

O/905/21

TRADE MARKS ACT 1994

IN THE MATTER OF UK TRADE MARK REGISTRATION NO. 3253172
IN THE NAME OF AH EMPIRE LTD FOR THE TRADE MARK



IN CLASSES 29 AND 30

AND

THE APPLICATION FOR INVALIDITY THEREOF UNDER NO. 503310
BY KORHAN PAZARLAMA VE DIS TICARET A.S.

Background and pleadings

1. AH Empire LTD (“the proprietor”) is the registered proprietor of the following trade mark (“the contested registration”):

UK trade mark registration no. 3253172



Filing date: 29 August 2017

Registration date: 08 December 2017

The mark stands registered for the following goods:

Class 29: *Meat, fish, poultry and game; meat extracts; preserved, frozen, dried and cooked fruits and vegetables; jellies, jams, compotes; eggs; milk and milk products; edible oils and fats.*

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.*

2. On 28 August 2020, Korhan Pazarlama ve Dis Ticaret A.S. (“the cancellation applicant”) applied to declare the contested registration invalid under Section 47 of the Trade Marks Act 1994 (“the Act”). The cancellation applicant relies on Sections 5(2)(b), 5(3), 5(4)(a) and 3(6) of the Act.

3. For the purpose of Section 5(2)(b) and 5(3) the cancellation applicant relies on the two European Union Trade Mark (EUTM)¹ registrations outlined in the table below:

¹ Although the UK has left the EU and the transition period has now expired, EUTMs, and International Marks which have designated the EU for protection, are still relevant in these proceedings given the impact of the transitional provisions of The Trade Marks (Amendment etc.) (EU Exit) Regulations 2019 – please see Tribunal Practice Notice 2/2020 for further information.

EUTM no. 011008752 (“the First Earlier Mark”)

SERA

Filing date: 02 July 2012

Registration date: 29 November 2012

Registered for the following goods:

Class 29: *Meat, fish, poultry; meat extracts; preserved, dried and cooked fruits and vegetables; jellies for food; jams; meat and fish stock concentrates; edible oils and fats; cheese and other milk products; spreads containing fat; vine leaves in brine; potato chips; frosted fruits; crustaceans (not live); preserved garden herbs; vegetable juices for cooking, tomato purée.*

Class 30: *Cereal preparations and cereal flakes for human consumption, spices, spice mixtures; bread, pastries; salt, vinegar sauces; honey; ginger; chocolates; sweets; confectionery; nutmegs; pies; ferments for pastes; aromatic preparations for food, fruit sauces.*

Class 31: *Agricultural, horticultural and forestry products for human consumption; grains and seeds for human consumption; fresh fruits and vegetables, pulses; seedlings; nuts, olives; oil cake; citrus fruits; onions.*

Class 32: *Beers; mineral and aerated waters and other non-alcoholic beverages; Fruit beverages and fruit juices; Syrups and other preparations for making beverages.*

EUTM no. 000714832 (“the Second Earlier Mark”)

SERA

Filing date: 06 January 1998

Registration date: 13 October 1999

Priority date: 07 July 1997

Registered for the following goods:

Class 29: *Meat, fish, poultry; meat extracts; preserved, dried and cooked fruits and vegetables; jellies for food; jams; meat and fish stock concentrates; edible oils and fats; cheese and other milk products; spreads containing fat; vine leaves in brine; potato chips; frosted fruits; crustaceans (not live); preserved garden herbs; vegetable juices for cooking, tomato purée.*

Class 30: *Cereal preparations and cereal flakes for human consumption, spices, spice mixtures; bread, pastries; salt, vinegar sauces; honey; ginger; chocolates; nutmegs; pies; ferments for pastes; aromatic preparations for food, fruit sauces.*

Class 31: *Agricultural, horticultural and forestry products for human consumption; grains and seeds for human consumption; fresh fruits and vegetables, pulses; seedlings; nuts, olives; oil cake; citrus fruits; onions.*

4. The marks relied upon by the cancellation applicant both hold filing dates that predate that of the contested registration. By virtue of the earlier filing dates, these trade marks qualify as earlier trade marks pursuant to Section 6 of the Act.

5. Under Section 5(2)(b) of the Act the cancellation applicant argues that the marks are similar, and that the goods are identical or similar, and that as such there will be a likelihood of confusion.

6. Under Section 5(3) of the Act the cancellation applicant states that it enjoys a reputation for the quality of the goods it provides under the earlier marks and that use of the contested registration would result in the proprietor taking unfair advantage of the cancellation applicant's reputation and causing detriment to the reputation and distinctive character of the earlier marks.



Jams and confitures; olives; tomato paste; pepper paste; halva; molasses; tahini; nuts; salad dressings; vinegar; sauces and spreads; spices; pickles; pickled vegetables; canned vegetables; roasted vegetables; grape leaves; canned foods; canned beans, legumes and vegetables; dried and cooked beans and pulses; dried fruits; dried vegetables; ready meals.

8. Under Section 3(6) of the Act the cancellation applicant contends that the contested registration was filed in bad faith because the proprietor had knowledge of the

cancellation applicant's prior rights (it being a distributor of the cancellation applicant's goods).

9. The proprietor filed a counterstatement denying the claims. In particular, the proprietor contended that 1) the cancellation applicant did not oppose the registration within the opposition period; 2) after the mark was registered, the proprietor heavily invested in marketing its brand and 3) the proprietor *"lost a lot of money as part of its strategy in buying most of the products of Sera and then finding out [that many] of them [were] not fit to [be] market[ed]"*.

10. Only the cancellation applicant filed evidence in these proceedings. No hearing was requested but the cancellation applicant filed written submissions in lieu of a hearing. Whilst I do not propose to summarise the evidence and submissions here, I have taken them into account in reaching my decision and will refer to them below where necessary.

11. The cancellation applicant is represented by Trade Mark Wizards Limited. The proprietor is representing itself in these proceedings.

12. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Act relied upon in these proceedings are derived from an EU Directive. That is why this decision continues to refer to EU trade mark law.

The cancellation applicant's evidence

13. The cancellation applicant filed evidence in the form of a witness statement by Orhan Koserecep and its corresponding 22 exhibits (1-22). Mr Koserecep is a member of the cancellation applicant's Board of Directors. Mr Koserecep's evidence is aimed at showing first, that the cancellation applicant's marks have acquired a reputation in the UK and the EU and that the cancellation applicant has acquired goodwill in the UK in the sign SERA. Secondly, Mr Koserecep's evidence is aimed at showing that the proprietor applied for the contested registration in bad faith.

Decision

14. Sections 5(2)(b), 5(3), 5(4)(a) and 3(6) of the Act have application in invalidation proceedings by virtue of Section 47 of the Act, which states as follows:

“47. (1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3 or any of the provisions referred to in that section (absolute grounds for refusal of registration).

[...]

(2) Subject to subsections (2A) and (2G), 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.

[...]

(2A) The registration of a trade mark may not be declared invalid on the ground that there is an earlier trade mark unless—

(a) the registration procedure for the earlier trade mark was completed within the period of five years ending with the date of the application for the declaration,

(b) the registration procedure for the earlier trade mark was not completed before that date, or

(c) the use conditions are met.

(2B) The use conditions are met if—

(a) the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with their consent in relation to the goods or services for which it is registered—

(i) within the period of 5 years ending with the date of application for the declaration, and

(ii) within the period of 5 years ending with the date of filing of the application for registration of the later trade mark or (where applicable) the date of the priority claimed in respect of that application where, at that date, the five year period within which the earlier trade mark should have been put to genuine use as provided in section 46(1)(a) has expired, or

(b) it has not been so used, but there are proper reasons for non-use.

[...]

(5) Where the grounds of invalidity exists in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.

(5A) An application for a declaration of invalidity may be filed on the basis of one or more earlier trade marks or other earlier rights provided they all belong to the same proprietor.

(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.”

Preliminary issue

15. Within its counterstatement, the proprietor denied the cancellation applicant's claims on the basis that the cancellation applicant did not oppose the registration within the opposition period.

16. The contested registration was filed on 29 August 2017 and registered on 8 December 2017. The invalidation action was filed by the cancellation applicant on 3 September 2020, and the cancellation applicant states it first notified the proprietor of its intention to seek invalidation of the contested registration on 10 September 2019. It is well established that an application for invalidation of a trade mark registration may be filed against a trade mark registration that was not previously challenged during the initial opposition period. Notwithstanding this, there are limits on the timescales for filing an application for invalidity of a registered mark in the case of acquiescence to the use of a mark by an earlier right holder, as set out in Section 48 of the Act. However, as the cancellation applicant filed the application for invalidation prior to the contested registration being five years old, the provisions under Section 48 cannot apply in this instance. I therefore find the application for invalidation to be valid.

Proof of use

17. Both earlier marks had been registered for a period of over five years at the date on which the application for invalidation was filed, and so they are both subject to the use provisions under Section 47(2A)(c) and (2B) of the Act. However, no proof of use was requested by the proprietor in these proceedings. The consequence of this is that the cancellation applicant is entitled to rely upon all of the goods for which its earlier marks are registered.

Section 5(2)(b)

18. Section 5(2)(b) of the Act is 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”.

19. Section 5A of the Act is as follows:

“5A Where grounds for refusal of an application for registration of a trade mark exist in respect of only some of the goods or services in respect of which the trade mark is applied for, the application is to be refused in relation to those goods and services only.”

Case-law

20. The following principles are gleaned from the judgments of the European Union (“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 C3/03, *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:

(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 the 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 greater 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 to mind the earlier mark, 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

21. In the judgment of the Court of Justice of the European Union (“CJEU”) in *Canon*, Case C-39/97, 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”.

22. The relevant factors identified by Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, for assessing similarity were:

(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.

23. 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 OHIM*, Case T-325/06, the General Court (“GC”) 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”.

24. In *Gérard Meric v OHIM*, case T-133/05, the GC held that the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category designated by the later trade mark or vice versa.

25. The specifications of the two earlier marks are nearly identical, the only difference being that the specification of the First Earlier Mark is slightly broader than that of the Second Earlier Mark because it includes some additional goods, namely *sweets and confectionery* in class 30 and *Beers; mineral and aerated waters and other non-alcoholic beverages; Fruit beverages and fruit juices; Syrups and other preparations for making beverages* in class 32. As the two earlier marks are identical, I will limit my consideration to the First Earlier Mark.

26. The competing goods are as follows:

The contested goods	The cancellation applicant's goods
<p>Class 29: <i>Meat, fish, poultry and game; meat extracts; preserved, frozen, dried and cooked fruits and vegetables; jellies, jams, compotes; eggs; milk and milk products; edible oils and fats.</i></p> <p>Class 30: <i>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.</i></p>	<p>Class 29: <i>Meat, fish, poultry; meat extracts; preserved, dried and cooked fruits and vegetables; jellies for food; jams; meat and fish stock concentrates; edible oils and fats; cheese and other milk products; spreads containing fat; vine leaves in brine; potato chips; frosted fruits; crustaceans (not live); preserved garden herbs; vegetable juices for cooking, tomato purée.</i></p> <p>Class 30: <i>Cereal preparations and cereal flakes for human consumption, spices, spice mixtures; bread, pastries; salt, vinegar sauces; honey; ginger; chocolates; sweets; confectionery; nutmegs; pies; ferments for pastes; aromatic preparations for food, fruit sauces.</i></p>

	<p>Class 31: <i>Agricultural, horticultural and forestry products for human consumption; grains and seeds for human consumption; fresh fruits and vegetables, pulses; seedlings; nuts, olives; oil cake; citrus fruits; onions.</i></p> <p>Class 32: <i>Beers; mineral and aerated waters and other non-alcoholic beverages; Fruit beverages and fruit juices; Syrups and other preparations for making beverages.</i></p>
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Class 29

27. Meat, fish, poultry; meat extracts; preserved, dried and cooked fruits and vegetables; jams, edible oils and fats. These goods are identically contained in both specifications and are self-evidently **identical**.

28. Game, Jellies, milk and milk products. Game is a type of meat and, as such, it falls within the broad term *Meat* in the cancellation applicant's specification. Likewise, the contested *jellies* encompass the cancellation applicant's *jellies for food* and the contested *milk and milk products* either encompass or are encompassed by the cancellation applicant's *cheese and other milk products*. These goods are **identical** on the principle outlined in *Meric*.

29. Frozen fruits and vegetables. These goods are highly similar to *preserved, dried and cooked fruits and vegetables* in the cancellation applicant's specification as they have the same nature and purpose, the only difference being that *frozen fruits and vegetables* need to be defrosted or cooked before they can be eaten whilst *preserved, dried and cooked fruits and vegetables* are ready for consumption. The goods target the same users, share trade channels and although they are not complementary, they are competitive. These goods are **similar to a high degree**.

30. Compote. A *compote* is a sweet dish made of cooked fruit. The nature of the goods is very similar to that of the cancellation applicant's *cooked fruits* and, even if the goods are not identical, the goods come in competition with each other and are complementary. Further, the goods target the same public, share trade channels and are likely to be found in close proximity to each other. These goods are **similar to a high degree**.

31. Eggs. The closest clash I can see here is with the cancellation applicant's *poultry*. The goods coincide in distribution channels, producers and end users and are similar, in my view, to a low degree. Alternatively, the cancellation applicant's *Agricultural [...] products for human consumption* is a broad term which might include all sort of farm products, including, for example, eggs for hatching and live poultry, which would either have the same nature of, or be complementary to, the contested *eggs* and coincide in producers and distribution channels. These goods are **similar to a low degree**.

Class 30

32. Bread, pastries and confectionery, honey, salt, spices. These goods are identically contained in both specifications. They are self-evidently **identical**.

33. Flour and preparations made from cereals. These goods either encompass or are encompassed by the cancellation applicant's *Cereal preparations and cereal flakes for human consumption*. These goods are **identical** on the principle outlined in *Meric*.

34. Sauces (condiments). These goods encompass the cancellation applicant's *vinegar sauces* and are **identical** on the principle outlined in *Meric*.

35. Vinegar. The contested *vinegar* is either **identical or highly similar** to the cancellation applicant's *vinegar sauces*.

36. Rice. Since rice is a type of cereal, the contested *rice* can be said to be encompassed by the cancellation applicant's *Cereal preparations and cereal flakes for human consumption*. Alternatively, if *Cereal preparations* do not include rice, it must include goods obtained from processed rice, such as rice flour or puffed rice,

which I consider to be **similar to a low to medium degree** to rice, because although the goods have a different method of use, they have a similar nature, coincide in trade channels and target the same users.

37. Tapioca and sago. These goods are types of starches extracted from plants. Since the cancellation applicant's *Cereal preparations for human consumption* include starches obtained from cereals, I find that there is a **high degree of similarity** between the contested *tapioca and sago* and the earlier *Cereal preparations for human consumption*, as the goods have a similar nature, purpose, consistency and method of use, target the same users, share trade channels, are likely to be found in close proximity to each other and are competitive.

38. Mustard. Mustard is a hot-tasting yellow or brown paste made from crushed seeds, typically eaten with meat or used as a cooking ingredient. The cancellation applicant's specification covers *grains and seeds for human consumption* which would include mustard seeds. These goods could be used to make home-made mustard and would therefore have a similar purpose to that of the contested *Mustard*; further, the goods come in competition with each other and are complementary to a certain degree. These goods are **similar to a low degree**.

39. Coffee, tea, cocoa and artificial coffee. These goods include the beverages made from these ingredients. The cancellation applicant's specification covers *non-alcoholic beverages*, which would include non-alcoholic beverages flavoured with coffee or tea. If the goods are not identical, there is a degree of similarity between them, not least because they target the same users, have the same purpose and method of use and come in competition with each other. These goods are **similar to a medium to high degree**.

40. Sugar. The cancellation applicant's *honey* is a substitute for the contested *sugar*. Although the goods target the same users and may have an overlap in purpose, they have a different nature, are not complementary and are unlikely to be found in close proximity to each other. These goods are similar to a low degree. The same applies to the contested *treacle* which is a thick, sticky dark syrup made from partly refined sugar. These goods are **similar to a medium degree**.

41. Yeast, baking-powder. These goods are similar to the cancellation applicant's *Cereal preparations for human consumption*, which include flour. The goods have a similar nature, purpose and method of use as they are all baking products, share trade channels and are likely to be found in close proximity to each other. These goods are **similar to a medium degree**.

42. Edible ices. These goods include flavoured ice such as, for example, lollipops. The closest clash I can see here is with the cancellation applicant's *confectionery* which includes frozen confectionary. The goods have a similar purpose, nature and method of use, as they are both sweet food eaten as a snack or dessert, target the same users, will be found in the same area of supermarkets and are competitive to a certain degree. These goods are similar to a **low to medium degree**.

43. Ice. The cancellation applicant argued that these goods are similar to its *mineral and aerated waters*. I disagree. The contested *ice* is understood as cooling ice. Although ice consists of frozen water, the nature and purpose of the goods is different because ice is a product used for preserving and/or cooling foodstuffs whereas water is a foodstuff. The goods are neither in competition nor complementary and are unlikely to be found in close proximity to each other. Likewise, the contested ice has nothing in common with the remaining goods in the cancellation applicant's specification. **These goods are dissimilar**.

Average consumer

44. 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*, Case C-342/97. 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. (as he then was) 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.”

45. The average consumer is a member of the general public. The goods could also be purchased by those in the trade for catering purposes, but this is not the most common form of purchase. Either way, the goods will be selected with no more than an average level of care. The goods are likely to be purchased following self-selection from retail outlets, websites or following perusal of advertisements. Consequently, visual considerations are likely to dominate the purchasing process. However, I do not discount that there will also be an aural component to the purchase as advice may be sought from sales assistants.

Comparison of marks

46. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

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

47. It would be wrong, therefore, to artificially dissect the trade marks, although, it is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.

48. The marks to be compared are as follows:

The contested registration	The cancellation applicant's mark
	SERA

49. The cancellation applicant's mark consists of the word 'SERA' presented in capital letters. There are no other elements to contribute to the overall impression, which lies in the word itself.

50. The contested registration consists of a combination of a word and a figurative element. The word 'Sera' written in title case and in a slightly stylised font sits in the centre of the mark against an oval shape device. The word element is presented in white whilst the device is presented in red and has a golden border. There is also a small ® symbol next to the letter 'r', however, as it will be understood as a sign indicating trade mark registration, its impact in the overall impression of the mark is negligible. The word element plays the greatest role in the overall impression. Whilst the device creates a visual impact, it has much less weight than the word 'Sera'.

51. Visually, the marks coincide in the presence of the word 'Sera/SERA' which appears in both parties' marks. Although the stylisation of the letters in the contested registration creates a visual difference, registration of a word mark protects the word itself presented in any normal font. Further, as a word only mark, the cancellation applicant's mark presented in capital letters will include the word presented in title

case. Hence, the impact of the stylisation and the difference created by the use of title case and capital letters must be discounted. The device acts as a point of visual difference but is not particularly elaborated. Taking all of this into account, I consider that the marks are similar to a high degree.

52. Aurally, the word 'Sera' will be given an identical pronunciation in both marks.

53. Conceptually, the cancellation applicant argued that the word 'Sera' in both mark will be understood either as a surname or as a variation of the name 'Sarah'. I disagree. In my view, the word 'Sera' will be seen in both marks as an invented word or a word of foreign origin; either way, it will have no meaning and a conceptual comparison is not possible.

Distinctive character of earlier mark

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

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *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).”

55. Registered trade marks possess varying degrees of inherent distinctive character, ranging from the very low, because they are suggestive or allusive of a characteristic of the goods, to those with high inherent distinctive character, such as invented words which have no allusive qualities.

56. I will begin by assessing the inherent distinctiveness of the earlier mark. As I have mentioned above, the word ‘SERA’ will be perceived as an invented word or a word of foreign origin and is inherently distinctive to a high degree. Whilst the cancellation applicant has filed evidence aimed at showing that the earlier mark has been used in the UK, in light of my finding that the mark is inherently distinctive to a high degree, the use made is unlikely to increase the distinctiveness of the mark to any material extent.

Likelihood of confusion

57. There is no scientific formula to apply in determining whether there is a likelihood of confusion; rather, it is a global assessment where a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective marks may be offset by a greater degree of similarity between the respective goods and services and vice versa. As I mentioned above, it is necessary for me to keep in mind the distinctive character of the earlier mark, the average consumer for the goods and the nature of the purchasing process. In doing so, I must be alive to the fact that the average consumer rarely has the opportunity to make direct comparisons between marks and must instead rely upon the imperfect picture of them that they have retained in their mind.

58. Confusion can be direct or indirect. The difference between these two types of confusion was explained in *L.A. Sugar Trade Mark*, BL O/375/10, where Iain Purvis Q.C. 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.”

59. Earlier in this decision I have concluded that:

- the goods at issue range from identical to similar to a low degree;
- the average consumer of the parties’ goods is a member of the general public who will select the goods predominantly by visual means. The level of attention will normally be medium;
- the competing marks are visually similar to a high degree and aurally identical. The word ‘Sera’ in both marks will not convey any meaning and a conceptual comparison is not possible;
- the earlier mark is distinctive to a high degree.

60. Taking into account all of the above factors, my conclusion is that given the similarities between the marks and the high distinctiveness of the earlier mark, there is a likelihood of direct confusion, even when the goods involved are only similar to a low degree. But, even if the average consumer were to notice the differences created by the presence of the device in the contested mark, the common use of the word ‘SERA’, which is highly distinctive, is likely to lead the average consumer to conclude that the goods originate from the same or economically linked undertakings. Therefore, there is a likelihood of direct confusion and in circumstances where the

differences between the marks is recalled by the consumer, there is a likelihood of indirect confusion.

61. The application for invalidation under Section 5(2)(b) succeeds in relation to the goods which I have found to be similar. Where the goods are dissimilar there can be no likelihood of confusion² so the application for invalidation fails in relation to *ice*.

Grounds under Sections 5(3) and 5(4)(a)

62. I can deal with all these two grounds briefly.

63. As regard the grounds under Section 5(3) of the Act, the evidence before me does not establish that the earlier marks had the requisite reputation in the UK for the purpose of Section 5(3) of the Act at the relevant date, which is the filing date of the contested registration, namely 29 August 2017. The UK sale figures for SERA branded products - which include various categories of foodstuff, some of which are not even covered by the specification of the earlier marks, for example, 'ready meals' - are relatively low in the context of the market as whole (which must be huge) being in the region of just over 6 million of US dollars in the period 2005-2017, with the sales achieved in the two years before the relevant date being approximately USD 260,000 (2016) and USD 221,00 (2017). Further, there is no evidence of marketing spent nor is there any evidence showing, for example, widespread promotion of the mark in the UK or market share evidence. Although the evidence includes examples of awards won by the cancellation applicant, they all seem to be awards won in Turkey, so they do not assist in establishing reputation in the UK (or the EU).

64. As regard the ground under Section 5(4)(a), there is no breakdown of sale figures by product type, so it is impossible to know what proportion of the total UK sale figures relate to any particular category of goods. But even if I were to find that the cancellation applicant had goodwill at the relevant date, the list of goods claimed is narrower than the specification covered by the earlier marks and the copies of invoices showing sales

² See, for example, *Waterford Wedgwood plc v OHIM* – C-398/07 P (CJEU)

to UK customers are mostly about jams, seeds, nuts and preserved, dried and cooked fruits and vegetables so any finding I would make under Section 5(4)(a) would not provide the cancellation applicant with a better case than the case pursued under Section 5(2)(b).

Section 3(6)

65. Section 3(6) of the Act states:

“(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith.”

66. The relevant case law in relation to allegations of bad faith has been set out in a number of decisions the most recent being in *Sky Limited & Ors v Skykick, UK Ltd & Ors*, [2021] EWCA Civ 1121 where the Court of Appeal considered the case law from *Chocoladefabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH*, Case C-529/07 EU:C:2009:361, *Malaysia Dairy Industries Pte. Ltd v Ankenævnetfor Patenter Varemærker* Case C-320/12, EU:C:2013:435, *Koton Mağazacılık Tekstil Sanayi ve Ticaret AŞ*, Case C-104/18 P, EU:C:2019:724, *Hasbro, Inc. v EUIPO, Kreativni Dogaaji d.o.o. intervening*, Case T-663/19, EU:2021:211, *pelicantravel.com s.r.o. v OHIM, Pelikan Vertriebsgesellschaft mbH & Co KG (intervening)*, Case T-136/11, EU:T:2012:689, and *Psytech International Ltd v OHIM, Institute for Personality & Ability Testing, Inc (intervening)*, Case T-507/08, EU:T:2011:46. It summarised the law as follows:

“68. The following points of relevance to this case can be gleaned from these CJEU authorities³:

1. The allegation that a trade mark has been applied for in bad faith is one of the absolute grounds for invalidity of an EU trade mark which can be relied on before the EUIPO or by means of a counterclaim in infringement proceedings: *Lindt* at [34].

³ There are other 3 points, but they are not relevant to this case

2. Bad faith is an autonomous concept of EU trade mark law which must be given a uniform interpretation in the EU: *Malaysia Dairy Industries* at [29].

3. The concept of bad faith presupposes the existence of a dishonest state of mind or intention, but dishonesty is to be understood in the context of trade mark law, i.e. the course of trade and having regard to the objectives of the law namely the establishment and functioning of the internal market, contributing to the system of undistorted competition in the Union, in which each undertaking must, in order to attract and retain customers by the quality of its goods or services, be able to have registered as trade marks signs which enable the consumer, without any possibility of confusion, to distinguish those goods or services from others which have a different origin: *Lindt* at [45]; *Koton Mağazacılık* at [45].

4. The concept of bad faith, so understood, relates to a subjective motivation on the part of the trade mark applicant, namely a dishonest intention or other sinister motive. It involves conduct which departs from accepted standards of ethical behaviour or honest commercial and business practices: *Hasbro* at [41].

5. The date for assessment of bad faith is the time of filing the application: *Lindt* at [35].

6. It is for the party alleging bad faith to prove it: good faith is presumed until the contrary is proved: *Pelikan* at [21] and [40].

7. Where the court or tribunal finds that the objective circumstances of a particular case raise a rebuttable presumption of lack of good faith, it is for the applicant to provide a plausible explanation of the objectives and commercial logic pursued by the application: *Hasbro* at [42].

8. Whether the applicant was acting in bad faith must be the subject of an overall assessment, taking into account all the factors relevant to the particular case: *Lindt* at [37].

9. For that purpose it is necessary to examine the applicant's intention at the time the mark was filed, which is a subjective factor which must be determined by reference to the objective circumstances of the particular case: *Lindt* at [41] – [42].

10. Even where there exist objective indicia pointing towards bad faith, however, it cannot be excluded that the applicant's objective was in pursuit of a legitimate objective, such as excluding copyists: *Lindt* at [49] [...]"

67. The correct approach to assessing bad faith was set out in *Alexander Trade Mark*, BL O/036/18, which outlined the key questions for determination a claim of bad faith namely:

- (a) What, in concrete terms, was the objective that the applicant has been accused of pursuing?
- (b) Was that an objective for the purposes of which the contested application could not be properly filed? and
- (c) Was it established that the contested application was filed in pursuit of that objective?

68. It is necessary to ascertain what the applicant knew at the relevant date: *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch). Evidence about subsequent events may be relevant, if it casts light backwards on the position at the relevant date: *Hotel Cipriani SRL and others v Cipriani (Grosvenor Street) Limited* and others, [2009] RPC 9 (approved by the Court of Appeal in England and Wales: [2010] RPC 16).

69. In this case the relevant date is the date of application of the contested registration, namely 29 August 2017.

70. The cancellation applicant's evidence is that the cancellation applicant is a leading Turkish food manufacturer and exporter and that the proprietor has been a customer of the cancellation applicant since 2015 and continued to purchase SERA branded products after the filing date of the contested registration. According to the evidence,

between 2015 and 2020 the proprietor purchased goods from the cancellation applicant for a total of USD 245,028, with nearly USD150,000 worth of goods being purchased between 2015 and 2017. In terms of documentary evidence, the cancellation applicant produced copies of invoices and bills of landing which show that large amounts of the cancellation applicant's goods (mostly consisting of preserved, dried and cooked fruits and vegetables) were imported by the proprietor in the UK. There is also evidence of email exchanges between Mr Azeddine Deba, who is the sole director of the proprietor, and the cancellation applicant relating to orders placed by Mr Deba on behalf of the proprietor. Taking into account the nature of the respective businesses, it is clear that prior to the relevant date the proprietor had acted as an importer and a distributor of the cancellation applicant's goods in the UK. This is supported by the description in the emails of the proprietor's business as "Importer Mediterranean Food and Soft Drinks".

71. The proprietor did not file any evidence, did not comment on the cancellation applicant's evidence and accepted that it bought SERA branded products from the cancellation applicant. The proprietor's only defence, as set out in the counterstatement, is that the cancellation applicant did not oppose the registration within the opposition period, that after the mark was registered the proprietor heavily invested in marketing the brand and that the proprietor *"lost a lot of money as part of its strategy in buying most of the products of Sera and then finding out [that many] of them [were] not fit to [be] market[ed]"*.

72. It would, of course, have been helpful to have had evidence from the proprietor to demonstrate what its motivations were, or at least to hear its side of the story. However, in the absence of any evidence from the proprietor, I accept the facts that have been presented by the cancellation applicant. These facts show that in August 2019, following the cancellation applicant's discovery that that the proprietor had registered the brand 'SERA' in the UK, the cancellation applicant emailed Mr Deba asking for an explanation. Mr Deba replied as follows:

"...about the brand registration it was right for me to do that because I worked hard and I promote your new products in the UK market so it was 3 months waiting for any opposition after that we have right to do we protect our business

I should block any company to import Sera brand because I'm very kind person I didn't so now I'll make my calculation then I will come back to you about it I can't just leave it like this also don't forget what I loss in the bin"

73. The cancellation applicant replied:

"Azeddin salam

How can you do something like that?

Our registered department told that you need to give back our registered mark SERA back as soon as possible. Otherwise they will sue you about this issue. Please let me know until Monday about what do you want to do?"

74. The response from Mr Deba was as follows (as written):

"All the companies have attention about there brand if any company want to register they can do opposition they was sleeping now you heard it from the market m in holiday we open Wednesday if you want to do something else let me know up to you the court it's open for anyone you can go ahead it's business not personal issues"

75. And the cancellation applicant:

"Ok

I understood that you don't want to give our brand name back. Am I right?

So our department will sue your company about that issue."

76. In *Surene Pty Ltd v Multiple Marketing Ltd*,⁴ the proprietor distributed the applicant's products under the mark BE NATURAL. The Cancellation Division held that the application had been made in bad faith. It stated:

"11. Bad faith can be understood either as unfair practices involving lack of good faith on the part of the applicant towards the Office at the time of filing, or

⁴ C000479899/1

unfair practices based on acts infringing a third person's rights. There is bad faith [...] also in circumstances where [the applicant] intends, through registration, to lay his hands on the trade mark of a third party with whom he had contractual or pre-contractual relations."

77. Although there is no evidence of any written agreement between the cancellation applicant and the proprietor, I consider that their relationship went beyond that between a buyer and a seller of goods. On the face of it, the proprietor was an importer and a distributor of the cancellation applicant and as such, it knew that the brand 'SERA' belonged to the cancellation applicant and that the cancellation applicant had an interest in exporting goods in the UK under its marks. In this connection, there is also evidence that the cancellation applicant used the same logo mark which is the subject of the contested registration. By registering the same mark for the same or similar goods, the proprietor acted in a manner that was likely to prevent the cancellation applicant from using its brand in the UK, other than through some sort of agreement with the proprietor itself. The objective behind the registration of the contested mark was therefore for the proprietor to obtain an unfair advantage over the use of the cancellation applicant's mark in the UK and, by the proprietor's own admission, to prevent any other company (including the cancellation applicant) from importing the cancellation applicant's products under the brand 'Sera' with a view of extracting some form of financial benefits. The fact that the cancellation applicant did not oppose the contested registration within the opposition period or that the proprietor suffered some financial losses as a result of importing the cancellation applicant's products in the UK is not a defence. Finally, Mr Deba's response to the request to transfer the contested registration to the cancellation applicant (who is the legitimate owner of the brand), i.e. *"I didn't so now I'll make my calculation then I will come back to you about it I can't just leave it like this also don't forget what I loss in the bin"*, clearly indicates that the intention behind the filing of the application to register the contested mark was to extract some form of payment from the cancellation applicant as a way of recovering some of the money Mr Deba felt he had lost as a result of importing the cancellation applicant's goods in the UK. This, in my view, falls below the proper standards of commercial behaviour and is bad faith.

79. The claim is made out. The contested registration was filed in bad faith.

80. The application for invalidation under Section 3(6) succeeds.

Conclusions

81. The invalidation against the mark UK 3253172 is successful. The UK mark 3253172 is deemed never to have been made.

Costs

82. The cancellation applicant having been successful it is entitled to a contribution towards its costs. I bear in mind that the relevant scale is contained in Tribunal Practice Notice 2/2016. In its submissions in lieu the cancellation applicant asked for an award of costs off the scale or, alternatively, at the top end of the scale. The cancellation applicant argued that it was unreasonable and dishonest for the proprietor to have filed the application to register the contested mark in view of its knowledge of the cancellation applicant's rights and that the proprietor's defence was hopeless.

83. Although I found that the contested registration was filed in bad faith, a finding of bad faith does not automatically attract an award of costs off the scale. The proprietor filed a counterstatement where it put forward a number of arguments in defence of its registration. Beyond the counterstatement, it filed nothing. Even though the proprietor has lost, this is not indicative, in itself, of unreasonable behaviour and I cannot identify any breach of rules, delaying tactics or other unreasonable behaviour. I do not think therefore that an award of costs off the scale (or to the top end of the scale) is justified in the circumstances.

84. I assess the cancellation applicant's costs as follows:

Preparing a statement and considering the other party's statement:	£400
Filing evidence:	£1,000
Written submissions:	£400
Invalidation official fees:	£200
Total:	£2,000

85. I therefore order AH Empire LTD to pay Korhan Pazarlama ve Dis Ticaret A.S. the sum of £2,000. This sum to be paid within 21 days of the end of the period allowed for appeal or, if there is an appeal, within 21 days of the conclusion of any appeal proceedings.

Dated this 15th day of December 2021

T Perks

For the Registrar,

the Comptroller-General