

O-186-03

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION No. 2259414  
BY ETRUSCA GROUP LIMITED  
TO REGISTER THE TRADE MARK  
ZUCCATO IN CLASS 42**

**AND**

**IN THE MATTER OF OPPOSITION THERETO UNDER  
No. 90040 BY ZUCCATO FRATELLI DI ZUCCATO ANTONIO,  
REMO E ROMOLO S.N.C.**

## TRADE MARKS ACT 1994

**IN THE MATTER OF Application No. 2259414 by Etrusca Group Limited to register the trade mark Zuccato in Class 42**

**and**

**IN THE MATTER OF Opposition thereto under No. 90040 by Zuccato Fratelli Di Zuccato Antonio, Remo E Romolo S.N.C.**

### Background

1. On 29 January 2001 Etrusca Group Limited applied to register the mark ZUCCATO for “restaurants, cafés, cafeterias, coffee shops, bars, provision of food and drink” in Class 42.
2. The application is numbered 2259414.
3. On 5 February 2002 Zuccato Fratelli di Zuccato Antonio, Remo E Romolo S.N.C. filed notice of opposition to this application. They are the proprietors of the following Community Trade Mark registration:

No.	Mark	Class	Specification
87585	ZUCCATO	29	Meat, fish, poultry and game; meat extracts; preserved, dried and cooked fruits and vegetables; jellies, jams, fruit sauces; eggs, milk and milk products; edible oils and fats.
		30	Coffee, tea, cocoa, sugar, rice, tapioca, sago, artificial coffee; flour and preparations made from cereals, bread, pastry and confectionery, ices; honey, treacle; yeast, baking-powder; salt, mustard; vinegar, sauces (condiments); spices; ice.
		31	Agricultural, horticultural and forestry products and grains not included in other classes; live animals; fresh fruits and vegetables; seeds, natural plants and flowers; foodstuffs for animals, malt.

4. Furthermore, they say that their mark has been used in the UK since 1994.
5. Objection is taken under Sections 5(2)(a) and 5(4)(a) of the Act. In relation to the first of these grounds the opponents say that:

“The trade mark applied for consists of the identical word “ZUCCATO” in Class 42 for “Restaurants, cafes, cafeterias, coffee shops, bars, provision of food and drink” which so closely resembles the opponent’s goods as to be likely to deceive or cause confusion – especially although not exclusively, because most food covered by the earlier registration in Classes 29 and 30 are goods such as might be sold in the locations of Class 42 or associated therewith or amount to or are similar to the provision of food and drink.”

6. The applicants filed a counterstatement denying the above grounds and referring to use of their own since 1999.
7. Both sides ask for an award of costs in their favour.
8. Both sides filed evidence. Neither side has asked to be heard.
9. Written submissions have, however, been received from Kings Patent Agency (their letter of 19 May 2003) on behalf of the applicants and Potts Kerr & Co (their letters of 16 and 23 May 2003) on behalf of the opponents. Acting on behalf of the Registrar and with the above material in mind I give this decision.

### **Evidence**

10. The evidence filed in this case is as follows:

#### **Opponents’ evidence in chief:**

Witness Statement by Marco Zuccato with Exhibits MZ 1-9

Certification by Stefania Pareschi (translation)

Witness Statement by David Cedric Franklyn Gilmour with Exhibits DG1-6

Witness Statement by Carmine Carnevale with Exhibits CC1-2

#### **Applicants’ evidence in support:**

Witness Statement by Piero Quaradeghini with Exhibits PQ 1-4

#### **Opponents’ evidence in reply**

Witness Statement by Carmine Carnevale

Witness Statement by Marco Zuccato

11. It will suffice at this stage to say that the opponents are a long established family business in Italy and are primarily involved in the pickled vegetable market. Exhibit MZ1 to Mr Zuccato’s witness statement shows that the goods include sauerkraut, sweet and sour cucumbers, pickled gherkins, mixed pickles, peppers, onions, chives, capers, beetroot etc. There have been exports

to the UK since 1994 with business conducted primarily if not exclusively through a Mr C Carnevale who sells ZUCCATO branded products to shops, hotels, restaurants, pizza houses etc. Turnover figures are given in Italian lire as follows with an approximate sterling equivalent (my calculations) based on an exchange rate of 3110.49/£ given by Mr Gilmour in his evidence for the opponents:

<b>Year</b>	<b>Turnover</b>	<b>Sterling equivalent</b>
1994 :	4.887.000 Italian Lire	1,571
1995 :	31.043.400 Italian Lire	9,980
1996 :	24.841.200 Italian Lire	7,986
1997 :	29.603.400 Italian Lire	9,517
1998 :	25.344.300 Italian Lire	8,148
1999 :	33.742.765 Italian Lire	10,848
2000 :	27.715.827 Italian Lire	8,910
2001 :	50.033.410 Italian Lire	16,085

12. Reference is also made to a promotion sheet (MZ8) concerning an ‘Appetivo’ product bearing the mark ZUCCATO which it is said might be used as a drinks accompaniment. It is not clear whether, or to what extent it has been sold in the UK. Mr Zuccato suggests that jars of the goods bearing the mark ZUCCATO might be displayed in bars of restaurants and be visible in the stands of sandwich bars or of delicatessens. Further confirmation of the nature of the opponents’ trade is provided by Mr C Carnevale, the UK importer referred to above. Mr Gilmour is the opponents’ professional representative. His evidence includes material drawn from the applicants’ website providing information on their restaurants.

13. Mr Quaradeghini is the Managing Director of the applicant company. He gives evidence about the opening of the first ZUCATTO restaurant in 1999 and a printout listing sales for the first three weeks. A further restaurant was opened in June 2001, that is after the relevant date in these proceedings. The remainder of his witness statement deals with contact between the parties and what amount to submissions in relation to the issues before me.

### **The parties’ submissions**

14. The main points relied on by the opponents are that:

- the mark ZUCCATO is a strong and distinctive one;
- the mark has strong Italian connotations and is used in relation to Italian foodstuffs and Italian restaurants respectively;
- the opponents supply products to the catering trade including restaurants and pizzerias. Purchasers of their goods might think that the opponents had moved into the restaurant trade;

- in some restaurants and pizzerias food preparation is on view to the purchasing public with the result that tins or jars of the opponents' products would be on view either through being on display or during the handling process. Thus, it is said, customers might assume an association with the applicants' business;
- the products and services involved are unlikely to be regarded as specialist ones;
- the opponents refer to a sentence from the applicants' promotional brochure at PQ1 to the effect that "... by the entrance some exquisite objects of desire including specially commissioned espresso cups and beautifully packaged olive oils and vinegars are displayed for sale";
- the opponents also say that the applicants have given no adequate explanation as to why they selected the mark ZUCCATO. However as no bad faith claim has been pleaded this point does not appear to lead anywhere.

15. Finally, so far as the opponents' submissions are concerned I note that they refer me to two cases dealing with similarities between goods and services *Baywatch Trade Mark*, O/151/1 and *South Beach Trade Mark* O/196/00. I will deal with the issues arising from these cases below.

16. The applicants make the following main points:

- all of their business relates to food and drink sold on the premises for consumption on the premises and consists only of prepared meals;
- the vast majority of the opponents' goods are sold in the UK through Mr Carnevale and have mostly consisted of peppers in 5kg cans or jars;
- the sort of products supplied by the opponents would be ingredients in restaurant dishes but no-one would expect to be able to purchase canned or bottled vegetables from the applicants' restaurants;
- website searches are likely to be focussed on the respective goods and services;
- the opponents' trade must be a very small part of the overall UK market for pickled vegetables;
- the opponents' view that the name ZUCCATO would sometimes be visible in restaurants and pizzerias is speculation that is not substantiated by any evidence;
- the applicants also comment on a claim that appears to have arisen in telephone contacts between the parties to the effect that the opponents are trying to protect a family name (rather than being concerned about confusion). The details are murky and not in my view relevant. If a family name is registered and used as a trade mark then the opponents are perfectly entitled to have the matter considered on its merits.

## Section 5(2)(a)

17. The relevant part of the statute reads:

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

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

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

18. There is now a well established guidance from the European Court of Justice (ECJ) to assist me in dealing with the issues of similarity and likelihood of confusion. In particular I take into account the guidance provided by the ECJ in *Sabel BV v Puma AG* [1998] E.T.M.R. 1, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] E.T.M.R. 1, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v Adidas AG* [2000] E.T.M.R. 723.

## The Marks

19. The applicants concede that the respective marks are identical. There remains the question of the distinctive character (inherent or acquired) of the word ZUCCATO in relation to the goods and services involved (*Sabel v Puma* paragraphs 23 and 24). ZUCCATO sounds like an Italian name and, indeed, it appears to be the opponents’ family name. That does not mean it is any less distinctive. There is no suggestion that it is a common name in this country. Taking the mark at face value I regard it as being a strong and distinctive one from the point of view of UK consumers even though it is used in relation to goods of Italian origin and Italian restaurants (and not forgetting that the respective specifications contain no such limitations on the nature of the parties’ trade).

20. Use of a mark can result in it enjoying an enhanced degree of distinctive character. In *DUONEBS Trade Mark*, BL O/048/01, Mr S Thorley QC, sitting as the Appointed Person, in dealing with the question of the reputation attaching to a mark said:

“In my judgment, I believe what the ECJ had in mind was the sort of mark which by reason of extensive trade had become something of a household name so that the propensity of the public to associate other less similar marks with that mark would be enhanced. I do not believe that ECJ was seeking to introduce into every comparison required by Section 5(2), a consideration of the reputation of a particular existing trade mark.”

21. The opponents' use must by any standard be considered to fall far short of such a test. The volume of use is small, the outlets are either limited in number or unsubstantiated in terms of detail bearing in mind that it is claimed sales have been made to shops, hotels, restaurants, pizza houses etc. The goods have been promoted at International Food and Drink Exhibitions in London but the impact on the trade and consumers is uncertain. Even accepting that sales have been concentrated on a narrow range of pickled vegetables there is nothing to suggest that the mark enjoys household name status within that particular area. The mark's character rests on its inherent qualities but the opponents can justifiably say that these are strong.

### **The average consumer**

22. The opponents' goods potentially appear to have a wide consumer base. It seems from the opponents' evidence that they direct their business primarily at the restaurant and hotel trade but may also, through their importer/distributor, attract retail custom and hence have their goods exposed to the public at large.

23. Restaurant services do not call for comment as such. I would merely say that consumers are likely to be rather more careful in their choice of somewhere to eat than they are in buying in individual food items particularly if the latter are relatively low priced ones.

### **Similarity of goods and services**

24. The guidance provided by the ECJ in the *Canon* case is as follows:

“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 end users and their method of use and whether they are in competition with each other or are complementary.”

25. In *British Sugar Plc v James Robertson & Sons Ltd (TREAT)*, [1996] RPC 281 Mr Justice Jacob also considered that channels of trade should be brought into the reckoning.

26. The opponents' core business is the provision of pickled vegetables. Both sides have expended time and effort in their evidence setting out their respective views on why there is or is not a connection between these goods and the applicants' services. The first point that must be made is that I am required to consider the whole of the opponents' specification and not just to conduct an enquiry based on the opponents' actual use. However, in deference to the way in which the parties' cases have been developed I will comment briefly in what follows on the position arising from the opponents' actual trade.

27. I have mentioned that I have been referred to two cases that have dealt with the application of the *Canon/Treat* principles in the context of various items of food and drink on the one hand and restaurant, café etc services on the other. In the *Baywatch* case the Hearing Officer had before him an application for 'restaurant services' and an opponent whose registration in Class 30 covered a wide ranging list of goods but included snack foods and pizzas. The Hearing

Officer held that there was similarity between the goods and services bearing in mind that the term restaurants embraces pizza restaurants. The finding of a connection between prepared food products and restaurants is not an unexpected one given that many restaurants offer both an on-premises (ie sit-down) service and a take-away service. It does not automatically follow that this particular circumstance of trade extends to other categories of goods. I note in particular that the opponents' specification does not cover prepared (ready to eat) meals such as pizzas.

28. Moreover, so far as the goods on which the opponents' mark has been used are concerned, I am not persuaded that consumers would make the sort of association with restaurant services (or vice versa) that the opponents suggest. The opponents base their case on the fact that their own goods are supplied to the restaurant trade and, accordingly, that their products may be on view to customers in food storage or preparation areas. Implicit in that suggestion is the fact that the opponents' goods are used as ingredients in prepared meals. Whilst it may be possible in certain circumstances for customers in a restaurant to see food preparation areas it seems to me that their interest is a casual one and likely to be focussed on the preparation process rather than individual ingredients. Furthermore it is doubtful whether brand names will attract attention (or even be visible) in such circumstances. Applying the *Canon/Treat* criteria does not in my view produce a favourable outcome for the opponents based on their established trade in pickled vegetables.

29. I note that the opponents also refer to the fact that the applicants' restaurants appear to offer for sale a select range of goods (olive oils and vinegars are mentioned). If that was a widely practised circumstance of trade then it might point to some similarity between goods and services. However I am not clear whether or to what extent consumers have been educated to expect such trading practices and thus to make the association suggested.

30. The second case to which I have been referred is more directly relevant to the current dispute. In *South Beach Café* an application for, inter alia, catering services, restaurant services and café services was opposed by the proprietor of a near identical mark registered for coffee, tea and various beverages. Evidence was led that various coffee shops, cafés, sandwich bars and restaurants had established a trade in coffee and other beverages to take away along with sales of packets of coffee beans or ground coffee. A number of these were parts of chains or were well known establishments (eg Pret a Manger, Whittards, Seattle Coffee Company, Costa Coffee). The conclusion reached was as follows:

“I accept that on the basis of the evidence the opponents have made out a persuasive case that there is certainly a sector of the café/restaurant/sandwich bar market which has developed a trade in goods (particularly coffee beans and ground coffee) as an adjunct to the provision of the core services. It is perhaps not an altogether surprising state of affairs. The applicants' own evidence shows that, no doubt like similar establishments, they offer a wide range of coffees. A satisfied customer in addition to consuming a beverage on the premises may well wish to use the same variety at home or in the office. On that basis it seems to me to be inescapable that confusion will arise if very closely similar marks are used by different traders on the related goods and services.”

31. I might just add that the *South Beach Café* decision was issued some three years ago (and had a material date of 7 March 1996). From my own experience I take the view that the trade



circumstances described and set out in the evidence in that case have been reinforced and extended in the intervening period. A prime example is the now extensive range of Starbucks coffee houses, a successful US chain that has quickly developed a trade in this country which embraces on-site and take-away services as well as sales of coffee beans.

32. The result is that I find that there is a high degree of similarity between coffee in the opponents' specification and, particularly cafés, cafeterias and coffee shops in the applied for specification. I believe that application of the *Canon/Treat* criteria supports such a view. The nature of a service is always likely to be different to goods but the purpose in each case is to provide beverages, the only distinction being whether they are taken on or off the premises. The end users will be the same. The café or other premises provide the trade outlet for both the provision of the service or for the sale of goods. Finally the services and goods are complementary in the sense that they represent alternative choices for the consumer at the point of delivery.

33. The similarities are thus at their most obvious and strongest in the context of cafés, cafeterias and coffee shops. The position may be less clear cut in relation to restaurants, bars and provision of food and drink. I bear in mind here that these terms naturally encompass a wide range of establishments and meanings. The term restaurants, for instance, will include establishments where one would certainly not expect a trade in goods to be undertaken. Equally a fast food chain such as McDonalds describe their outlets as restaurants and provide for both consumption on and off the premises. Likewise the term bars may most naturally describe licensed premises but other establishments commonly describe themselves as sandwich bars, coffee bars and café bars (see *South Beach Café*). Thus, whilst I would not expect homogeneity of trading practices within the field of restaurants, bars etc, it is common for such establishments to cover on premises consumption, take-away services and the provision of particular goods items, sometimes with a mixture of all of these. The general term provision of food and drink must also be read in this context.

### **Likelihood of confusion**

34. The likelihood of confusion must be appreciated globally taking account of all relevant factors, *Sabel v Puma* paragraph 22. As the applicants have indicated in their written submissions mere association, in the sense that one is reminded of the other mark, is not enough unless it results in a likelihood of confusion as to the origin of the goods or services concerned.

35. The relevant considerations here are that marks are identical; ZUCCATO is a strong mark; the notional breadth of the opponents' specification must be considered; the applicants' position cannot be saved simply by claiming an absence of likelihood of confusion based on the parties' existing trades; there are similarities between the opponents' Class 30 goods, particularly coffee, and coffee shops, cafés etc (but also pastry and confectionery items that are also sold in such establishments); there is a low degree of similarity between the opponents' goods and the other services applied for but regard must be had to the variety of types of establishments that call themselves restaurants, bars and providers of food and drink.

36. Taking all these factors into account I find that there is a likelihood of confusion and that this finding applies in respect of the full range of services applied for. The opponents succeed under Section 5(2)(a).

**Section 5(4)(a)**

37. In the light of the above finding I do not need to address the opponents' case under this head and I decline to do so.

**Costs**

38. In the light of the manner in which the parties have put their positions in evidence this decision may have resulted in success for the opponents from an unexpected quarter. It is a success nonetheless and they are entitled to a contribution towards their costs. I order the applicants to pay the opponents the sum of £1700. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 30<sup>th</sup> day of June 2003**

**M REYNOLDS  
For the Registrar  
the Comptroller General**