

**O-460-16**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF TRADE MARK REGISTRATION 3090782  
IN THE NAME OF GRILL'O XPRESS LTD  
OF THE FOLLOWING TRADE MARK IN CLASS 43:**

**GRILL'O XPRESS**

**AND**

**AN APPLICATION FOR INVALIDITY (NO. 501015) BY WASEEM GHAS**

## **Background and pleadings**

1. This dispute concerns whether the following trade mark is validly registered:

### **GRILL'O XPRESS**


Class 43 – Restaurant services; fast food restaurant services.

2. The mark was filed on 23 January 2015 by Grill'O Xpress Limited (“the proprietor”), was published for opposition purposes on 6 February 2015, and was registered on 17 April 2015.


3. Mr Waseem Ghias (“the applicant”) seeks invalidation of the registration. His grounds are founded on sections 5(2)(b), 5(3), 5(4)(a) and 3(6) of the Trade Marks Act 1994 (“the Act”). In respect of the first two of these grounds, the applicant relies on the following four earlier marks:

- i) UK registration 2628714 for the mark **GRILLER** which was filed on 19 July 2012 and registered on 26 October 2012. The opponent relies on the following services of the earlier mark:

**Class 43:** Services for providing food and drink; eat-in or take-away restaurants; online services for eat-in or take-away restaurants; fast-food restaurant services; quick-service restaurant services; food and drink preparation services; providing prepared meals; providing drinks; preparation of foodstuffs or meals for consumption on or off the premises; food and drink takeaway services; booking/reservation services for restaurants; self-service restaurants; cafés, cafeterias, canteens, snack bars; catering services; restaurant services; bar services.

- ii) UK registration 2326754 for the mark  which was filed on 15 March 2003 and registered on 24 October 2003. The opponent relies on the following services of the earlier mark:

**Class 43:** Restaurant, bar and catering services; booking/reservation services for restaurants and holiday accommodation; services for providing food and drink.

- iii) International Registration 1096292 for the mark  which designated the EU for protection on 8 August 2011 with protection being conferred on 26 September 2012. The opponent relies on the same list of services as set out above
- iv) UK registration 3056361 for the mark **Griller Grillo** which was filed on 20 May 2014 and which was registered on 5 September 2014. The opponent relies on the following services of the earlier mark:

**Class 43:** Services for providing food and drink; eat-in or take-away restaurants; online services for eat-in or take-away restaurants; fast-food restaurant services; quick-service restaurant services; food and drink preparation services; providing prepared meals; providing drinks; preparation of foodstuffs or meals for consumption on or off the premises; food and drink takeaway services; booking/reservation services for restaurants; self-service restaurants; cafés, cafeterias, canteens, snack bars; catering services; restaurant services; bar services;

4. The applicant's main points under section 5(2)(b) are that:

- The dominant element of the proprietor's mark is GRILL'O (XPRESS being a non-fanciful spelling of the descriptive word EXPRESS) which is closely similar and "substantially reproduces" GRILLER, and, in respect of mark iv), is near identical to the second element (Grillo) of that earlier mark.
- The services are identical.
- The marks are inherently distinctive and have acquired further distinctiveness through use.

- There is a likelihood of confusion.

5. The applicant's main points under section 5(3) are that:

- The average consumer, when encountering the proprietor's mark, will believe that the services offered under it are the responsibility of the same or a related undertaking [as/to the applicant].
- The above is enhanced by the fact that the controlling mind of the proprietor is a previous franchisee (now terminated) of the applicant who operates a business [under the registered mark] from the same premises as it did when it was a franchisee [using the applicant's marks].
- The situation described in the preceding point means that the proprietor will gain an unfair advantage by benefiting from the power of attraction (etc.) of the applicant's marks.
- Furthermore, detriment could be caused to the applicant if the proprietor's services were of a lower quality.
- Finally, there could be an impact on the distinctiveness of the applicant's mark(s) by way of erosion, so diminishing the ability of the marks to distinguish the services in question.

6. Under section 5(4)(a), the applicant relies on the use of signs corresponding to his registered marks. The pleading is that he has goodwill associated with those signs such that the use of the proprietor's mark is liable to be prevented under the law of passing-off.

7. Under section 3(6), the applicant considers that the application, by one of his former franchisees, of a mark that is so closely similar to his GRILLER marks, constitutes a form of conduct that falls short of the standards of acceptable commercial behaviour and, consequently, should be regarded as an act of bad faith.

8. In relation to the applicant's marks, only mark ii) had been registered for five years or more as of the date when the application for invalidation was filed. Whilst this means that it is necessary to prove that use has been made of it if it is to be relied upon, nothing will turn on this because mark iii) is for the same mark and services and may be relied upon without having to prove use. Marks i) and iv) may also be relied upon without having to prove use.

9. The proprietor filed a counterstatement denying the claims. Reference is made to the signs and logos being "graphically and visually different". Reference is also made to the differences in colours used by the parties and that the earlier mark has a short title. There are then some comments which I reproduce below verbatim:

"Furthermore, the earlier trade mark has been registered for a significant period of time - since 2002. Therefore, it has acquired local distinctiveness and has become well known to the public as GRILL'O as apposed [sp] to GRILLER. No franchise agreement was established between the two parties. The later trade mark was previously known as Xpress Chicken and Pizza. The owner of the earlier trade mark requested that the name GRILLER should be added on to the sign and that their products be used and sold. However, no agreement was entered into but instead was done as a friendly gesture. By December 2013 Griller was removed and replaced by GRILL'O in the display. The name has been approved and registered ever since. There is no likelihood of confusion on the part of the public as both franchises are located in different boroughs, the earlier trade mark is located in Ilford whereas the later trade mark is situated in Forest Gate.

10. What can be taken from the above is that the proprietor (or a predecessor business operating from the same location) originally operated under the name Xpress Chicken and Pizza, but that GRILLER was added to the signage, albeit, the proprietor claims, as a "friendly gesture" as opposed to a formal franchise agreement. In December 2013 GRILLER was replaced by GRILL'O in the signage. It is difficult to understand what is meant by "... it [the earlier mark] has acquired local distinctiveness and has become well known to the public as GRILL'O as apposed [sp] to GRILLER" as it was the proprietor that went on to use GRILL'O not the applicant.

11. Both sides have represented themselves. Both sides filed evidence. Neither side requested a hearing. The applicant filed written submissions, the proprietor did not.

### **The evidence**

12. The evidence filed deals primarily with three points:

- i) The use made by the applicant of his marks.
- ii) The relationship between the applicant and the controlling mind of the proprietor.
- iii) Alleged instances of confusion as a result of the change from GRILLER to GRILL'O on the signage used at the proprietor's business premises.

13. I may return to the evidence relating to i) and iii) later, but only to the extent that it becomes necessary to do so. I will, though, touch on the evidence in relation to point ii) now.

14. I will begin with the evidence filed by Mr Ghias himself. By way of initial background, Mr Ghias explains that it was round 2003 when he started his GRILLER business. His aim was to cook grilled chicken in a healthy way. The business grew to a point where it had around 30 franchisees. This is not really disputed by the proprietor. In terms of the relationship with the proprietor, Mr Ghias states that its registered office is 136 Green Street, Forest Gate London and that it was incorporated on 23 January 2015. This can be seen on Page 387 of Mr Ghias' exhibit which consists of documents from Companies House. The same document shows that Mr Mohammad Malik is the sole director of the proprietor. Mr Ghias states that Mr Malik is the controlling mind of the proprietor. He is the person who signed the proprietor's counterstatement and also filed evidence on its behalf. I accept, and it is not in any even challenged, that Mr Malik is the proprietor's controlling mind.

15. Mr Ghias also highlights an earlier trade mark application for the mark GRILLER XPRESS which was filed by a company called Kilam Limited. The application was

subsequently withdrawn. Kilam had the same registered office as the proprietor and Mr Malik was also a director of it (page 412 of the exhibit shows this).

16. According to Mr Ghias, the relevance of all this is that Mr Malik was a former franchisee of his. He accepts that there was no formal written franchise agreement. He refers to the proprietor's counterstatement which suggests that GRILLER was used as some form of friendly gesture. Mr Ghias says that this was not the case as Mr Malik was a GRILLER franchisee. Provided at pages 416 and 417 are two photographs of Mr Malik's restaurant which prominently feature the word GRILLER (with the words "THE HEALTHIER OPTION" below it). It is clear that the name of the restaurant is intended to be taken as GRILLER.

17. Mr Ghias also provided a letter sent by the local council to the owner/occupier of "Griller" at the Green Street address. The letter was copied to other individuals at the same (and other) address. The letter is about an unauthorised projection box sign for which planning had not been obtained. The letter was responded to by a Mr J Rawlings who identifies himself as acting on behalf of the GRILLER franchise. Reference is also made in the body of the letter to the business being part of the franchise. Mr Ghias also provides copies of text from various WhatsApp conversations he had with Mr Malik and, also, conversations with his [Mr Ghias'] brother in November 2014. The text is shown at pages 424 to 429 of the exhibit. Some of the text is in a non-English language, other text is somewhat incomprehensible. There has clearly been a falling out. I note at the bottom of page 424:

"..as not interested in griller you say after when I gave you notice, so why griller express you applied..."

The above was followed by a letter dated 27 January 2015 (from the GRILLER Head Officer) requesting that all GRILLER signage be removed.

18. Mr Ghias states that after "much difficulty" Mr Malik removed the GRILLER signs but replaced them with GRILL'O. Photographs of the mark in use outside the premises and on the menu are provided. He goes on to say that because the business was operated from the same premises, and because the change of name was subtle, some

customers may not notice the change. He says that there has been confusion of this type, something which I return to later.

19. Mr Malik filed evidence on behalf of the proprietor. He states in his witness statement that he has never been a franchisee of GRILLER nor entered into any form of agreement with Mr Ghias. He states that Mr Ghias was a former friend who has made this application (for invalidity) in spite. He states that Mr Ghias requested him to sell his spices, recipes and display the GRILLER name at his place of business as he wished to introduce the GRILLER brand to the Green Street/Upton Park area. Mr Malik states that he categorically refused as he did not wish to change the spices and recipes used. He states that his customers have never been under the impression that his business was a franchisee of GRILLER. He adds that he has been trading at the premises since 2004, previously under the business name Xpress Chicken & Pizza. This was initially as a partnership, but he took over the business completely in 2008. Exhibit B shows photographs of signage showing:

- i) Signage for GRILLER (with the flames device) which I assume to be one of Mr Ghias' franchised restaurants.
- ii) Signage for GRILLER with the device of a chicken and the words THE HEALTHIER OPTION – it is not clear where this sign was used, however, as it does not correspond exactly to the form of GRILLER used by the proprietor (due to the orientation of the words THE HEALTHIER OPTION and that the building looks different), it appears that this is another form of use made by one of Mr Ghias' franchisees.
- iii) Signage for GRILL'O with the words Xpress Pizza alongside.

20. As stated already, I will come back to the other aspects of the evidence later. But in terms of factual findings with regard to the relationship between Mr Ghias and Mr Malik (the controlling mind of the proprietor) it is worth making some initial findings now. It is clear that Mr Ghias wished to extend his business to the Green Street area. It is also clear that he asked Mr Malik (at that time a friend of his) to change his XPRESS CHICKEN AND PIZZA business into one of his GRILLER restaurants and to



use his spices and recipes etc. Given that Mr Ghias operates on a franchise basis, what I have described appears to be a clear offer for Mr Malik to operate a GRILLER franchise. Mr Malek says he refused to do so. However, this is clearly at odds with the fact that GRILLER signage was put up. It is difficult to come up with any plausible explanation as to why GRILLER signs were put up unless some form of agreement was reached. To characterise this as simply a “friendly gesture” seems extremely odd. I consider that Mr Malik was a de facto franchisee, or, at the very least, he was using the GRILLER mark on behalf of Mr Ghias and with his consent. I will now move to the various grounds of invalidation, beginning with section 5(2)(b).

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

21. Section 5(2)(b) of the Act states that:

“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.”

22. The following principles are gleaned from the judgments 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 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 the earlier mark to mind, is not sufficient;

(j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

(k) if the association between the marks creates a risk that the public will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

### **Comparison of services**

23. Each of the earlier marks' specifications contain the term "services for providing food and drink", along with other specific types of service for providing food and drink including restaurant and fast food restaurant services. It is clear that the services are identical.

### **Average consumer and the purchasing act**

24. 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. 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."

25. The services concerned are not specialist ones and will be used by members of the general public. Even though the cost of various restaurants may vary (from take-

away restaurants to fine dining) the selection process is not a highly considered one. No more than an average degree of consideration will be deployed by the average consumer when selecting an appropriate service provider. For take-away restaurants the degree of consideration may be slightly lower than the norm. The marks will be encountered on signage, menus, websites, flyers etc. This suggests that the visual impact of the marks are more important when assessing whether confusion will arise. I will not, though, completely ignore the aural aspects of the marks because the services could still be ordered/booked over the telephone.

### **Comparison of marks**

26. 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.”

27. 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.

28. I should deal at this point with some of the comments made in the proprietor’s counterstatement where references are made to logos, colour schemes and the actual signage being used. This is not the correct test. I must determine the matter based on

the way in which the respective marks have been registered and to consider the notional and fair use of those marks. In the comparisons I make below, I focus on the two word marks of the applicant. This is because the word and device marks will not put the applicant in any better position as they have further visual differences with the applicant's mark (the stylised flames). The marks to be compared are:

**GRILL'O XPRESS**                      v                      **GRILLER**

**GRILL'O XPRESS**                      v                      **Griller Grillo**

29. In terms of overall impressions, the earlier GRILLER mark has just one component, the word GRILLER, so that is the only thing that contributes to its overall impression. The earlier Griller Grillo mark has two components. The words do not hang together as a unit, instead, each element plays an independent distinctive role. As I will come on to say, GRILLER has less inherent distinctiveness than GRILLO, but in terms of the overall impression on the average consumer, both elements make a roughly equal contribution. The applied for mark also comprises two elements GRILL'O and XPRESS. Again, a roughly equal contribution will be made to the overall impression, although, again as I will say later, the word XPRESS has less inherent distinctiveness than GRILL'O.

30. I first compare GRILLER with the proprietor's mark. There is some visual similarity on account of the letters GRILL- being the first four letters in each mark. However, the other elements are different and the applied for mark noticeably longer. I consider there to be a low degree of visual similarity. GRILLER will be articulated as GRILL-ER, GRILL'O XPRESS as GRILL-O-EX-PRESS. The beginnings are the same. The second syllable of each has a degree of resonance which will be noticeable when combined with GRILL. The absence/presence of the final two syllables in the proprietor's mark creates a difference. I consider there to be a moderate (between low and medium) level of aural similarity. Conceptually, the average consumer is likely to see an evocative significance in both marks, evocative of grilled food or the use of a grill in cooking. However, one mark conjures this evocativeness with a more specific conceptual image of a thing or person that grills, whereas the other creates a more

unusual whole. I consider there to be a medium degree of conceptual similarity, albeit one based upon the non-distinctive idea of grilled food.

31. I will next compare Griller Grillo with the proprietor's mark. The first four letters are the same. The average consumer may also see a visual similarity in that both marks contain an element comprised of an invented word which is made up of the word GRILL and the letter O, albeit there is an apostrophe used in the proprietor's mark. There are, though, differences on account of the absence/presence of XPRESS and the use of two GRILL based words in the applicant's mark. I consider there to be a moderate (between low and medium) level of visual similarity, a finding which extends to the aural assessment also, with that similarity flowing from what will be the identical articulations of GRILLO/GRILL'O in the marks even though there are some differences. The evocate grill message is also present in both marks with there being a medium level of conceptual similarity as assessed above.

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

32. The degree of distinctiveness of the earlier mark must be assessed. This is because the more distinctive the earlier mark, based either on inherent qualities or because of use made, the greater the likelihood of confusion (see *Sabel BV v. Puma AG*, paragraph 24). 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).”

33. From an inherent perspective, the proprietor considers that its marks have a medium degree of distinctive. I do not agree. The word GRILLER is weak given its highly suggestive connotation, suggestive of a person or thing that grills. The preparation of grilled food is clearly relevant in terms of the services. That is not to say that the mark is directly descriptive, had it been then the mark may not have been registered in the first place. In terms of Griller Grillo, the second part of the mark (Grillo) adds to this distinctiveness. Whilst Grillo is also suggestive of grilled food, its suggestiveness is milder than griller. I consider that this earlier mark (and the word GRILLO per se) has an average level of inherent distinctive character.

34. That then leads to the use that has been made of the marks. The first GRILLER restaurant opened in 2003. The first franchise opened in 2005 and, over time, more franchisees were added. By 2015 there were around 30 restaurants in totality with Mr Ghias estimating a combined turnover of over £2.5 million. Many of the restaurants are based in various districts of London with others in the Essex area. However, there are some from further afield such as an outlet in Cardiff, Leeds and Blackburn etc. There is evidence of promotion by way of flyers in a particular outlets “catchment area”. There is also some television and newspaper advertising. Some of this is limited to Indian media outlets, but others are more general. However, from the information that has been provided, it does not appear that such advertising has been undertaken as a national campaign on the main network channels. Some viewing figures for some of the television advertising are provided, but this relates to average viewers for the channel itself not viewers who actually saw the advertisement.

35. In terms of whether the above has, as the proprietor submits, enhanced the distinctiveness of the GRILLER mark, I must be mindful that the question is only relevant from the perspective of the average consumer in the UK. Measured from this perspective, and whilst accepting that GRILLER has clearly been used, I come to the conclusion that the nature (within certain local catchment areas) and level of use (whilst not insignificant but likely to represent a very small proportion of the relevant UK market) will not have enhanced the level of distinctiveness to any material extent. The applicant is in an even worse position with regard to the Griller Grillo mark which was not even introduced until 2013. All that being said, the earlier marks still possess the degree of inherent distinctiveness discussed in the previous paragraph.

### **Likelihood of confusion**

36. The factors assessed so far have a degree of interdependency (*Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*, paragraph 17), a global assessment of them must be made when determining whether there exists a likelihood of confusion (*Sabel BV v. Puma AG*, paragraph 22). However, there is no scientific formula to apply. It is a matter of considering the relevant factors from the viewpoint of the average consumer and determining whether they are likely to be confused. Confusion can be direct (which effectively occurs when the average consumer mistakes one mark for the other) or indirect (where the average consumer realises the marks are not the same, but puts the similarity that exists between the marks/goods down to the responsible undertakings being the same or related). In terms of indirect confusion, this was dealt with by Mr Iain Purvis QC, sitting as the Appointed Person, in *L.A. Sugar Limited v By Back Beat Inc*, Case BL-O/375/10 where he noted 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.

17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:

(a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right (“26 RED TESCO” would no doubt be such a case).

(b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as “LITE”, “EXPRESS”, “WORLDWIDE”, “MINI” etc.).

(c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension (“FAT FACE” to “BRAT FACE” for example).”

37. In relation to GRILLER against GRILL’O XPRESS, despite there being some similarity between the marks, the average consumer will realise that such similarity exists in what is essentially a descriptive term GRILL-. Consequently, more focus will be placed upon the marks as a whole which include the word GRILLER (a word with a more fixed concept) and GRILL’O (evocative of a grilled food but creating a more unusual whole). The proprietor’s mark also has the word XPRESS, but whilst this in borne in mind, I have not placed significant weight on this as it has an obvious descriptive connotation despite its misspelling. Whilst I bear in mind the concept of imperfect recollection, I do not consider it likely that the average consumer would directly confuse the marks. Nor would there, in my view, be any likelihood of indirect confusion given that the point of similarity that would be observed is based upon a descriptive aspect.

38. In coming to the above view, I have not placed any weight on the five witness statements from people who, Mr Ghias states, were confused. There are two issues in relation to this evidence. First, the proprietor filed counter evidence which calls into question some of these statements due to i) the named individuals filing subsequent witness statements (on behalf of the proprietor) suggesting that their names had been used by the applicant and they did not make the earlier witness statements Mr Ghias provided and ii) the other apparently confused witnesses were acquaintances of Mr Ghias. Mr Ghias did not respond to the criticisms of this evidence. In any event, even without any counter evidence, the evidence of apparent confusion is based, partly at least, on the location of the proprietor's business. This is, in my view, not something that ought to be taken into account in the notional assessment before me.

39. I next consider whether there is a likelihood of confusion with the applicant's Griller Grillo mark. I again consider that the marks are not likely to be directly confused when considered in totality. However, in terms of indirect confusion, I consider that the average consumer, whilst not disregarding the XPRESS element from the proprietor's mark, will nevertheless appreciate that GRILL'O is the more memorable aspect particularly given that XPRESS will be seen as more of a descriptive (albeit misspelt) element. That more memorable aspect is highly similar to a part of the earlier mark that i) plays an independent distinctive role and ii) has a roughly equal weight in the overall impression of the earlier mark, and iii) is at least averagely distinctive. The combined effect all this, and whilst bearing in mind that the average consumer will be encountering the marks in totality, is that the common presence of GRILL'O/Grillo will signify to the average consumer that the undertakings responsible for the identical services in question are either the same or are related. This gives rise to a likelihood of indirect confusion and, therefore, the application for invalidation succeeds.

### **Other grounds**

40. The applicant having already succeeded, I will touch on the other grounds only briefly.

41. Under section 5(4)(a), the applicant is in no better position given that the signs it relies upon are the same as the earlier marks under section 5(2)(b).

42. Under section 5(3), the comments I made earlier in relation to enhanced distinctiveness apply here with the consequence that the applicant would not have established the necessary reputation.

43. Under section 3(6), the main requirements of the law were set out by Arnold J in *Red Bull GmbH v Sun Mark Ltd & Anr* [2012] EWHC 1929 and [2012] EWHC 2046 (Ch) (“*Sun Mark*”):

“Bad faith: general principles

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 C-529/07 *Chocoladenfabriken Lindt & Sprüngli 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] EWHC 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 Plastics 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).”

44. The proprietor would clearly have known of the applicant's use of GRILLER. But, as I have found that this mark would not cause confusion with the proprietor's mark, there can be no bad faith on that basis. However, I seems likely that the proprietor would also have known of the use of GRILLO on the proprietor's menus etc since 2013 (when Mr Malik was a franchisee or de facto franchisee) and, so, the application, after the parties had fallen out, for a trade mark which features as its main distinctive element the word GRILL'O would be regarded as an act of bad faith. It is also

noteworthy that another company of which Mr Malik was associated previously applied for GRILLER XPRESS which demonstrates the disregard that was taken to the applicant's used names. The objection under section 3(6) also succeeds.

## **Conclusion**

45. The application for invalidation is successful and the registration is deemed never to have been made.

## **Costs**

46. As the applicant has been successful he is, in principle, entitled to a contribution towards his costs. As both parties are unrepresented, at the conclusion of the evidence rounds the tribunal invited them to indicate if they intended to make a request for an award of costs, and, if so, to complete a pro-forma indicating a breakdown of their actual costs, including providing accurate estimates of the number of hours spent on a range of activities relating to the prosecution of the proceedings. Mr Ghias responded to this invitation. From his response, it is clear that whilst, strictly speaking, Mr Ghias is an unrepresented party, he has nevertheless availed himself of legal services which are directly relevant to the proceedings and for which Mr Ghias provided copies of the relevant bills. Consequently, I consider it appropriate to consider the matter mainly with the published scale set out in TPN 4/2007 (the scale that was in force when the proceedings were launched) in mind. However, having seen the bills provided, I must ensure that Mr Ghias receives only a contribution to his costs rather than compensating him in full. My assessment is set out below.

### Official fee

The scale indicates that full recovery of this fee is applicable. **I award £200.**

### Preparing a counterstatement and considering the other side's statement of case.

The scale is between £200 and £600 depending on the complexity of the statement of case. Mr Ghias claims that he expended 5½ hours work plus Counsel's fees of £600. However, the £600 fee was to do with pre-action work,

whereas the bill for drafting the form TM26I was actually £750 (excluding VAT).  
**I consider a fair contribution to be £300.**

*Filing and considering evidence (including submissions)*

The scale for this is between £500 and £2000. Mr Ghias claims that he expended 11 hours work on this. The bills from counsel are for £1750 (excluding VAT) for this aspect of the work. There are also miscellaneous claims for photocopying and additional hours (12) spent travelling to file the evidence. **I consider a fair contribution to be £800.**

*Written submissions*

The scale for this is between £300 and £500. It is not clear if legal services were provided in connection with the end of proceedings submissions that were filed. Mr Ghias says he expended 1½ hours. **I consider a fair contribution to be £30.** I cannot use the published scale here as no costs were expended and I would be compensating Mr Ghias far more than he is entitled to.

**Total - £1330**

47. I order Grill'O Xpress Limited to pay Mr Waseem Ghias the sum of £1300 within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 30th day of September 2016**

**Oliver Morris**

**For the Registrar,**

**The Comptroller-General**