nearly identical to the only element of the earlier mark, my view is that where there is any degree of similarity between the goods and services the consumer will consider that the goods and services are the responsibility of the same or a connected undertaking. There is a likelihood of indirect confusion.

### **Conclusions under s. 5(2)(b)**

78. The invalidations have been successful against registration numbers 3248493 and 3216975 in their entirety. The invalidation against registration number 3224448 has failed in relation to “tapioca and sago; flour; confectionery; yeast, baking-powder; salt; ice” but succeeds against the other goods.

### **Section 5(4)(b)**

79. The relevant section of the Act is 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)[...]

(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”.

80. Section 1 of the Copyright, Designs and Patents Act 1988 (“CDPA”) provides for copyright to subsist in original artistic works. Section 4 CDPA further provides:

“4. —Artistic works.

(1) In this Part “*artistic work*” means—

(a) a graphic work, photograph, sculpture or collage, irrespective of artistic quality,

[...]

(2) In this Part—

[...]

“*graphic work*” includes—

(a) any painting, drawing, diagram, map, chart or plan [...].”

81. I accept that, in principle, both of the works identified by Shenzhen qualify for copyright protection as graphic works under the above provisions. Given that the works were created in 2016 and 2017, if they qualify for copyright protection in the UK the relevant dates in these proceedings would fall within the terms of copyright protection.

82. The only comments which might be taken to challenge Shenzhen’s claim to the copyright in the works are that the figures are widely used in China. The evidence is, however, too flimsy to establish that this is the case or to undermine Shenzhen’s claim

to ownership of the copyright even if that were the case. That is particularly so given that Shenzhen has provided in evidence certificates of its copyright ownership and that there has been no challenge to the authenticity of those documents. I accept Shenzhen's evidence that the works were created on 23 February 2017 and 13 February 2016, respectively and that they were first published in China.

83. Section 22 of the Intellectual Property Act 2014 states that s.159 of the CDPA should be read as meaning that:

“(1) Where a country is a party to the Berne Convention or a member of the World Trade Organisation, this Part, so far as it relates to literary, dramatic, musical and artistic works, films and typographical arrangements of published editions—

(a) applies in relation to a citizen or subject of that country or a person domiciled or resident there as it applies in relation to a person who is a British citizen or is domiciled or resident in the United Kingdom”.

84. China is a member of the World Trade Organisation. It follows that Shenzhen has the same rights in the UK as would a British national. A British national would be entitled to protect the copyright in the works by virtue of s. 154 of the CDPA. The opponent's copyright in the works is therefore enforceable in the UK under the CDPA.

85. Section 17 of the CDPA states that:

“(1) The copying of the work is an act restricted by the copyright in every description of copyright work; and references in this Part to copying and copies shall be construed as follows.

(2) Copying in relation to a literary, dramatic, musical or artistic work means reproducing the work in any material form.”

86. Mr Chen's marks and the HEYTEA copyright work are virtually identical: the only perceptible differences are the inclusion in Mr Chen's marks of Chinese characters on the cup and the presence of the ® symbol. Mr Chen has offered no explanation for his choice of trade mark. Although there is no evidence that Shenzhen's marks were known in the UK, the similarities between the HEYTEA copyright work and Mr Chen's marks are such that they present a prima facie case of copying. In the absence of any justification or explanation from Mr Chen regarding his choice of these near-identical marks, I find that the trade marks were copied from the HEYTEA copyright work and that they represent an unlawful reproduction of that copyright work. It follows that use of the trade marks would be contrary to the CDPA. The invalidation based on the HEYTEA copyright work succeeds in respect of the whole of the contested registrations under s. 5(4)(b) of the Act. In the circumstances, I see no need to consider the position based upon the HEEKCAA work.

### **Overall conclusions**

87. The invalidations based upon s. 5(2)(b) succeeded in full against trade mark numbers 3216975 and 3248493 but only in part against trade mark registration 3224448. However, as the invalidations based upon s. 5(4)(b) have succeeded in full, the applications for UK trade mark registrations 3216975, 3224448 and 3248493 will be deemed never to have been made.

88. As Mr Chen's trade marks have been invalidated, there is now no basis for the oppositions against Shenzhen's trade mark applications, which are dismissed accordingly. Trade mark application numbers 3238084 and 3289424 will proceed to registration.

### **Costs**

89. Shenzhen has been successful and is entitled to an award of costs. The relevant scale is contained within Tribunal Practice Notice 2/2016. Keeping in mind the repetition

across the statements of case, which will have resulted in some time savings, I award costs to Shenzhen on the following basis:

Official fees (x 3):	£600
Preparing, considering and filing statements and counterstatements:	£800
Filing evidence and considering the other party's evidence:	£700
Written submissions:	£300
Total:	£2,400

90. I order Xiaolong Chen to pay to Shenzhen Meixixi Catering Management Co., Ltd the sum of **£2,400**. This sum is to be paid within twenty-one days of the expiry of the appeal period or within twenty-one days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 27<sup>th</sup> day of September 2019**

**Heather Harrison  
For the Registrar  
The Comptroller-General**



## **ANNEXE**

### **UK trade mark registration 3202416**

Class 30: Preparations for making beverages [cocoa based]; Drinks based on cocoa; Preparations based on cocoa; Beverages (Cocoa-based -); Coffee; Coffee-based beverages; Coffee beverages with milk; Chocolate beverages with milk; Tea-based beverages; Tea; Beverages (Tea-based -); Honey; Molasses for food; Iced tea (Non-medicated -); Iced tea; Tea-based beverages.

Class 32: Fruit extracts (Non-alcoholic -); Fruit juices; Fruit juices; Waters [beverages]; Mineral waters [beverages]; Beverages (Non-alcoholic -); Non-alcoholic fruit juice beverages; Peanut milk [non-alcoholic beverage]; Preparations for making beverages; Preparations for making aerated water; Essences for making beverages; Essences for making non-alcoholic beverages [not in the nature of essential oils]; Alcohol free beverages; Beverages (Non-alcoholic -); Fruit juice beverages; Effervescing beverages (Pastilles for -); Fruit juice beverages (Non-alcoholic -); Beverages containing vitamins; Frozen fruit beverages; Essences for making non-alcoholic beverages; Beer-based beverages; Fruit beverages; Brown rice beverages other than milk substitutes; Beverages consisting of a blend of fruit and vegetable juices; Flavoured carbonated beverages; Aloe juice beverages; Apple juice beverages; Frozen carbonated beverages; Frozen fruit-based beverages; Beverages (Whey -); Beverages (Preparations for making -); Beverages consisting principally of fruit juices; Extracts for making beverages; Extracts for making non-alcoholic beverages; Effervescing beverages (Powders for -); Essences for making beverages; Essences for making non-alcoholic beverages [not in the nature of essential oils]; Alcohol free beverages; Beverages (Non-alcoholic -); Fruit juice beverages; Effervescing beverages (Pastilles for -); Fruit juice beverages (Non-alcoholic -); Beverages containing vitamins; Frozen fruit beverages; Essences for making non-alcoholic beverages; Beer-based beverages; Fruit beverages; Brown rice beverages other than milk substitutes; Beverages consisting of a blend of fruit and vegetable juices; Flavoured carbonated beverages;

Aloe juice beverages; Apple juice beverages; Frozen carbonated beverages; Frozen fruit-based beverages; Beverages (Whey -); Beverages (Preparations for making -); Beverages consisting principally of fruit juices; Extracts for making beverages; Extracts for making non-alcoholic beverages; Effervescing beverages (Powders for -).

Class 35: Advertising; Publicity; Marketing studies; Sales promotion for others; Import-export agencies; Procurement services for others [purchasing goods and services for other businesses]; Procurement services for others relating to office requisites; Photocopying services.

Class 43: Cafés; Restaurants; Restaurants (Self-service -); Restaurants; Canteens; Snack-bars; Teahouse services; Bar services; Hotels; Catering for the provision of food and drink; Catering of food and drinks; Catering (Food and drink -); Cafeterias; Catering in fast-food cafeterias; Restaurants (Self-service -).

#### **UK trade mark registration 3202486**

Class 30: Prepared cocoa and cocoa-based beverages; Cocoa-based beverages; Beverages (Cocoa-based -); Coffee; Coffee-based beverages; Beverages (Coffee-based -); Coffee beverages with milk; Chocolate beverages with milk; Chocolate beverages with milk; Tea-based beverages with fruit flavoring; Tea-based beverages; Iced tea; Honey; Molasses for food; Tea.

Class 32: Fruit extracts (Non-alcoholic -); Fruit juices; Waters [beverages]; Beverages (Non-alcoholic -); Non-alcoholic fruit juice beverages; Peanut milk [non-alcoholic beverage]; Preparations for making beverages.

Class 35: Advertising; Publicity; Marketing studies; Sales promotion for others; Import-export agencies; Procurement services for others [purchasing goods and services for other businesses]; Procurement services for others relating to office requisites; Photocopying services.

Class 43: Cafés; Restaurants; Canteens; Snack-bars; Teahouse services; Bar services; Hotels; Catering (Food and drink -); Cafeterias; Restaurants (Self-service -).

**UK trade mark registration 3237404**

Class 16: Bottle wrappers of paper or cardboard; Bags [envelopes, pouches] of paper or plastics, for packaging; Plastic film for wrapping; Packing paper; Sheets of reclaimed cellulose for wrapping; Absorbent sheets of paper or plastic for foodstuff packaging; Boxes of cardboard or paper; Table napkins of paper; Place mats of paper; Printed matter.

**UK trade mark registration 3237395**

Class 16: Bottle wrappers of paper or cardboard; Bags [envelopes, pouches] of paper or plastics, for packaging; Plastic film for wrapping; Packing paper; Sheets of reclaimed cellulose for wrapping; Absorbent sheets of paper or plastic for foodstuff packaging; Boxes of cardboard or paper; Table napkins of paper; Place mats of paper; Printed matter.

**UK trade mark application 3238084**

Class 16: Bottle wrappers of paper or cardboard; Bags [envelopes, pouches] of paper or plastics, for packaging; Plastic film for wrapping; Packing paper; Sheets of reclaimed cellulose for wrapping; Absorbent sheets of paper or plastic for foodstuff packaging; Boxes of cardboard or paper; Table napkins of paper; Place mats of paper; Printed matter.

Class 30: Beverages (Cocoa-based -); Coffee; Coffee-based beverages; Coffee beverages with milk; Chocolate beverages with milk; Tea-based beverages; Tea (Iced -); Honey; Molasses for food; Tea.

Class 32: Fruit extracts (Non-alcoholic -); Fruit juices; Waters [beverages]; Beverages (Non-alcoholic -); Non-alcoholic fruit juice beverages; Beverages (Preparations for making -).

Class 35: Advertising; Publicity; Marketing studies; Sales promotion for others; Import-export agencies; Procurement services for others [purchasing goods and services for other businesses]; Photocopying services.

Class 43: Cafés; Restaurants; Restaurants; Canteens; Snack-bars; Tea room services; Bar services; Hotels; Catering (Food and drink -); Cafeterias; Restaurants (Self-service).

**UK trade mark application 3289424**

Class 16: Cardboard; Periodicals; Posters; Bags [envelopes, pouches] of paper or plastics, for packaging; Drawing materials; Architects' models; Paper; Flyers; Stationery; Towels of paper.

Class 29: Milk tea; Cocoa milk (milk-based); Snacks, mainly of fruits or vegetables; Frozen fruits; Milk based beverages [milk predominating]; Milk beverages; Milk drinks; Milk; Milk-based beverages; Milk beverages, milk predominating; Fruit salads; Fruit jellies; Fruit based snack foods; Snack foods based on vegetables; Milk products; Fruits, tinned; Milk shakes.

Class 30: Cocoa beverages with milk; Coffee; Coffee-based beverages; Cocoa beverages with milk; Cocoa-based beverages; Chocolate-based beverages; Tea; Iced tea; Tea-based beverages; Puddings; Sandwiches; Cakes; Bread; Cookies.

Class 32: Milky tea, non-milk-based; Non-alcoholic fruit extracts; Fruit juice; Waters [beverages]; Non-alcoholic beverages; Fruit nectars, non-alcoholic; Vegetable juices [beverages]; Vegetable drinks; Preparations for making beverages; Non-alcoholic fruit juice beverages.

Class 35: Advertising design; Publication of publicity texts; Advertising agency services; Advertising and marketing services; Advertising and publicity; Shop window dressing; Television advertising; Business information; On-line advertising on a computer network; Presentation of goods on communication media, for retail purposes; Design of advertising brochures; Design of advertising flyers; Design of advertising logos; Design of advertising materials; Advertising analysis; Business advice relating to advertising; Sales promotion for others; Procurement services for others [purchasing goods and services for other businesses].

Class 43: Mobile canteen for food supply; Café services; Cafeteria services; Canteen services; Restaurant services; Snack-bar services; Mobile catering; Providing of food and drink via a mobile truck; Tea rooms; Food and drink catering; Hotel services; Bar services.