

O-163-15

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION No. 3042883  
BY MSR CATERING LIMITED  
TO REGISTER THE TRADE MARK:



IN CLASSES 30 & 43  
AND

IN THE MATTER OF OPPOSITION  
THERE TO UNDER No. 402263 BY  
GOURMET FRANCHISING LIMITED

## BACKGROUND

1) On 17 February 2014, MSR Catering Limited (hereinafter the applicant) applied to register the trade mark shown on the above page in respect of the following goods and services:


In Class 30: Cakes; Confectionery; Confectionery items (non-medicated-); Confectionery made of sugar; Confectionery products (non-medicated-); Desserts; Flour confectionery; Flour for baking; Flour for doughnuts; Flour for making dumplings of glutinous rice; Flour mixed with baking ingredients; Flour ready for baking; Fresh bread; Fresh pasties; Fruit cakes; Ice-cream cakes; Ice-cream confections; Paste (cake-); Paste (Cake); Pastry; Prepared desserts; Prepared desserts [chocolate based]; Prepared desserts [confectionery]; Prepared desserts [pastries]; Sweet biscuits for human consumption; all the aforesaid being halal goods.

In Class 43: Cafés; Catering services; Coffee shops; Delicatessens [restaurants]; Fast food restaurant services; Fast-food restaurants; Food preparation services; food takeaway service; all the aforesaid serving halal goods.

2) The application was examined and accepted, and subsequently published for opposition purposes on 11 April 2014 in Trade Marks Journal No.2014/015.

3) On 6 June 2014 Gourmet Franchising Limited (hereinafter the opponent) filed a notice of opposition. The grounds of opposition are in summary:

a) The opponent is the proprietor of the following trade mark:

Mark	Number	Date of application / registration	Class	Specification
	3033125	02.02.13 14.03.14	29	Dairy desserts; Dairy produce; Dairy puddings; Dairy spreads; Dairy-based beverages; Dairy-based dips; Dairy-based whipped topping; Desserts made from milk products.
			30	Biscuits; Cakes; Chocolate confectionery; Confectionery; Sweets [candy]; Sweets (non-medicated-); Sweet bean jam coated with sugared-bean based soft shell [nerikiri]; Sweet biscuits for human consumption; Sweet dumplings (dango); Sweet pickle [condiment]; Sweet pounded rice cakes (mochi-gashi); Sweet spreads [honey]; Sweeteners consisting of fruit concentrates; Sweeteners (natural-); Sweeteners (Natural -); Sweeteners (natural-) in granular form; Sweetmeat made of sesame oil; Sweetmeats; Sweetmeats [candy]; Sweetmeats [candy] being flavoured with fruit; Sweetmeats [candy] containing fruit; Sweets [candy]; Sweets (non-

			medicated-); Sweets (non-medicated-) being acidulated; Sweets (non-medicated-) being acidulated caramel sweets; Sweets (non-medicated-) being alcohol based; Sweets (non-medicated-) being honey based; Sweets (non-medicated-) containing herbal flavourings; Sweets (non-medicated-) in compressed form; Sweets (non-medicated-) in the form of robins; Sweets (non-medicated-) in the nature of caramels; Sweets (non-medicated-) in the nature of chocolate eclairs; Sweets (non-medicated-) in the nature of fudge; Sweets (non-medicated-) in the nature of nougat; Sweets (non-medicated-) in the nature of sugar confectionery; Sweets (non-medicated-) in the nature of toffees; Sweets (Peppermint); Pasties; Pastilles [confectionery]; Pastries; Pastries consisting of vegetables and fish; Pastries consisting of vegetables and meat; Pastries consisting of vegetables and poultry; Pastries containing creams; Pastries containing creams and fruit; Pastries containing fruit; Pastries filled with fruit; Pastries with fruit; Pastry; Pastry cases; Pastry confectionery; Pastry dough; Pastry mixes; Pastry shells; Pastry shells for monaka; Samosas.
		43	Cafe services; Cafés; Food preparation; Food preparation services; Food service apparatus (rental of -); Snack bar services; Snackbars.

b) The opponent contends that the mark in suit is confusingly similar to its registered trade mark. It states that the goods and services applied for in the mark in suit are similar or identical to those for which its mark is registered. It contends that the average consumer would know that the word “Fresco” had a meaning in regard to a mural painting, or they would not recognise any meaning in the word and see it as invented. Either way the marks would be viewed as being similar. The mark in suit therefore offends against section 5(2)(b) of the Act.

c) The opponent contends that it had a relationship with the applicant and that the mark in suit was applied for in bad faith and therefore offends against section 3(6) of the Act.

4) On 14 July 2014, the applicant filed a counterstatement. Basically it denied both grounds but also commented:

“In particular, the only possible similarity between the two marks consists in the words “fresco” and “sweets”, which appear in both marks. The word “sweets” is obviously descriptive for the

goods covered by the marks. The word “fresco” simply means “fresh” or “cool” in Spanish, Portuguese and Italian. The meaning of the word is now well-known within the UK as in the phrase “dining al fresco”, so it would not be seen as an invented word. The alternative meaning suggested by the opponent, namely a mural painting, is unlikely with regard to food and food related services. As such the word is descriptive and non-distinctive in respect of fresh food and/or mint-flavoured sweets. Moreover, there are a very large number of marks incorporating the word “fresco” already registered in different ownership in classes 29, 30 and 43. Some of these registrations have disclaimers to the word “fresco”. The word “fresco” cannot be regarded as the dominant element of the two marks. It is submitted that these two descriptive and non-distinctive words are of negligible importance for the purposes of assessing the likelihood of confusion. All the other elements of the respective marks, such as colouring, stylization and fonts, etc, are totally different and are sufficient to prevent confusion from arising.”

5) Only the opponent filed evidence. Both parties seek an award of costs in their favour. Neither side wished to be heard or provided written submissions.

## **OPPONENT’S EVIDENCE**

6) The opponent filed a witness statement, dated 13 October 2014, by Nicholas Francis Preedy its Trade Mark Attorney. He states that the distinctive feature of a trade mark is usually the words rather than the colour, stylization and font in which they appear. He disputes that there are many Italian, Spanish or Portuguese speakers in the UK, or even that the majority of UK consumers will know what the “Fresco” part of “dining al fresco” means. He also states:

“9. On 18 March 2008, the two current directors of MSM Catering Ltd, Mr Tahir Mahmood and Mr Amjad All Malik were directors of the same company together with Mr Atta Sajid Khan, a current director of the applicant MSR Catering Ltd. There is now produced and shown to me marked NFP1, a print out of company records relating to MSM Catering Ltd. There is further produced and shown to me marked Exhibit NFP2, a list of the previous directors of the same company.

10. Use of the word GOURMET in relation to goods and services in respect of which registration has been sought was commenced but it was not possible for the three men to obtain registered trade mark rights for the word, though attempts were made. Unfortunately, in August 2013, problems arose between the current directors of MSM and Mr Khan of the applicant. As a result of this a meeting was held at Albert Road Mosque on 28 October 2013 to set out ways in which the matters could be considered and an agreement reached. There is now produced and shown to me marked MFP3 a copy of the minutes relating to that meeting.

11. From the minutes which appear at NFP3 it is clear that the parties were to separate immediately and that all aspects of the settlement were to reach completion by the end of January, which can be seen was the date Mr Khan was removed as a director of MSM Catering Limited.

12. The minutes of the meeting at the Mosque shows that the two current directors were intending to continue working together. It was clear that for reasons including the fact that registered protection could not be obtained for the word GOURMET in relation to relevant goods and services in the UK a new trade mark was required for those goods and services. As a result the word FRESCO was chosen by the opponent and an application for registration of a mark incorporating predominantly of the word FRESCO filed under application No. 3033125 in classes 29, 30 and 43 on 2 December 2013. The application for registration was examined by the UK

Trade Marks Registry, advertised in the UK Trade Marks Journal on 27 December 2013 and proceeded to registration on 14 March 2014. There is now produced and shown to me marked NFP4 details of registration No. 3033125, the registration upon which this opposition is based.

13. Subsequent to the filing of UK application No. 3033125 and to advertisement for registration of the application in the Trade Marks Journal, an application for registration of the mark against which this opposition has been filed was filed by the applicant, a company of which Mr Khan is a director. There is now produced and shown to me marked NFP5 a list of the companies of which Mr Khan, the previous partner of two current directors of the opponent, is a director which includes the applicant.”

7) Mr Preedy provides the following exhibits:

- NFP1: A copy of a report from Experian which shows the directors of MSM Catering Ltd to be Tahir Mahmood & Amjad Ali Malik both appointed on 18 March 2008.
- NFP2: A copy of a report from Experian which shows the secretary and director of MSM Catering Ltd as Atta Sajid Khan appointed as secretary on 18 March 2008 and resigning on 18 August 2013, and appointed director on 18 August 2013 and resigning on 31 January 2014.
- NFP3: Minutes from the meeting held at Albert Road Mosque on 26 October 2013. This dealt with separating the assets of MSM Catering Ltd, and included the resignation of Mr Khan from his position of director of MSM Catering Ltd on 31 January 2014.
- NFP5: An Experian list showing the companies of which, Mr Khan is a director. This shows him appointed as a director of MSR Catering Ltd on 11 February 2014. He is also shown as a director of Gourmet of London Ltd, Gourmet Sweets & Bakers Ltd, Red Onion Ltd, Pakistani Award Ltd and China Grill (Halal) Ltd.

8) That concludes my summary of the evidence filed, insofar as I consider it necessary.

## **DECISION**

9) I first turn to the ground of opposition based on section 3(6) which reads:

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

10) Section 3(6) has its origins in Article 3(2)(d) of the Directive, the Act which implements Council Directive No. 89/104/EEC of 21 December 1988 which states:

“Any Member State may provide that a trade mark shall not be registered or, if registered, shall be liable to be declared invalid where and to the extent that....

(c) the application for registration of the trade mark was made in bad faith by the applicant.”

11) I refer to case O/094/11 *Ian Adam* where Mr Hobbs QC acting as the Appointed Person said:

“32. Any attempt to establish bad faith must allow for the fact that there is nothing intrinsically wrong in a person exercising *‘the right to apply the rules of substantive and procedural law in the way that is most to his advantage without laying himself open to an accusation of abuse of rights’* as noted in paragraph [121] of the Opinion delivered by Advocate General Trstenjak in Case C-482/09 Budejovicky Budvar NP v. Anheuser-Busch Inc on 3 February 2011. In paragraph [189] of his judgment at first instance in Hotel Cipriani SRL v. Cipriani (Grosvenor Street) Ltd [2009] EWHC 3032 (Ch); [2009] RPC 9 Arnold J. likewise emphasised:

“... that it does not constitute bad faith for a party to apply to register a Community trade mark merely because he knows that third parties are using the same mark in relation to identical goods or services, let alone where the third parties are using similar marks and/or are using them in relation to similar goods or services. The applicant may believe that he has a superior right to registration and use of the mark. For example, it is not uncommon for prospective claimants who intend to sue a prospective defendant for passing off first to file an application for registration to strengthen their position. Even if the applicant does not believe that he has a superior right to registration and use of the mark, he may still believe that he is entitled to registration. The applicant may not intend to seek to enforce the trade mark against the third parties and/or may know or believe that the third parties would have a defence to a claim for infringement on one of the bases discussed above. In particular, the applicant may wish to secure exclusivity in the bulk of the Community while knowing that third parties have local rights in certain areas. An applicant who proceeds on the basis explicitly provided for in Art. 107 can hardly be said to be abusing the Community trade mark system.”

These observations were not called into question in the judgment of the Court of Appeal in that case: [2010] EWCA Civ 110; [2010] RPC 16. They were re-affirmed by Arnold J. in Och-Ziff Management Europe Ltd v. Och Capital LLP [2011] ETMR 1 at paragraph [37].

33. The line which separates legitimate self-interest from bad faith can only be crossed if the applicant has sought to acquire rights of control over the use of the sign graphically represented in his application for registration in an improper manner or for an improper purpose. The appropriate remedy will in that case be rejection of the offending application for registration to the extent necessary to render it ineffective for the purpose which made it objectionable in the first place.

34. In a case where the relevant application fulfils the requirements for obtaining a filing date, the key questions are: (1) what, in concrete terms, is the objective that the applicant has been accused of pursuing? (2) is that an objective for the purposes of which the application could not properly be filed? (3) is it established that the application was filed in pursuit of that objective? The first question serves to ensure procedural fairness and clarity of analysis. The second question requires the decision taker to apply a moral standard which, in the absence of any direct ruling on the point from the Court of Justice, is taken to condemn not only dishonesty but also *‘some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined’*: Gromax Plastics Ltd v. Don & Low Nonwovens Ltd [1999] RPC 367 at 379 (Lindsay J). The third question requires the decision taker to give effect to the principle that innocence must be presumed in the absence of evidence sufficient to show that the applicant has acted improperly as alleged.

35. In assessing the evidence, the decision taker is entitled to draw inferences from proven facts provided that he or she does so rationally and without allowing the assessment to degenerate

into an exercise in speculation. The Court of Justice has confirmed that there must be an overall assessment which takes into account all factors relevant to the particular case: Case C-529/07 Chocoladefabriken Lindt & Sprüngli AG v. Franz Hauswirth GmbH [2009] ECR I-4893 at paragraph [37]; Case C-569/08 Internetportal und Marketing GmbH v. Richard Schlicht [2010] ECR I-00000 at paragraph [42]. As part of that assessment it is necessary as part of that approach to consider the intention of the applicant at the time when the application was filed, with intention being regarded as a subjective factor to be determined by reference to the objective circumstances of the particular case: Chocoladefabriken Lindt & Sprüngli GmbH (above) at paragraphs [41], [42]; Internetportal and Marketing GmbH (above) at paragraph [45]. This accords with the well-established principle that 'national courts may, case by case, take account -on the basis of objective evidence -of abuse or fraudulent conduct on the part of the persons concerned in order, where appropriate, to deny them the benefit of the provisions of Community law on which they seek to rely': Case C16/05 The Queen (on the applications of Veli Tum and Mehmet Dari) v. Secretary of State for the Home Department [2007] ECR I-7415 at paragraph [64].

36. The concept of assessing subjective intention objectively has recently been examined by the Court of Appeal in the context of civil proceedings where the defendant was alleged to have acted dishonestly: Starglade Properties Ltd v. Roland Nash [2010] EWCA Civ 1314 (19 November 2010). The Court considered the law as stated in Royal Brunei Airlines v. Tan [1995] 2 AC 378 (PC), Twinsectra Ltd v Yardley [2002] 2 AC 164 (HL), Barlow Clowes International Ltd v. Eurotrust International Ltd [2006] 1 WLR 1476 (PC) and Abu Rahman v. Abacha [2007] 1 LL Rep 115 (CA). These cases were taken to have decided that there is a single standard of honesty, objectively determined by the court and applied to the specific conduct of a specific individual possessing the knowledge and qualities that he or she actually possessed: see paragraphs [25], [28], [29] and [32]. This appears to me to accord with treating intention as a subjective factor to be determined by reference to the objective circumstances of the particular case, as envisaged by the judgments of the Court of Justice relating to the assessment of objections to registration on the ground of bad faith.”

12) In the case of *Red Bull GmbH v Sun Mark Limited, Sea Air & Land Forwarding Limited* [2012] EWCH 1929 (Ch) Arnold J. Set out the general principles of what constitutes “Bad Faith” as follows:

“130 A number of general principles concerning bad faith for the purposes of section 3(6) of the 1994 Act/ Article 3(2)(d) of the Directive/ Article 52 (1)(b) of the Regulation are now fairly well established. (For a helpful discussion of many of these points, see N.M. Dawson, “Bad faith in European trade mark law” [2011] IPQ 229.)

131 First, the relevant date for assessing whether an application to register a trade mark was made in bad faith is the application date: see *Case-529/07 Chocoladenfabriken Lindt & Sprungli AG v Franz Hauswirth GmbH* [2009] ECR I-4893 at [35].

132 Secondly, although the relevant date is the application date, later evidence is relevant if it casts light backwards on the position as at the application date: see *Hotel Cipriani Srl v Cipriani (Grosvenor Street) Ltd* [2009] EHC 3032 (Ch), [2009] RPC 9 at [167] and cf. *Case C-259/02 La Mer Technology Inc. V Laboratoires Goemar SA* [2004] ECR I-1159 at [31] and *Case C-192/03 Alcon Inc v OHIM* [2004] ECR I-8993 at [41].

133 Thirdly, a person is presumed to have acted in good faith unless the contrary is proved. An allegation of bad faith is a serious allegation which must be distinctly proved. The standard of proof is on the balance of probabilities but cogent evidence is required due to the seriousness of

the allegation. It is not enough to prove facts which are also consistent with good faith: see *BRUTT Trade Marks* [2007] RPC 19 at [29], *von Rossum v Heinrich Mack Nachf. GmbH & Co KG* (Case R 336/207–2, OHIM Second Board of Appeal, 13 November 2007) at [22] and *Funke Kunststoffe GmbH v Astral Property Pty Ltd* (Case R 1621/2006-4, OHIM Fourth Board of Appeal, 21 December 2009) at [22].

134 Fourthly, bad faith includes not only dishonesty, but also “some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined”: see *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367 at 379 and *DAAWAT Trade Mark* (Case C000659037/1, OHIM Cancellation Division, 28 June 2004 ) at [8].

135 Fifthly, section 3(6) of the 1994 Act, Article 3(2)(d) of the Directive and Article 52(1)(b) of the Regulation are intended to prevent abuse of the trade mark system: see *Melly’s Trade Mark Application* [2008] RPC 20 at [51] and *CHOOSI Trade Mark* (Case R 633/2007-2, OHIM Second Board of Appeal, 29 February 2008) at [21]. As the case law makes clear, there are two main classes of abuse. The first concerns abuse vis-à-vis the relevant office, for example where the applicant knowingly supplies untrue or misleading information in support of his application; and the second concerns abuse vis-à-vis third parties: see *Cipriani* at [185].

136 Sixthly, in order to determine whether the applicant acted in bad faith, the tribunal must make an overall assessment, taking into account all the factors relevant to the particular case: see *Lindt v Hauswirth* at [37].

137 Seventhly, the tribunal must first ascertain what the defendant knew about the matters in question and then decide whether, in the light of that knowledge, the defendant’s conduct is dishonest (or otherwise falls short of the standards of acceptable commercial behaviour) judged by ordinary standards of honest people. The applicant’s own standards of honesty (or acceptable commercial behaviour) are irrelevant to the enquiry: see *AJIT WEEKLY Trade Mark* [2006] RPC 25 at [35]-[41], *GERSON Trade Mark* (Case R 916/2004-1, OHIM First Board of Appeal, 4 June 2009) at [53] and *Campbell v Hughes* [2011] RPC 21 at [36].

138 Eighthly, consideration must be given to the applicant’s intention. As the CJEU stated in *Lindt v Hauswirth* :

“41. ... in order to determine whether there was bad faith, consideration must also be given to the applicant’s intention at the time when he files the application for registration.

42. It must be observed in that regard that, as the Advocate General states in point 58 of her Opinion, the applicant’s intention at the relevant time is a subjective factor which must be determined by reference to the objective circumstances of the particular case.

43. Accordingly, the intention to prevent a third party from marketing a product may, in certain circumstances, be an element of bad faith on the part of the applicant.

44. That is in particular the case when it becomes apparent, subsequently, that the applicant applied for registration of a sign as a Community trade mark without intending to use it, his sole objective being to prevent a third party from entering the market.

45. In such a case, the mark does not fulfil its essential function, namely that of ensuring that the consumer or end-user can identify the origin of the product or service concerned



by allowing him to distinguish that product or service from those of different origin, without any confusion (see, inter alia, Joined Cases C-456/01 P and C-457/01 P *Henkel v OHIM* [2004] ECR I-5089, paragraph 48).”

13) It is well established (*Chocoladenfabriken Lindt & Sprungli AG v Franz Hauswirth GmbH; Nonogram Trade Mark* [2001] RPC 21 and *Hotpicks Trade Mark* [2004] RPC 42) that the relevant date for consideration of a bad faith claim are the application’s filing date or at least a date no later than that. In the instant case the relevant date is 17 February 2014.

14) In asserting that the marks were applied for in bad faith, the onus rests with the opponent to make a prima facie case. A claim that a mark was applied for in bad faith implies some action by the applicant which a reasonable person would consider to be unacceptable behaviour or, as put by Lindsay in the *Gromax* trade mark case [1999] RPC 10:

“includes some dealings which fall short of the standards of acceptable commercial behaviour”.

15) The issue must be determined on the balance of probabilities. On the basis of these authorities it is clear that a finding of bad faith may be made in circumstances which do not involve actual dishonesty. Furthermore, it is not necessary for me to reach a view on the applicant’s state of mind regarding the application for registration if I am satisfied that its actions in applying for the mark in the light of all the surrounding circumstances would have been considered contrary to normally accepted standards of honest conduct.

16) In the instant case the opponent has made a very specific allegation that the director of the applicant company, Mr Atta Sajid Khan, was a director of MSM Catering Ltd together with Mr Tahir Mahmood and Mr Amjad Ali Malik who remain directors of MSM Catering Ltd. Following a meeting Mr Khan resigned as a director of MSM Catering Ltd in January 2014. I assume that following his resignation from MSM Catering Ltd Mr Khan set up his own company MSR Catering Ltd and applied for the mark in suit. The opponent company Gourmet Franchising Ltd applied for its mark on 2 February 2013. There is no evidence linking Mr Khan or the applicant company to Gourmet Franchising Ltd, nor is there any evidence of Gourmet Franchising Ltd having been assigned the mark or of changing its name. In short whilst there is a connection between the applicant, MSR Catering Ltd, and MSM Catering Ltd, I have been given no evidence of a link between MSM Catering Ltd and the opponent company Gourmet Franchising Ltd. In the circumstances the ground of opposition under section 3(6) must fail.

17) I next turn to the ground of opposition based on section 5(2)(b) which reads:

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

(a) .....

(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.”

18) An “earlier trade mark” is defined in section 6, the relevant part of which states:

“6.-(1) In this Act an "earlier trade mark" means -

- (a) a registered trade mark, international trade mark (UK) or Community trade mark which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks.”

19) The opponent is relying upon its trade mark listed in paragraph 3 above which is clearly an earlier trade mark. Given the interplay between the date that the opponent’s mark was registered and the date that the applicant’s mark was published, section 6A of the Trade Marks Act does not come into play. The mark is not subject to proof of use.

20) When considering the issue under section 5(2)(b) I take into account the following principles which 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.

(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.

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

21) As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective parties' goods; I must then determine the manner in which these goods 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.”

22) The applicant's specification in relation to goods is, broadly, for cakes, confectionery, biscuits, bread, desserts and ingredients for making the aforementioned in class 30 and the opponent's specification also covers, broadly, the same items. Both specifications can vary somewhat in their prices but neither would be considered to be complex or expensive. The items would be purchased by the average member of the public including children and businesses. Such items tend, for the most part, to be purchased in shops or online. In shops and online they will be self selected and the visual aspect will be the most important element. When purchasing in a shop or if ordering by telephone aural considerations must be considered, but the initial choice will still be made visually. Retailers will also be customers but I believe that they will make their choices in a similar way, be it from the internet, a brochure or the shelves in a cash and carry. They may also order via the telephone or in person. Effectively they have the same issues as the general public and I regard them to be the same. Whilst I accept that the average consumer is reasonably circumspect and observant I believe that the goods of both parties will be purchased or selected with only a modicum of care.

23) Both sides also have services in their specifications, broadly, relating to cafes, catering and food preparation services snackbar and takeaway services. Again such services would be used by the average member of the public including children and businesses. Selection will tend to be made from advertisements, guide books, viewing the shop sign or possibly by word of mouth. Primarily choice will be made visually but aural considerations must also be taken into account. Whilst I accept that the average consumer is reasonably circumspect and observant I believe that the services of both parties will be purchased or selected with only a modicum of care.

### **Comparison of goods**

24) In the judgment of the 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”.

25) 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 users of the respective goods or services;
- b) The physical nature of the goods or acts of services;
- c) The respective trade channels through which the goods or services reach the market;
- d) 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;
- e) 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.

26) For ease of reference the goods of the two parties are as follows:

Opponent's goods and services	Applicant's goods and services
In Class 29: Dairy desserts; Dairy produce; Dairy puddings; Dairy spreads; Dairy-based beverages; Dairy-based dips; Dairy-based whipped topping; Desserts made from milk products.	
In Class 30: Biscuits; Cakes; Chocolate confectionery; Confectionery; Sweets [candy]; Sweets (non-medicated-); Sweet bean jam coated with sugared-bean based soft shell [nerikiri]; Sweet biscuits for human consumption; Sweet dumplings (dango); Sweet pickle [condiment]; Sweet pounded rice cakes (mochi-gashi); Sweet spreads [honey]; Sweeteners consisting of fruit concentrates; Sweeteners (natural-); Sweeteners (Natural -); Sweeteners (natural-) in granular form; Sweetmeat made of sesame oil; Sweetmeats; Sweetmeats [candy]; Sweetmeats [candy] being flavoured with fruit; Sweetmeats [candy] containing fruit; Sweets [candy]; Sweets (non-medicated-); Sweets (non-medicated-) being acidulated; Sweets (non-medicated-) being acidulated caramel sweets; Sweets (non-medicated-) being alcohol based; Sweets (non-medicated-) being honey based; Sweets (non-medicated-) containing herbal	In Class 30: Cakes; Confectionery; Confectionery items (non-medicated-); Confectionery made of sugar; Confectionery products (non-medicated-); Desserts; Flour confectionery; Flour for baking; Flour for doughnuts; Flour for making dumplings of glutinous rice; Flour mixed with baking ingredients; Flour ready for baking; Fresh bread; Fresh pasties; Fruit cakes; Ice-cream cakes; Ice-cream confections; Paste (cake-); Paste (Cake); Pastry; Prepared desserts; Prepared desserts [chocolate based]; Prepared desserts [confectionery]; Prepared desserts [pastries]; Sweet biscuits for human consumption; all the

<p>flavourings; Sweets (non-medicated-) in compressed form; Sweets (non-medicated-) in the form of robins; Sweets (non-medicated-) in the nature of caramels; Sweets (non-medicated-) in the nature of chocolate eclairs; Sweets (non-medicated-) in the nature of fudge; Sweets (non-medicated-) in the nature of nougat; Sweets (non-medicated-) in the nature of sugar confectionery; Sweets (non-medicated-) in the nature of toffees; Sweets (Peppermint); Pasties; Pastilles [confectionery]; Pastries; Pastries consisting of vegetables and fish; Pastries consisting of vegetables and meat; Pastries consisting of vegetables and poultry; Pastries containing creams; Pastries containing creams and fruit; Pastries containing fruit; Pastries filled with fruit; Pastries with fruit; Pastry; Pastry cases; Pastry confectionery; Pastry dough; Pastry mixes; Pastry shells; Pastry shells for monaka; Samosas.</p>	<p>aforesaid being halal goods.</p>
<p>In Class 43: Cafe services; Cafés; Food preparation; Food preparation services; Food service apparatus (rental of -); Snack bar services; Snackbars.</p>	<p>In Class 43: Cafés; Catering services; Coffee shops; Delicatessens [restaurants]; Fast food restaurant services; Fast-food restaurants; Food preparation services; food takeaway service; all the aforesaid serving halal goods.</p>

27) Neither side has commented upon the similarity of the goods or provided reasons why they would be similar / dissimilar. I must therefore make the best I can of the situation using the authorities set out above. I shall first consider the applicant's class 30 goods. To my mind:

- The applicant's specification for "Cakes; Fruit cakes; Ice-cream cakes; Paste (cake-); Paste (Cake); all the aforesaid being halal goods" is fully encompassed within the opponent's specification for "Cakes";
- The applicant's specification for "Confectionery; Confectionery items (non-medicated-); Confectionery made of sugar; Confectionery products (non-medicated-); Flour confectionery; Ice-cream confections; Prepared desserts [confectionery]; all the aforesaid being halal goods" is fully encompassed within the opponent's specification for "Confectionery";
- The applicant's specification for "Fresh pasties; all the aforesaid being halal goods" is fully encompassed within the opponent's specification for "Pasties";
- The applicant's specification for "Pastry; all the aforesaid being halal goods" is fully encompassed within the opponent's specification for "Pastry cases; Pastry confectionery; Pastry dough; Pastry mixes; Pastry shells; Pastry shells for monaka";
- The applicant's specification for "Sweet biscuits for human consumption; all the aforesaid being halal goods" is fully encompassed within the opponent's specification for "Biscuits";

- The applicant’s specification for “Desserts; Prepared desserts; Prepared desserts [chocolate based]; Prepared desserts [pastries]; all the aforesaid being halal goods” is fully encompassed within the opponent’s specification for “Pastries containing creams; Pastries containing creams and fruit; Pastries containing fruit; Pastries filled with fruit; Pastries with fruit”;
- The applicant’s specification for “Flour for baking; Flour for doughnuts; Flour for making dumplings of glutinous rice; Flour mixed with baking ingredients; Flour ready for baking; all the aforesaid being halal goods” whilst being the base ingredient of many of the items within the opponent’s specification cannot be regarded as identical or similar to any of the opponent’s goods using the formula set out above. Similarly, the applicant’s specification for “Fresh bread; all the aforesaid being halal goods” is not similar to any of the opponent’s goods.

28) I now turn to the class 43 services. To my mind:

- The applicant’s specification for “Cafés; Coffee shops; all the aforesaid serving halal goods” is fully encompassed within the opponent’s specification for “Cafés; Snackbars”.
- The applicant’s specification for “Delicatessens [restaurants]; Catering services; Fast food restaurant services; Fast-food restaurants; Food preparation services; food takeaway service; all the aforesaid serving halal goods” is fully encompassed within the opponent’s specification for “Cafés; Cafe services; Food preparation; Food preparation services; Snackbars; Snack bar services”.

### **Comparison of trade marks**

29) In *Kurt Geiger v A-List Corporate Limited*, BL O-075-13, Mr Iain Purvis Q.C. as the Appointed Person pointed out that the level of ‘distinctive character’ is only likely to increase the likelihood of confusion to the extent that it resides in the element(s) of the marks that are identical or similar. He said:

“38. The Hearing Officer cited *Sabel v Puma* at paragraph 50 of her decision for the proposition that ‘the more distinctive it is, either by inherent nature or by use, the greater the likelihood of confusion’. This is indeed what was said in *Sabel*. However, it is a far from complete statement which can lead to error if applied simplistically.

39. It is always important to bear in mind what it is about the earlier mark which gives it distinctive character. In particular, if distinctiveness is provided by an aspect of the mark which has no counterpart in the mark alleged to be confusingly similar, then the distinctiveness will not increase the likelihood of confusion at all. If anything it will reduce it.’

40. In other words, simply considering the level of distinctive character possessed by the earlier mark is not enough. It is important to ask ‘in what does the distinctive character of the earlier mark lie?’ Only after that has been done can a proper assessment of the likelihood of confusion be carried out”.

30) However the independent and distinctive element does not need to be identical. In *Bimbo SA v OHIM*, Case T-569/10, the General Court held that:

“96. According to the case-law, where goods or services are identical there may be a likelihood of confusion on the part of the public where the contested sign is composed by juxtaposing the



company name of another party and a registered mark which has normal distinctiveness and which, without alone determining the overall impression conveyed by the composite sign, still has an independent distinctive role therein (Case C-120/04 *Medion* [2005] ECR I-8551, paragraph 37). There may also be a likelihood of confusion in a case in which the earlier mark is not reproduced identically in the later mark (see, to that effect, Joined Cases T-5/08 to T-7/08 *Nestlé v OHIM – Master Beverage Industries (Golden Eagle and Golden Eagle Deluxe)* [2010] ECR II-1177, paragraph 60).”

31) In *Aveda Corp v Dabur India Ltd* [2013] EWHC 589 (Ch), Arnold J. stated that:

“47. In my view the principle which I have attempted to articulate in [45] above is capable of applying where the consumer perceives one of the constituent parts to have significance independently of the whole, but is mistaken as to that significance. Thus in *Bulova Accutron* the earlier trade mark was ACCURIST and the composite sign was BULOVA ACCUTRON. Stamp J. held that consumers familiar with the trade mark would be likely to be confused by the composite sign because they would perceive ACCUTRON to have significance independently of the whole and would confuse it with ACCURIST.

48. On that basis, I consider that the hearing officer failed correctly to apply *Medion v Thomson*. He failed to ask himself whether the average consumer would perceive UVEDA to have significance independently of DABUR UVEDA as a whole and whether that would lead to a likelihood of confusion.”

32) The trade marks to be compared are:

Opponent’s trade mark	Applicant’s trade mark
	

33) The opponent’s mark consists of three words and an ampersand. However, two of the words (and the ampersand) are used to describe the goods and services of the opponent, i.e. it makes “sweets” and is a “baker”. The only word which can be described as distinctive is the word “Fresco”. Given its size and placement it is also the most dominant element of the mark. The applicant contends that the word “fresco” simply means “fresh” or “cool” in Spanish, Portuguese and Italian. They contend that the meaning of the word is now well-known within the UK as in the phrase “dining al fresco”, so it would not be seen as an invented word. However, in the UK the term “al fresco” is used to denote outside, as in eating outdoors. The only other meaning the term “fresco” has in the UK is in relation to wall murals. Whilst there may be some Italian, Spanish and Portuguese speakers in the UK the vast majority of the UK population struggles to cope with the English language and have no knowledge of any foreign languages. I do not accept that the term would be seen as a reference to “fresh”. The applicant’s mark consists of a highly stylised version of the word “fresco” with a device element of a square with a red and blue device and the words “Halal sweets”. The word “sweets” also appears in a small font after and underneath the word “FRESCO”. The words “Halal sweets” and “sweets” are both, as the applicant acknowledges, descriptive of some of the goods offered by the applicant. Thus the opponent has the square with the red and blue devices and the highly stylised word “FRESCO”.

By dint of its size and the fact that it can be read and so pronounced, the word FRESCO is the distinctive and dominant element in the mark, although the device element retains an independent distinctiveness of a significantly lower magnitude. Whilst there are visual and aural differences between the marks there are also similarities, which to my mind considerably outweigh the differences. Conceptually they both either convey the same message or no message dependent upon the viewer. Overall they have a moderate degree of similarity.

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

34) 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).”

35) As mentioned above the dominant and distinctive element of the opponent’s mark is clearly the word “Fresco”. I reject the applicant’s contentions regarding the potential for the average UK consumer to see the word as meaning “fresh” which, given the goods and services would have a descriptive meaning. Most UK consumers will know the word as a description of a wall painting which has no relevance to the goods and services of the opponent. It therefore has a medium degree of distinctiveness. The opponent has not filed evidence of use of its earlier trade mark in the UK. The opponent cannot therefore benefit from enhanced distinctiveness.

### **Likelihood of confusion**

36) In determining whether there is a likelihood of confusion, 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 trade 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 also necessary for me to keep in mind the distinctive character of the opponent’s trade mark as the more distinctive this trade mark is, the greater the likelihood of confusion. I must also keep in mind the average consumer for the goods and services, the nature of the purchasing process and the fact 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. Earlier in this decision, I concluded that:



- the average consumer is a member of the general public, who will select the goods and services by predominantly visual means and who will pay only a modicum of care when doing so;
- The following goods and services of the applicant are identical to those of the opponent:

In class 30: Cakes; Confectionery; Confectionery items (non-medicated-); Confectionery made of sugar; Confectionery products (non-medicated-); Desserts; Flour confectionery; Fresh pasties; Fruit cakes; Ice-cream cakes; Ice-cream confections; Paste (cake-); Paste (Cake); Pastry; Prepared desserts; Prepared desserts [chocolate based]; Prepared desserts [confectionery]; Prepared desserts [pastries]; Sweet biscuits for human consumption; all the aforesaid being halal goods.

In Class 43: Cafés; Catering services; Coffee shops; Delicatessens [restaurants]; Fast food restaurant services; Fast-food restaurants; Food preparation services; food takeaway service; all the aforesaid serving halal goods.

- The following goods of the applicant are not similar to those of the opponent:

In class 30: Flour for baking; Flour for doughnuts; Flour for making dumplings of glutinous rice; Flour mixed with baking ingredients; Flour ready for baking; Fresh bread; all the aforesaid being halal goods.

- the competing trade marks have visual and aural differences, but these are outweighed by the similarities. Conceptually the marks are effectively neutral.
- the opponent's earlier trade mark has a medium degree of inherent distinctiveness but cannot benefit from an enhanced distinctiveness as no evidence of use in the United Kingdom was filed.

37) In view of the above and allowing for the concept of imperfect recollection, there is a likelihood of consumers being confused into believing that the goods and services provided by the applicant are those of the opponent or provided by some undertaking linked to them, with the exception of the following goods in class 30: Flour for baking; Flour for doughnuts; Flour for making dumplings of glutinous rice; Flour mixed with baking ingredients; Flour ready for baking; Fresh bread; all the aforesaid being halal goods. **The opposition under Section 5(2) (b) therefore succeeds in part.**

## CONCLUSION

38) The opponent has been successful in its opposition under Section 5(2)(b) in respect of the bulk of the applicant's specification. However, the opposition under section 3(6) failed completely and also failed under section 5(2)(b) in respect of the following goods in class 30: Flour for baking; Flour for doughnuts; Flour for making dumplings of glutinous rice; Flour mixed with baking ingredients; Flour ready for baking; Fresh bread; all the aforesaid being halal goods.

39) The applicant's mark should therefore proceed to registration for this limited specification.

## COSTS

40) As the opponent has been mostly successful it is entitled to a contribution towards its costs.

Expenses	£200
Preparing a statement and considering the other side's statement	£200
Preparing evidence	£300
TOTAL	£700

41) I order MSR Catering Limited to pay Gourmet Franchising Limited the sum of £700. This sum 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 13<sup>TH</sup> day of April 2015**

**George W Salthouse  
For the Registrar,  
the Comptroller-General**