

O-441-18

**TRADE MARKS ACT 1994
IN THE MATTER OF APPLICATION NO. 3215414
BY AMERICO LABALDI
TO REGISTER THE TRADE MARK:**

CASA GAUCHA

IN CLASSES 29, 30, 32, 35 AND 40

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER NO. 409486
BY GAUCHO GRILL LIMITED**

Background and pleadings

1. On 27 February 2017, Americo Labaldi filed an application to register, under number 3215414, the trade mark **CASA GAUCHA** (“the contested mark”) for the following goods and services:

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

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

Class 32 Mineral and aerated waters and other non-alcoholic beverages; fruit beverages and fruit juices; syrups and other preparations for making beverages.

Class 35 Retail services relating to food.

Class 40 Butchery.

The application was published for opposition purposes on 10 March 2017.

2. The application is opposed by Gaucho Grill Limited (“the opponent”). The opposition was filed on 9 June 2017 and is brought under sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”). Under each of these grounds, the opposition is directed against all of the goods and services in the application.

3. Under s. 5(2)(b), the opponent relies upon its UK trade mark number 2550529 for the trade mark **GAUCHO** (“the earlier mark”). The mark has a filing date of 14 July 2006 and was entered in the register on 17 September 2010. The trade mark was converted from EU trade mark number 5199518. The mark is registered for the following services, all of which are relied upon:

Class 43: Providing of food and drink; catering industry services; cafés, restaurants and bar services

4. The opponent claims that there is a likelihood of confusion because the marks are similar and because the goods and services are identical or similar.

5. Under s. 5(3), the opponent also relies upon the same UK trade mark number 2550529. It claims that the trade mark has a reputation for all of the services for which the mark is registered and that the similarity between the marks is such that the relevant public will believe that they are used by the same undertaking or think that there is an economic connection between the users of the marks. None of the additional heads of damage is claimed.

6. Given its date of filing, the above mark qualifies as an earlier mark in accordance with s. 6 of the Act. In its notice of opposition, the opponent states that it has used its trade mark in relation to all of the services relied upon. This statement is made because the earlier mark is, in principle, subject to the proof of use provisions contained in s. 6A of the Act.

7. The opponent further claims under s. 5(4)(a) of the Act that the sign **GAUCHO** has been used throughout the UK since 2000 in respect of “providing of food and drink; catering industry services; cafés, restaurants and bar services”. The opponent claims that it has acquired goodwill under the sign and that use of the application would constitute a misrepresentation to the public resulting in damage to the opponent’s goodwill.

8. Mr Labaldi filed a counterstatement denying the grounds of opposition. He notes that the classes in which registration is sought are different from those in which the earlier mark is registered. Mr Labaldi also makes various statements regarding the meaning of the word “Gaucho”. In the relevant part of the notice of defence, Mr Labaldi indicated that he did not require the opponent to provide evidence of use for the purposes of ss. 5(2)(b) and 5(3). The opponent may, therefore, rely on all of the services for which the earlier mark is registered, without showing that the mark has been used.

9. The opponent filed evidence. During the evidence rounds Mr Labaldi filed written submissions which also contain evidential material. I will return to this point shortly. Neither party requested a hearing but the opponent filed submissions in lieu of attendance at a hearing. Mr Labaldi is not professionally represented; the opponent has been represented throughout by Taylor Wessing LLP. This decision is taken following a careful reading of all of the papers

Preliminary issues

10. In his counterstatement, Mr Labaldi made the following statements:

“The word Gaucho refers to all the people living in the south of Brasil, Uruguai and Argentina.

Is a word like Londoner.

I think no one is the owner, or better no one can be the sole owner of this word”.

11. Mr Labaldi includes similar comments in his written submissions, filed during the evidence rounds, detailing the history of the gauchos and submitting that “I personally do not think is right that someone is the owner of a word that describe a culture, a life

style. Imagine, someone would register the word LONDONERS Fish and chips and no one could not use the word Londoner anymore?”.

12. The first point to note is that a trade mark registration is always made in relation to specific goods and services. The owner of a trade mark cannot restrain *any* use of a word which has been trademarked but an owner of a registered mark is entitled to protection against the use or registration of the same or similar trade marks for the same or similar goods/services. Although claims based on s. 5(3) (and s. 5(4)(a)) may extend to dissimilar goods and services, the basis of the claim will still always be assessed against the commercial use (whether actual or theoretical) of the marks for specific goods and services, and the potential for conflict between the respective trade marks.

13. As a registered trade mark, the opponent's trade mark has been deemed acceptable for the services for which it is registered. The only way in which the validity of the earlier mark can be challenged is through a cancellation action. In the absence of any such proceedings, I must treat the mark as validly registered, as s. 72 of the Act requires.

14. The second issue is the evidence contained in Mr Labaldi's submissions. It was explained to Mr Labaldi in a letter from the tribunal on 19 January 2018 that, for the material to be given evidential weight, it would need to be filed in proper evidential format. Mr Labaldi did not respond to that letter and was advised that the documents he had filed would be admitted as submissions. Given my comments, above, regarding the registered status of the earlier mark, it would not have assisted Mr Labaldi's case if the information concerning the meaning of "gaucho" had been provided in evidential format, particularly as his comments do not show the extent to which consumers would be aware of the history or meaning of the word. Nor would it have assisted if the images attached to Mr Labaldi's submissions had been filed as evidence: they are unclear but do not appear to show his mark in use in any event, and they are not dated (and so cannot show that there has been use prior to the application date).

Evidence

Opponent's evidence

15. This consists of the witness statement of Zeev Godik, Chief Executive Officer of the opponent.

16. Mr Godik explains that the opponent's use of the mark "Gaucho" dates from 1994, when the opponent began operating Argentine steak restaurants in the UK. He indicates that the company owns fifteen restaurants in the UK, including in London, Leeds, Manchester and Birmingham, as well as three restaurants overseas.

17. The opponent is said to operate a website, www.gauchorestaurants.com, through which it sells products such as gift cards and wines. A print of the home page is exhibited which shows the word "GAUCHO", as well as indicating links to menus, restaurants and a booking facility, but the print is not dated.¹ Social media presence is said to include Facebook, Twitter and LinkedIn accounts.² Mr Godik gives the number of 'likes' and 'followers' for these sites but there is no indication of what the position was at the date of application or of the date on which the various social media sites were joined.

18. Mr Godik explains that the opponent won three awards in the period 2008 to 2012, which he asserts "have helped build the reputation of the Gaucho name".³ However, no details other than the name of the awards and their date are provided.

19. A number of press articles about the opponent's restaurants are included at exhibit 2. Only three are dated before the date of application. These are articles from www.getwestlondon.co.uk, www.timeout.com and www.independent.co.uk, which are reviews of the restaurant and, from the *Independent*, a cookery course which one writer

¹ Exhibit 1.

² §6

³ §5.

attended. The *Independent* article refers to the opponent having restaurants in London, Manchester and Leeds. I note that an article discussing the forthcoming opening of the branch in Birmingham is dated May 2017 (i.e. after the relevant date).

20. Turnover figures are provided as follows:⁴

2012 £46,240,387

2013 £45,913,487

2014 £46,268,661

2015 £46,593,086

21. Mr Godik indicates that the opponent does not undertake a great deal of advertising but that it issues regular newsletters. An undated example is provided at exhibit 3.

22. That concludes my summary of the evidence, to the extent that I consider necessary.

Decision

Section 5(2)(b)

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

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

[...]

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

⁴ §7.

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

24. The following principles are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P. The principles are:

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

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

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

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

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;

(f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

(i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;

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

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

Comparison of goods and services

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

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

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

- (a) The respective uses of the respective goods or services;
- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or acts of service;
- (d) The respective trade channels through which the goods or services reach the market;
- (e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
- (f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

27. In approaching the question of similarity between the goods and services, I bear in mind the following guidance from *YouView TV Ltd v Total Ltd*, [2012] EWHC 3158 (Ch), where Floyd J. (as he then was) stated that:

“[...] Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the observations of the CJEU in Case C-307/10 *The Chartered Institute of Patent Attorneys (Trademarks) (IP TRANSLATOR)* [2012] ETMR 42 at [47]-[49]. Nevertheless the principle should not be taken too far. Treat was decided the way it was because the ordinary and natural, or core, meaning of 'dessert sauce' did not include jam, or because the ordinary and natural description of jam was not 'a dessert sauce'. Each involved a straining of the relevant language, which is incorrect. Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question”.

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

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

29. In *Sanco SA v OHIM*, Case T-249/11, the GC indicated that goods and services may be regarded as ‘complementary’ and therefore similar to a degree in circumstances where the nature and purpose of the respective goods and services are very different,

i.e. *chicken* against *transport services for chickens*. The purpose of examining whether there is a complementary relationship between goods/services is to assess whether the relevant public are liable to believe that responsibility for the goods/services lies with the same undertaking or with economically connected undertakings. As Mr Daniel Alexander Q.C., sitting as the Appointed Person, noted in *Sandra Amelia Mary Elliot v LRC Holdings Limited* BL O/255/13:

“It may well be the case that wine glasses are almost always used with wine – and are, on any normal view, complementary in that sense - but it does not follow that wine and glassware are similar goods for trade mark purposes”,

whilst on the other hand:

“[...] it is neither necessary nor sufficient for a finding of similarity that the goods in question must be used together or that they are sold together”.

30. The term “providing of food and drink” in the earlier mark is a wide term which covers all kinds of food and drink provision, from takeaways to restaurants and bars, to ice cream parlours and juice bars, as well as catering services. It encompasses all of the other services in class 43 of the earlier mark’s list of services and represents the strongest position for the opponent. It is the term I will use for the comparisons, below.

Class 29

Meat, fish, poultry and game; cooked and frozen fruits and vegetables; milk and milk products

31. These terms all include prepared dishes and beverages which could be served as part of the opponent’s services for providing food and drink: for example, “meat” includes prepared meats and goods such as hamburgers,⁵ whilst “milk” includes

⁵ See *J Sainsbury Plc v Top Dog Eats Limited* (Appointed Person) O/044/16.

flavoured milks. The goods and services differ in nature, purpose and method of use, as is usually the case with goods on the one hand and services on the other. The users are the same, though that is at a very high level of generality which is not determinative on its own. Not only are the above goods important or essential for the opponent's services but they may also be perceived by the average consumer as coming from the same undertaking. The goods are complementary. Channels of trade may overlap and the goods and services may be in competition, as a ready meal could be purchased instead of the opponent's services being used. There is a medium degree of similarity.

Jellies, jams, compotes

32. These goods have an affinity with the opponent's services as they may be served as accompaniments to the foodstuffs provided and there may be some overlap in channels of trade. However, they are not in competition with the opponent's services and, in the absence of evidence, I am not persuaded that there is complementarity in the sense defined in the case law. They are similar to a low degree.

Meat extracts; preserved and dried fruit and vegetables; eggs; edible oils and fats

33. The purpose, nature and method of use are all different. These goods are not finished dishes which will be served on their own but are individual ingredients which will be used in the preparation of a dish. These goods are not in competition with the opponent's services. Nor is there any real complementarity, as it would, in the UK, be unusual for the responsibility for such goods to lie with the providers of food and drink. The average consumer is, therefore, unlikely to assume any such connection between the respective undertakings. In the absence of any evidence on the point, I conclude that there is no meaningful similarity between these goods and the opponent's services.

Class 30

Coffee, tea, cocoa and artificial coffee; rice; preparations made from cereals; bread, pastries and confectionery; edible ices

34. These goods all differ from the opponent's services in nature, intended purpose and method of use. However, all of these terms are wide enough to include goods which would be bought as direct alternatives to using the opponent's services. There may be a complementary relationship between the respective goods and services. Overall, they are similar to a medium degree.

Mustard; vinegar; sauces (condiments); spices

35. I consider that the same reasoning applies to these goods as for jellies and jams in class 29: they are not a straight alternative to the opponent's services but the connection results in a low degree of overall similarity.

Tapioca and sago; flour; sugar, honey, treacle; yeast, baking-powder; salt; ice.

36. I cannot see that there is any meaningful similarity between these goods and the services of the opponent. There is no similarity in nature, purpose or method of use, nor is there any competition between the respective goods and services. They are not complementary in the sense defined in the case law. They are not similar.

Class 32

Mineral and aerated waters and other non-alcoholic beverages; fruit beverages and fruit juices

37. Notwithstanding that the opponent's services provide convenient facilities for consuming food and drinks, and the goods and services differ in nature, purpose and

method of use, the services focus on the consumption of the above goods. There is, to a degree, competition between them for the same reason given at paragraph 34, above, i.e. that a consumer may purchase a beverage as goods as an alternative to visiting premises where the beverage may be purchased and consumed. There may be an overlap in channels of trade and there is complementarity. These goods are similar to the opponent's services to a medium degree.

Syrups and other preparations for making beverages

38. Unlike the beverages listed above, these goods strike me as ingredients which would be mixed with other products to make a drink. They are not in direct competition with the opponent's services. Nor do I consider that there is any complementarity, as it is not the normal expectation of the UK consumer that a provider of food and drink would also sell-own branded goods of the type listed above; there is certainly no evidence to show that that is the case. There is no similarity. If that is not right, any similarity is of a low degree.

Class 35

Retail services relating to food

39. The retail of food covers the retail of all types of food, including goods such as prepared meals and sandwiches. Although there is, therefore, an overlap in purpose with the opponent's services at a very general level, as both offer ready-to-eat goods, that is not a strong point of similarity. As the way in which the goods are offered to the consumer will differ, the services do not coincide in nature. There is the potential for competition, as the consumer may make an active choice between eating in, for example, a restaurant, and purchasing prepared food to eat at home. Channels of trade may intersect but there is no complementarity. These services are similar to a low degree.

Class 40

Butchery

40. This service consists of the cutting up and preparation of meat for sale, offered to a third party. There is no similarity in nature or purpose with the opponent's services. The method of use will differ and there is unlikely to be a significant overlap in users, given that the users of the butchery service will be businesses with carcasses to process. The services are not in competition and there is no complementarity of the type defined in the case law. These services are not similar.

41. If there is no similarity, there can be no confusion.⁶ Accordingly, the remaining considerations under this ground will be made only in respect of those goods and services which I have found to be similar.

The average consumer and the nature of the purchasing act

42. It is necessary for me to determine who the average consumer is for the respective parties' goods and services. I must then decide the manner in which these goods and services are likely to be selected by the average consumer in the course of trade. 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 services in question: *Lloyd Schuhfabrik*.

43. 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:

⁶ See *Waterford Wedgwood plc v OHIM*, Case C-398/07 P (CJEU) and *eSure Insurance v Direct Line Insurance* [2008] ETMR 77 CA at [49].

“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”.

44. I have no submissions from the parties on these points.

45. The average consumer will be a member of the general public. The goods at issue are foodstuffs and non-alcoholic beverages. They are likely to be self-selected from the shelves of retail premises, primarily supermarkets, and from their online equivalents. However, trade channels will also include bars, public houses and off licences, where the consumer will be exposed to the marks on menus, taps and bottles. For all of the goods, the purchase is likely to be dominated by visual considerations, although I do not rule out an aural component. The level of attention paid is likely to vary but the goods are all of the type which are bought reasonably frequently. Nevertheless, the consumer is likely to take some care to ensure, for example, that the correct type or flavour of product is bought. The goods will be bought with an average degree of attention.

46. For the services at issue, the purchasing process is also likely to be dominated by visual considerations, as the average consumer is likely to select the services at issue following inspection of the premises’ frontage on the high street, a website or advertisements both in print and online. However, given that word-of-mouth recommendations may also play a part, I do not discount that there will be an aural component to the selection of the services. The average consumer’s level of attention will vary, depending on factors such as the type of the food and drink provided, the cost of the service offered and the nature of the establishment/event. However, generally speaking, the member of the general public purchasing the services at issue will do so with a medium degree of attention.

Comparison of trade marks

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

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

48. It would be wrong, therefore, to dissect the trade marks artificially, although it is necessary to take into account the distinctive and dominant components of the marks. Due weight must be given to any other features which are not negligible and therefore contribute to the overall impressions created by the marks. The marks to be compared are:

Opponent's mark	Mr Labaldi's mark
GAUCHO	CASA GAUCHA

49. The earlier mark consists of the word “GAUCHO”, presented in capital letters. The overall impression and distinctive character of the mark rest in that word.

50. The mark for which registration is sought consists of the words “CASA GAUCHA”, presented in capital letters. Neither word materially dominates the other, each making a roughly equal contribution to the overall impression.

51. In terms of the visual and aural comparisons, there is an obvious difference because of the presence of the word “CASA” in the contested mark, which has no counterpart in the earlier mark. There is some similarity because the only word in the earlier mark and the second word of the application are “GAUCHO” and “GAUCHA”, respectively. These words differ in their last letter but the difference being at the ends of the marks will lessen its impact. The marks are visually and aurally similar to a medium degree.

52. In considering whether the meaning of “gaucho” will be known to the average consumer, I keep in mind the comments of Anna Carboni, sitting as the Appointed Person, in *Chorkee Ltd v Cherokee Inc.*, Case BL O/048/08. In that case, Ms Carboni described the limits to which judicial notice can be used in order to find that the average consumer is aware of particular facts. She said:

“While the Applicant contended in its Counterstatement that the earlier marks would be recognised to refer to the Cherokee tribe and that the tribe was well known to the general public, no evidence was submitted to support this. By accepting this as fact, without evidence, the Hearing Officer was effectively taking judicial notice of the position. Judicial notice may be taken of facts that are too notorious to be the subject of serious dispute. But care has to be taken not to assume that one’s own personal experience, knowledge and assumptions are more widespread than they are”.

53. The *Oxford Dictionary of English* defines “gaucho” as “a cowboy from the South American pampas”.⁷ Whilst doubtless some UK consumers will know its meaning, I am not persuaded that that will be the case across the board. There is no evidence on the

⁷http://www.oxfordreference.com/view/10.1093/acref/9780199571123.001.0001/m_en_gb0328870?rskey=t96hgC&result=1 [accessed 17 July 2018].

point (even if Mr Labaldi's comments were admissible as evidence, they do not address the issue of the UK consumer's understanding of the term). My view is that a significant proportion of average consumers are likely to perceive the word "GAUCHO" either as invented or see it as a foreign word whose meaning is unknown. It will, for this group of consumer, have no clear concept.

54. I am not aware that the word "GAUCHA" has any particular meaning. The consumer who does not know the meaning of "GAUCHO" is equally likely to perceive "GAUCHA" as an invented word, or a foreign word of unknown meaning. By contrast, the word "CASA" in the application, being a very common Spanish or Italian word, is likely to be understood as meaning "house" or "home". There is, to that extent, conceptual dissimilarity between the marks for this group of consumer.

55. For those who do know the meaning of "gaucho", it is likely that the similar word "GAUCHA" will be perceived as, or assumed to be, a feminine form of the word "gaucho". The concepts of a cowboy and a cowgirl are not identical but there is some similarity, both being individuals who work with cattle and/or horses. Bearing that in mind, along with the additional concept in the applied-for mark of a house or home, there will be a medium degree of conceptual similarity in this instance.

Distinctive character of the earlier trade mark

56. The distinctive character of a trade mark can be appraised only, first, by reference to the goods and services in respect of which registration is sought and, secondly, by reference to the way it is perceived by the relevant public – *Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91. In determining the distinctive character of a trade mark and, accordingly, in assessing whether it is highly distinctive, it is necessary to make an overall assessment of the greater or lesser capacity of the trade mark to identify the goods and services for which it has been registered as coming from a particular undertaking and thus to distinguish those goods and services from those of other

undertakings - *Windsurfing Chiemsee v Huber and Attenberger* Joined Cases C-108/97 and C-109/97 [1999] ETMR 585. In *Lloyd Schuhfabrik*, the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-2779, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51)”.

57. The opponent claims that the earlier mark has an enhanced level of distinctive character because of the use which has been made of it in respect of the services for which it is registered. On the face of it, turnover figures in excess of £46 million annually are not insignificant. However, there is no information other than the bald figures. The UK restaurant sector is likely to be enormous and the opponent’s share in that market is not in evidence. Whilst the opponent operated fourteen restaurants at the relevant date, two outside the capital, no other information is given and there is no evidence of the scale or frequency of any advertising before the relevant date. On the evidence

provided, I am left with the impression that the opponent had a fairly small share of the restaurant market; in relation to the market for food and drink provision as a whole, its position is likely to have been even smaller. I am not satisfied that the use made of the mark has materially increased its distinctive character.

58. As far as the mark's inherent distinctiveness is concerned, I have already indicated that a significant proportion of average consumers will perceive the word "GAUCHO" as invented, or will perceive it as a foreign word without knowing its precise meaning. It is, therefore, endowed with a reasonably high degree of inherent distinctive character. If the word is understood as meaning a South American cowboy, it will, being a dictionary word, have a medium level of inherent distinctiveness.

Likelihood of confusion

59. There is no simple formula for determining whether there is a likelihood of confusion. The factors considered above have a degree of interdependency (*Canon* at [17]). I must make a global assessment of the competing factors (*Sabel* at [22]), considering the various factors from the perspective of the average consumer and deciding whether the average consumer is likely to be confused. In making my assessment, I must keep in mind that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them he has retained in his mind (*Lloyd Schuhfabrik* at [26]).

60. Confusion can be direct (where 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). The concept of indirect confusion was explained by Mr Purvis Q.C., sitting as the Appointed Person, in *L.A. Sugar Limited v By Back Beat Inc*, Case BL O/375/10 as follows:

“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”.

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

62. The goods and services at issue are similar to varying degrees. The marks are visually and aurally similar to a medium degree. I indicated above that a significant proportion of average consumers are likely to perceive the earlier mark as invented or as a foreign word with no known meaning. This represents the strongest position for the opponent, as while there is some conceptual dissimilarity if the meaning of “GAUCHO”/“GAUCHA” is not known, the earlier mark has a reasonably high degree of inherent distinctive character, which increases the risk of confusion. In the case of invented or unknown foreign words, the concept of imperfect recollection is particularly important, as it is harder for a consumer accurately to remember a word to which no meaning is attached. In terms of direct confusion, my view is that the presence in the contested mark of the word “CASA” and the medium level of attention to the purchase are sufficient to avoid this type of confusion. However, notwithstanding the presence in

the contested mark of the word “CASA”, along with the difference between the words “GAUCHO” and “GAUCHA”, my view is that there is a likelihood of indirect confusion for the goods and services which are similar to at least a medium degree. The effects of imperfect recollection will operate so that the average consumer may misremember the element “GAUCHO” and assume that the combination “CASA GAUCHA” is a variant brand from the same or an economically connected undertaking. For those goods which are similar to a low degree, however, I do not think that there is a likelihood of confusion, whether direct or indirect. The low degree of similarity between the goods and services, coupled with the medium level of attention, may result in the average consumer calling the earlier mark to mind but this will be too remote a connection to lead to confusion.

63. Strictly speaking, having found that a significant proportion of consumers will be confused, there is no need for me to consider those average consumers who understand the meaning of “GAUCHO”. The position is somewhat more nuanced for these consumers. There is no risk of direct confusion. As far as indirect confusion is concerned, I consider that there remains a likelihood of confusion for those goods similar to a medium degree or more. Although “GAUCHA” may signal a female “GAUCHO”, even those paying a medium degree of attention when purchasing goods which are similar to a medium degree may imperfectly recollect “GAUCHO”/“GAUCHA”, all being types of cattle/horse hands, and assume that the “CASA GAUCHA” mark is another mark used by the same undertaking. Even for those who do recall the mark correctly, the conceptual similarity between the marks is likely to lead them to think that there is an economic connection between the providers of the goods and services. There is a likelihood of indirect confusion. However, for the reasons given above, I do not think that the consumer will be confused in respect of the goods and services which are similar only to a low degree.

Conclusions under s. 5(2)(b)

64. The opposition under this ground has failed against the following goods and services:

Class 29 Meat extracts; preserved and dried fruit and vegetables; jellies, jams, compotes; eggs; edible oils and fats

Class 30 Tapioca and sago; flour; sugar, honey, treacle; yeast, baking-powder; salt; mustard; vinegar; sauces (condiments); spices; ice

Class 32 Syrups and other preparations for making beverages

Class 35 Retail services relating to food

Class 40 Butchery

65. Given these findings, I now turn to consider the opposition under ss. 5(3) and 5(4)(a) in relation to the goods and services, identified above, for which the opposition under s. 5(2)(b) has failed.

Section 5(4)(a)

66. Section 5(4)(a) states:

“4. A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented –

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

(b) [.....]

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of “an earlier right” in relation to the trade mark”.

67. In *Discount Outlet v Feel Good UK*, [2017] EWHC 1400 IPEC, Her Honour Judge Melissa Clarke, sitting as a deputy Judge of the High Court stated that:

“55. The elements necessary to reach a finding of passing off are the ‘classical trinity’ of that tort as described by Lord Oliver in the *Jif Lemon* case (*Reckitt & Colman Product v Borden* [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

56 In relation to deception, the court must assess whether “a *substantial number*” of the Claimants' customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21)”.

68. Whether there has been passing off must be judged at a particular point (or points) in time. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O/410/11, Mr Daniel Alexander QC, sitting as the Appointed Person, considered the matter of the relevant date in a passing off case. He said:

“43. In *SWORDERS TM* O-212-06 Mr Alan James acting for the Registrar well summarised the position in s.5(4)(a) proceedings as follows:

‘Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that

date: see Article 4 of Directive 89/104. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made.”.

69. There is no claim and no evidence that the contested mark was in use prior to the date of application. That being the case, the relevant date is 27 February 2017.

70. I bear in mind the following guidance regarding goodwill from the House of Lords in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL):

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start”.

71. In *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 (HC), Pumfrey J. stated:

“27. There is one major problem in assessing a passing of claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under s.11 of the 1938 Act (see *Smith Hayden & Co. Ltd's Application (OVAX)* (1946) 63 R.P.C. 97 as qualified by *BALI Trade Mark* [1969] R.P.C. 472). Thus the evidence will include evidence from the trade as

to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed to the relevant date. Once raised, the applicant must rebut the prima facie case. Obviously, he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of probabilities that passing off will occur”.

72. I accept that the opponent has generated goodwill in its business and that the sign “GAUCHO” is distinctive of that business. However, whilst the turnover sums are not insignificant, the dearth of accompanying detail, such as advertising, which might have assisted in showing the extent of the presence outside London, means that the strength of the goodwill cannot be assessed as more than modest. Given the relatively weak goodwill, the fields of activity for the goods and services which have only a low degree of similarity—or none at all—are, in my view, too far removed for use of the contested mark to deceive a substantial number of the opponent’s customers or potential customers. Consequently, use of the contested mark would not constitute a misrepresentation to the public. The s. 5(4)(a) ground of opposition is dismissed.

Section 5(3)

73. Section 5(3) states:

“(3) A trade mark which-

(a) is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a European Union trade mark or

international trade mark (EC), in the European Union) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark”.

74. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, [1999] ETMR 950, Case 252/07, *Intel*, [2009] ETMR 13, Case C-408/01, *Addidas-Salomon*, [2004] ETMR 10 and C-487/07, *L’Oreal v Bellure* [2009] ETMR 55 and Case C-323/09, *Marks and Spencer v Interflora*. The law appears to be as follows.

a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors*, paragraph 24.

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors*, paragraph 26.

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman*, paragraph 29 and *Intel*, paragraph 63.

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark’s reputation and distinctiveness; *Intel*, paragraph 42.

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel, paragraph 68*; whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel, paragraph 79*.

(f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel, paragraphs 76 and 77*.

(g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel, paragraph 74*.

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark; *L'Oreal v Bellure NV, paragraph 40*.

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of

the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora*, paragraph 74 and the court's answer to question 1 in *L'Oreal v Bellure*).

75. In *General Motors*, Case C-375/97, the CJEU held that:

“25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.

26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.

27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.

28. Territorially, the condition is fulfilled when, in the terms of Article 5(2) of the Directive, the trade mark has a reputation 'in the Member State'. In the absence of any definition of the Community provision in this respect, a trade mark cannot be required to have a reputation 'throughout' the territory of the Member State. It is sufficient for it to exist in a substantial part of it”.

76. As is clear from the case law cited above, the mark must be known by “a significant part” of the relevant public in order to have a qualifying reputation. I am aware that in *Enterprise Holdings Inc. v Europcar Group UK Ltd*, Arnold J stated that proving a

reputation “is not a particularly onerous requirement”.⁸ The claimed turnover figures are not insignificant. There is also evidence that the opponent had a number of restaurants at the relevant date. However, that is all that the evidence shows. There is no indication of market share. Although the opponent had branches in three major UK cities, it appears that outside the capital there was only one restaurant in Manchester and one in Leeds. There is no evidence to show the intensity of any advertising and, whilst it appears from the evidence that all of these restaurants were in operation by 2010, there is no evidence to show when they opened, their impact or their revenue. In my view the evidence is too sparse to support a finding that the mark had a qualifying reputation at the relevant date. The ground under s. 5(3) fails accordingly.

Conclusion

77. The opposition succeeds against the following goods and services for which, subject to appeal, the registration will be refused:

- Class 29 Meat, fish, poultry and game; frozen and cooked fruits and vegetables; milk and milk products

- Class 30 Coffee, tea, cocoa and artificial coffee; rice; preparations made from cereals; bread, pastries and confectionery; edible ices

- Class 32 Mineral and aerated waters and other non-alcoholic beverages; fruit beverages and fruit juices

78. The opposition against the following goods and services is dismissed:

- Class 29 Meat extracts; preserved and dried fruit and vegetables; jellies, jams, compotes; eggs; edible oils and fats

⁸ [2015] EWHC 17 (Ch)

- Class 30 Tapioca and sago; flour; sugar, honey, treacle; yeast, baking-powder; salt; mustard; vinegar; sauces (condiments); spices; ice
- Class 32 Syrups and other preparations for making beverages
- Class 35 Retail services relating to food
- Class 40 Butchery

Costs

79. Mr Labaldi has been a little more successful overall and would ordinarily be entitled to an award of costs. However, as he is an unrepresented party, the tribunal wrote to him and asked him to complete and return a costs pro-forma if he intended to seek an award of costs. He was advised that, if the pro-forma was not returned, no award of costs would be made. The pro-forma has not been received by the tribunal and I therefore direct that the parties bear their own costs.

Dated this 20th day of July 2018



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