

O/0537/23

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK APPLICATION NO. 3534931
BY KENMARK KITCHENS LIMITED**

TO REGISTER:



AS A TRADE MARK IN CLASSES 35 & 43

AND

**IN THE MATTER OF THE OPPOSITION THERETO
UNDER NO. 422981 BY
CITY STORAGE SYSTEMS LLC**

BACKGROUND AND PLEADINGS

1. On 18 September 2020, Kenmark Kitchens Limited (“the applicant”) applied to register the mark shown on the front cover of this decision as a trade mark in the United Kingdom in respect of the services shown in the table in paragraph 19 of this decision.¹
2. On 29 January 2021, the application was opposed by City Storage Systems LLC (“the opponent”). The opposition is based on section 5(2)(b) of the Trade Marks Act 1994 (“the Act”) and concerns all the services in the application.
3. The opponent relies on two earlier marks. The first of these is International Registration (“IR”) 1437079, **CLOUDKITCHENS**, which was designated for protection in the EU under the Madrid Protocol on 15 October 2018 and registered for protection on 3 May 2019 for the following services, all of which the opponent is relying on:²

Class 36

Real estate management services; rental of real estate; leasing of real estate.

Class 39

Delivery of food by restaurants; food delivery.

Class 43

Providing temporary kitchen facilities; providing temporary kitchen facilities for coworkers in the nature of co-working facilities equipped with kitchen equipment and appliances; providing temporary kitchen facilities, namely, providing facilities for the use of kitchen equipment and appliances; contract food and beverage services; providing specialized facilities for food preparation; providing social function facilities for special occasions.

¹ The application originally also included services in Class 39 but these were withdrawn.

² Although the UK has left the EU and the transition period has now expired, EUTMs and International Marks which have designated the EU for protection are still relevant in these proceedings given the impact of the transitional provisions of The Trade Marks (Amendment etc.) (EU Exit) Regulations 2019, SI 2019 No. 269, Schedule 5. Further information is provided in Tribunal Practice Notice 2/2020.

4. The second earlier mark is IR1436742, also for **CLOUDKITCHENS**, which was designated for protection in the UK under the Madrid Protocol on 17 October 2018 and registered for protection on 20 June 2019 for the following services, all of which the opponent is relying on:

Class 36

Real estate management services; rental of real estate; leasing of real estate.

Class 43

Providing temporary kitchen facilities; providing temporary kitchen facilities for coworkers in the nature of co-working facilities equipped with kitchen equipment and appliances; providing temporary kitchen facilities, namely, providing facilities for the use of kitchen equipment and appliances; contract food and beverage services; providing specialized facilities for food preparation; providing social function facilities for special occasions.

5. Both IRs qualify as earlier marks under the provisions of section 6(1) of the Act. As they were registered within the five-year period before the date on which the contested application was made, they are not subject to proof of use and the opponent is entitled to rely on all the services listed above.

6. The opponent claims that the marks are similar as the contested mark contains words that are identical to its earlier IRs. It adds that the contested mark also includes an image of a cloud, and that it uses the following sign, which it intends to register:



7. It also claims to have been using the earlier IRs since before the date of application on 15 October 2018, for services in Classes 35 and 43. It asserts that:

“The Opponent’s use of its mark within Class 43 and the Applicant’s proposed use within the same class indicate significant identical and/or similar spheres of activity surrounding the provision of restaurant or kitchen facilities (including equipment and appliances), catering or kitchen services for social functions, mobile kitchen services and related contingent activities as set out within the Opponent’s and Applicant’s uses of Class 43 respectively.”

8. As a consequence, the opponent claims there is a high risk or likelihood of confusion.

9. The applicant filed a defence and counterstatement denying the claims made. In particular, it claimed that its services are dissimilar to those of the opponent and that “CLOUDKITCHEN” is “*a generic term in the restaurant industry for a takeaway premises that only does delivery*”. In support of this claim, it attaches four articles (three from a single source) to the counterstatement.

Evidence and submissions

10. Only the opponent filed evidence. This is from Mark John Hickey, a Chartered Trade Mark Attorney and partner at the opponent’s representative, Lane IP Limited. His witness statement is dated 8 November 2022 and provides examples of the use of franchise models in the restaurant industry.

11. Neither side requested a hearing and the opponent filed written submissions on 23 February 2023. I shall refer to these where appropriate during the course of my decision, which I have taken after a careful consideration of all the papers.

Representation

12. The opponent was initially represented by Pillsbury Winthrop Shaw Pittman LLP, and then by Lane IP Limited. The applicant was represented by Hanna Moore + Curley, which during the proceedings was acquired by Murgitroyd.

PRELIMINARY ISSUES

13. In its statement of grounds, the opponent claimed to have used the logo shown in paragraph 6 and to have intentions to register this and possibly to *“includ[e] Class 35 uses within its registrations”*. The applicant submits that these arguments are irrelevant. The opponent has not pleaded any grounds based on use of an unregistered sign, and I agree with the applicant that intentions to register can play no part in my decision. I must make it on the basis of the marks as registered. I note that the opponent’s current representatives make no mention of these claims in the written submissions in lieu of a hearing, and so I shall say no more about them.

14. The opponent submits that I should disregard the articles attached to the applicant’s counterstatement, as these have not been filed in proper evidential form, i.e. under cover of a witness statement. I agree, and will do so. However, even if they had been filed in the proper form, the fact that they are undated (apart from the date of printing) means that they have little, if any, probative value in determining whether “CLOUD KITCHEN” was a descriptive term at the time the contested application was filed.

DECISION

15. Section 5(2)(b) of the Act is as follows:

“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.”

16. I am guided by the following principles, gleaned from the decisions of the Court of Justice of the European Union (“CJEU”) 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 BV* (Case C-342/97), *Marca Mode CV v Adidas AG & Adidas Benelux BV* (Case C-425/98), *Matratzen Concord GmbH v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (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-334/05 P) and *Bimbo SA v OHIM* (Case C-519/12 P):³

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. The average consumer is deemed to be reasonably well informed and reasonably circumspect and observant, but someone who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them they have kept in their 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;

³ Section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Trade Marks Act relied on in these proceedings are derived from an EU Directive. This is why this decision continues to make reference to the trade mark case-law of EU courts, although the UK has left the EU.

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; and

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

17. Section 60A of the Act stipulates that:

“(1) For the purposes of this Act goods and services-

(a) are not to be regarded as being similar to each other on the ground that they appear in the same class under the Nice Classification;

(b) are not to be regarded as being dissimilar from each other on the ground that they appear in different classes under the Nice Classification.

(2) In subsection (1), the ‘Nice Classification’ means the system of classification under the Nice Agreement Concerning the International Classification of Goods and Services for the Purpose of the Registration of Marks of 15 June 1957, which was last amended on 28 September 1979.”

18. It is settled case law that I must make my comparison of the services on the basis of all relevant factors. These may include the nature of the goods and services, their purpose, their users and method of use, the trade channels through which they reach the market, and whether they are in competition with each other or are complementary: see *Canon*, paragraph 23, and *British Sugar Plc v James Robertson & Sons Limited (TREAT Trade Mark)* [1996] RPC 281 at [296]. Services are complementary when

“... 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.”⁴

19. The services to be compared are shown in the table below:

Earlier services	Contested services
	<p><u>Class 35</u> <i>Franchising (Business advice relating to – takeaways and restaurants); Business advice relating to franchising; Business assistance relating to franchising; Assistance in franchised commercial business management; Franchising (Business advisory services relating to – takeaways and restaurants); Business advisory services relating to franchising;</i></p>

⁴ *Boston Scientific Ltd v OHIM*, Case T-325/06, paragraph 82.

Earlier services	Contested services
	<p><i>Business advertising services relating to franchising; Management advisory services related to franchising; Business advice relating to restaurant franchising; Administration of the business affairs of franchises; Business management advisory services relating to franchising; Provision of business advice relating to franchising; Advisory services relating to publicity for franchisees; Provision of business information relating to franchising; Business advice and consultancy relating to franchising; Business assistance relating to the establishment of franchises; Advisory services relating to the operation of franchises; Advice in the running of establishments as franchises; Assistance in product commercialization, within the framework of a franchise contract; Business advisory services relating to the establishment and operation of franchises; Providing assistance in the field of business management within the framework of a franchise contract; Services rendered by a franchisor, namely assistance in the running or management of industrial or commercial enterprises; Supply chain management services; Website traffic optimisation; Website traffic optimization; Providing business information in the field of social media; Providing marketing consulting in the field of social media; Advertising and marketing services provided by means of social media; Marketing services in the field of restaurants; Business management assistance in the operation of restaurants; Business advisory services relating to the setting up of restaurants; Business management assistance in the</i></p>

Earlier services	Contested services
	<p><i>establishment and operation of restaurants; On-line ordering services in the field of restaurant take-out and delivery; Loyalty scheme services; Administrative loyalty card services; Administration of consumer loyalty programs; Administration of loyalty rewards programmes; Administration of loyalty rewards programs; Loyalty, incentive and bonus program services; Sales promotion through customer loyalty programs.</i></p>
<p><u>Class 36</u> <i>Real estate management services; rental of real estate; leasing of real estate.</i></p>	
<p><u>Class 39</u> <i>Delivery of food by restaurants; food delivery.</i></p>	
<p><u>Class 43</u> <i>Providing temporary kitchen facilities; providing temporary kitchen facilities for coworkers in the nature of co-working facilities equipped with kitchen equipment and appliances; providing temporary kitchen facilities, namely providing facilities for the use of kitchen equipment and appliances; contract food and beverage services; providing specialized facilities for food preparation; providing social function facilities for special occasions.</i></p>	<p><u>Class 43</u> <i>Restaurant information services; Providing restaurant services; Carry-out restaurants; Fast food restaurants; Providing reviews of restaurants and bars; Provision of food and drink in restaurants; Restaurant services for the provision of fast food; Reservation and booking services for restaurants and meals; Making reservations and bookings for restaurants and meals; Services for providing food and drink; temporary accommodation; restaurant services; catering services; contract food services; preparation of food and drink; restaurant services for the provision of fast food; Take-away food services; Take-away fast food services; Providing of food and drink via a mobile truck; Providing food and drink in restaurants and bars; Takeaway services; provision of information, advisory and consultancy services in relation to the aforesaid services.</i></p>

20. In construing the terms in the specifications, I bear in mind the following case law. In *YouView TV Ltd v Total Ltd* [2012] EWHC 3158 (Ch), 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.”⁵

21. In *Sky Plc & Ors v Skykick UK Ltd & Anor* [2020] EWHC 990 (Ch), Arnold LJ set out the following summary of the correct approach to interpreting terms, specifically commenting on the case of services:

“...the applicable principles of interpretation are as follows:

(1) General terms are to be interpreted as covering the goods or services clearly covered by the literal meaning of the terms, and not other goods or services.

(2) In the case of services, the terms used should not be interpreted widely, but confined to the core of the possible meanings attributable to the terms.

⁵ Paragraph 12.

(3) An unclear or imprecise term should be narrowly interpreted as extending only to such goods or services as it clearly covers.

(4) A term which cannot be interpreted is to be disregarded.”⁶

22. I shall also group services together, where appropriate, as explained by Mr Geoffrey Hobbs QC, sitting as the Appointed Person, in *SEPARODE Trade Mark*, BL O-399-10:

“The determination must be made with reference to each of the different species of goods listed in the opposed application for registration; if and to the extent that the list includes goods which are sufficiently comparable to be assessable for registration in essentially the same way for essentially the same reasons, the decision taker may address them collectively in his or her decision.”⁷

Class 35

23. I shall deal first with a group of services relating to restaurant franchising: *Franchising (Business advice relating to – takeaways and restaurants)*; *Franchising (Business advisory services relating to - takeaways and restaurants)*; *Business advice relating to restaurant franchising*. I understand these services to involve the provision of advice and other support to franchisees in the establishment, day-to-day running and development of their businesses. I agree with the opponent that there will be some overlap with the customers of its Class 36 services, as franchisees will need premises from which to operate. I understand that the Class 36 services would involve the finding of tenants, the setting up of rental arrangements, dealing with renewals of leases, negotiating changes to rents, and so on. In my view, the purpose and nature of these services are therefore different. They would not share the same trade channels. I do not find them to be complementary or in competition. I consider that the overlap in users is insufficient for me to find any similarity between these services.

⁶ Paragraph 56.

⁷ Paragraph 5. This approach is equally applicable to services.

24. The opponent submits that there is similarity between the contested services and its own Class 39 services on the basis that *“it is increasingly essential for food business owners to have suitable mechanisms in place to enable the delivery of their food/meals to ensure the viability of their business. This too is similar/complementary, in our opinion, for the business consumers because if they do not have their own delivery service, they will want to choose a commercial partner that offers to them for delivery the broadest customer base.”*⁸ I accept that there is likely to be some overlap in user, as restaurant franchisees may use the services of a food delivery company. The purpose and nature of the services are, however, different. I have no evidence to suggest that the trade channels would be the same. I note that the opponent claims there is complementarity, but I do not see why the food delivery services are essential for the franchising advisory services, or vice versa, in such a way that the average consumer would think that they come from the same undertaking. I find that the services are dissimilar.

25. The sole reason given by the opponent for submitting that the contested services are similar to the opponent’s Class 43 services is that the consumers would be the same food service businesses. I agree that there may be some overlap in the users of the franchising services and the temporary kitchen facilities and the specialised facilities for food preparation, but the purpose and nature of service are different. I do not consider there to be any competition or complementarity, and in my view the trade channels will be different. The evidence filed by the opponent on the franchise model in restaurants does not suggest to me that the applicant’s and opponent’s services are offered by the same undertakings. I find that the services are dissimilar.

26. The remaining services in this class are other advisory, management and marketing services in relation to restaurants, or businesses in general. Having made the findings of dissimilarity in paragraphs 23-25 above, I do not see any reason why I should find any similarity with respect to these services, except perhaps in the case of *On-line ordering services in the field of restaurant take-out and delivery*, which I shall now consider separately.

⁸ Written submissions, page 8.

27. I shall compare these services to the opponent's Class 39 food delivery services. The natural, or core, meaning of the contested term is a service that enables the user order food via a website or app to be delivered to their location or to be collected. While the nature of use is different, the purposes are related. The users will be the same as those of the opponent's *Delivery of food by restaurants*, and the services will be complementary, given that a delivery service is essential for the use of some of the applicant's services and that the consumer is in my view likely to believe that a single undertaking will be responsible for both. I find that the services are similar to a medium degree.

Class 43

28. The opponent submits that all the applicant's food and beverage services would be included in the term *Contract food and beverages services*. In *Gérard Meric v OHIM*, Case T-133/05, the General Court stated that:

“In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 *Institut für Lernsysteme v OHIM – Educational Services (ELS)* [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark.”⁹

29. The applicant's *Contract food services* are included in the opponent's broader *Contract food and beverages services* and so can be considered identical per *Meric*.

30. The opponent submits that the meaning of its *Contract food and beverages services* is “*the provision of any food and beverage service under contract*”.¹⁰ I am mindful of the case law that states that the term should not be interpreted liberally. In my view, the natural and core meaning includes food and beverage services that are purchased under contract, such as restaurants and cafes found in workplaces,

⁹ Paragraph 29.

¹⁰ Opponent's written submissions, page 9.

entertainment venues or other locations that are run by a third party, or catering for special events. It would be included in the applicant's broader *Services for providing food and drink and preparation of food and drink*, and so these terms can be considered identical per *Meric*.

31. It would also include the applicant's *Catering services*, as these would typically be supplied under contract. If I am wrong in this, I find that they would be highly similar.

32. I shall now consider the applicant's *Providing restaurant services; Carry-out restaurants; Fast food restaurants; Provision of food and drink in restaurants; Restaurant services for the provision of fast food; restaurant services; catering services; restaurant services for the provision of fast food; Take-away food services; Take-away fast food services; Providing of food and drink via a mobile truck; Providing food and drink in restaurants and bars; Takeaway services*. I accept that these are services that may be provided under a contract, as in the examples given in paragraph 30 above. I find that they are also identical, but if I am wrong in this there is a high degree of similarity between the services, given the shared end users, purpose and method of use.

33. The applicant's *Restaurant information services; Providing reviews of restaurants and bars* are all information services. I shall compare them to the opponent's *Contract food and beverages services*. The purpose of the applicant's services is to provide information to enable an individual to choose a restaurant from the wide variety available. I understand that this is the core meaning of the term. This purpose is therefore different from that of the opponent's services, which are to provide food under a contract in the way I have described in paragraph 30 above. There may be some overlap in users, but the method of use of the services will differ. I do not consider that there is any competition between them, or that they will be delivered through the same trade channels. I have no evidence to suggest that there is any complementarity between them. I find that the services are not similar.

34. The same reasoning applies in respect of the applicant's *Reservation and booking services for restaurants and meals; Making reservations and bookings for restaurants and meals*.

35. I shall now consider the applicant's *Temporary accommodation*. The opponent submits that restaurants are not uncommonly found with rooms. That may be so, but the opponent's specifications do not include *Restaurants*. I shall compare this term with the opponent's *Rental of real estate* in Class 36. *Temporary accommodation* services provide accommodation on a temporary basis: that is the natural and core meaning of the term. The word "temporary" may mean different things to different users. It can encompass an overnight stay in a hotel and also a fixed rental of an apartment while the occupant is engaged on a work placement away from their usual residence. Both services will include the provision of property to those who wish to occupy it, and so there is an overlap in users and purpose. There is also likely to be an overlap in trade channels. I find a low degree of similarity between the services.

36. Finally, I come to the *provision of information, advisory and consultancy services in relation to* the other terms in the applicant's Class 43 specification. These differ in nature, purpose and method of use from the opponent's services. They are not in competition and nor are they complementary. Any overlap in users would, in my view, be only at a very superficial level. I find the services to be dissimilar from those of the opponent.

37. Where there is no similarity between the services, there is no likelihood of confusion to be considered: see *eSure Insurance Limited v Direct Line Insurance Plc* [2008] EWCA Civ 842 CA, paragraph 49. The opposition therefore fails in respect of all the Class 35 services with the exception of *On-line ordering services in the field of restaurant take-out and delivery* and the following Class 43 services:

Restaurant information services; Providing reviews of restaurants and bars; Reservation and booking services for restaurants and meals; Making reservations and bookings for restaurants and meals; provision of information, advisory and consultancy services in relation to Restaurant information services, Providing restaurant services, Carry-out restaurants, Fast food restaurants, Providing reviews of restaurants and bars, Provision of food and drink in restaurants, Restaurant services for the provision of fast food, Reservation and booking services for restaurants and meals, Making reservations and bookings for restaurants and meals, Services for providing food and drink, temporary

accommodation, restaurant services, catering services, contract food services, preparation of food and drink, restaurant services for the provision of fast food, Take-away food services, Take-away fast food services, Providing of food and drink via a mobile truck, Providing food and drink in restaurants and bars, Takeaway services.

Average consumer and the purchasing process

38. In *Hearst Holdings Inc & Anor v A.V.E.L.A. Inc & Ors* [2014] EWHC 439 (Ch), Birss J (as he then was) described the average consumer in these terms:

“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 word ‘average’ denotes that the person is typical. The term ‘average’ does not denote some form of numerical mean, mode or median.”¹¹

39. The average consumer of the applicant’s services that are still in play is a member of the general public. In the case of the food-related services, they will choose a provider on the basis of a range of factors, including the price, quality and type of the food and drink offered, the hygiene standards of the provider and levels of customer service. I find that they will pay an average degree of attention. They are likely to select the services visually, either through printed or online advertisements and reviews, or by seeing signage in the street. Word-of-mouth recommendations are also likely to play a part in the selection process, so aural considerations will also be important.

40. In the case of temporary accommodation, they will also consider price, facilities, quality and location of any accommodation. The reasons for seeking the accommodation, and length of any stay, will influence the degree of care taken when selecting a provider. On balance, I find that the average consumer will pay a slightly

¹¹ Paragraph 60.

higher than average degree of attention. Visual and aural elements of the mark will have a role to play, as the consumer will see the mark in use on websites and printed matter, and may also received word-of-mouth recommendations.

Comparison of marks


41. 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 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 the 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.”¹²

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

43. The respective marks are shown below. As the earlier IRs are identical, I shall refer to them in the singular from now on.

¹² Paragraph 34.

Earlier mark	Contested mark
CLOUDKITCHENS	

44. The earlier IR consists of the two words “CLOUD” and “KITCHENS” joined to make a single word. In the context of the opponent’s Class 39 and Class 43 services, the word “KITCHENS” alludes to the place in which the food is prepared. The word “CLOUD” therefore would have a greater degree of distinctive character, although I consider that the juxtaposition of the two words also makes a contribution to the overall impression of the mark. “KITCHENS” has no allusive quality in relation to the Class 36 services and so here the overall impression of the mark lies in the combination of two equally weighted words.

45. The contested mark is a composite mark consisting of a mid-blue rectangle. Within the rectangle, there can be seen a white cloud device containing the words “TINY” and “CLOUD” in the same blue as the background. “TINY” is centred above “CLOUD”. Below the device is the word “KITCHENS” in white. In the context of the Class 39 and 43 services I found to be similar or identical to the opponent’s services, “KITCHENS” alludes to the place in which the food will be prepared. Its role in the overall impression of the mark is therefore minor. The average consumer tends to pay more attention to verbal than visual elements: see *Wassen International Ltd v OHIM (SELENIUM-ACE)*, Case T-312/03, paragraph 37. The words “TINY CLOUD” will, in my view, play the greatest role in the overall impression of the mark, with the device, “KITCHENS” and colour arrangement playing lesser roles.

Visual comparison

46. The opponent submits that the marks share an above average degree of visual similarity, as they both contain the words “CLOUD” and “KITCHENS” in the same order. I accept that there is some visual similarity, but I do not agree that the other

elements of the contested mark are as insignificant as the opponent appears to suggest. The figurative element is a clear point of visual difference. The opponent submits that it reinforces the word “CLOUD”, but in my view this strays into the conceptual comparison, to which I shall come in due course. I find that the marks are visually similar to a low degree.

Aural comparison

47. Only the verbal elements of the contested mark will be articulated. The aural differences between the marks therefore come down to the initial two syllables “TY-NEE” in the contested mark; the final three syllables of that mark are identical to the entirety of the earlier IR. The average consumer tends to pay more attention to the beginnings of marks than to the end: see *El Corte Inglés SA v OHIM*, Cases T-183/02 and T-184/02, paragraphs 81-83. I find that the marks are aurally similar to a medium degree.

Conceptual comparison

48. A cloud is a mass of water or ice particles from which rain or snow falls or a collection of other particles, such as smoke or dust, that resemble the clouds one can see in the sky. It is also used metaphorically to refer to a network of remote computers. In the case of the contested mark, it is the first meaning that will come to the mind of the average consumer, prompted by the image of a cloud in the centre of the mark. I consider that this is the meaning that will also be conveyed by the earlier IR for at least a significant proportion of consumers. Any metaphorical interpretation would require a number of cognitive steps that the average consumer is unlikely to take. The earlier mark will convey the message of a kitchen floating in the clouds; the contested mark will bring to mind a particularly small version of the same. I find that the marks are conceptually highly similar.

Distinctive character of the earlier mark

49. In *Lloyd Schuhfabrik Meyer*, 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 Alternberger* [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).”

50. Registered trade marks possess varying degrees of inherent distinctive character. Marks that are suggestive of, or allude to, a characteristic of the goods or services would sit at the lower end of a spectrum of distinctiveness, while those marks that are invented words with no allusive qualities would sit towards the top. Despite referring in its statement of grounds to use made of the earlier IR, the opponent has provided no evidence to support these claims. Therefore, I only have the inherent position to consider.

51. The opponent submits that “*the notion of a CLOUD KITCHEN is both novel and distinctive. Clouds are not something that can be cooked, nor are they a location where one might dine.*”¹³

¹³ Opponent’s written submissions, page 6.

52. As I have already noted in the context of the majority of the earlier services that I found to be similar, “KITCHEN” is allusive. This might point to a relatively low degree of inherent distinctiveness. However, the word “CLOUD” at the beginning does add an unexpected element which results, in my view, in an average level of inherent distinctive character. I remind myself that the applicant had claimed that “CLOUDKITCHEN” is a generic term, but I explained in paragraph 13 above that the articles filed with the notice of defence and counterstatement would have little probative value, even if they had been submitted under cover of a witness statement. This is because they are undated.

53. With regard to the Class 36 services, in relation to which neither word is allusive, the combination results in a slightly higher than average level of distinctive character.

Conclusions on likelihood of confusion

54. There is no scientific formula to apply in determining whether there is a likelihood of confusion. It is a global assessment where a number of factors need to be borne in mind. I must also take account of the interdependency principle, i.e. that a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective services or vice versa. I 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 they have in their mind.

55. There are two types of confusion: direct and indirect. In *L.A. Sugar Limited v Back Beat Inc*, BL O/375/10, Mr Iain Purvis QC, sitting as the Appointed Person, explained that:

“16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognised 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)."

56. In *Liverpool Gin Distillery Limited & Ors v Sazerac Brands, LLC & Ors* [2021] EWCA Civ 1207, Arnold LJ commented that:

“This is a helpful explanation of the concept of indirect confusion, which has frequently been cited subsequently, but as Mr Purvis made clear it was not intended to be an exhaustive definition.”¹⁴

57. In my view, the average consumer is unlikely to remember accurately whether the earlier mark consists of two words with a space between them or two words joined together. However, I consider that the presence of the additional word “TINY” at the beginning of the contested mark makes it unlikely that the average consumer will mistake one mark for the other and so be directly confused.

58. I turn now to consider whether there is likely to be indirect confusion. The opponent submits that the average consumer:

“... will naturally presume that the two businesses are linked and that TINY CLOUD KITCHENS might be focusing on say pop up stalls, markets, in store concessions and mobile food trucks as opposed to larger bricks and mortar kitchens/restaurants.”¹⁵

59. The two marks share a conceptual hook in the mind of the consumer. The differences between them come down to the additional matter in the contested mark, namely a figurative element, which serves to reinforce the conceptual message of “CLOUD”, and the word “TINY” which would be interpreted as referring to size or scale. This conceptual hook, combined with the descriptive nature of the word “TINY” and the identity or high and medium degree of similarity for the Class 35 and 43 services still in play, would, in my view, lead the average consumer to consider that the contested mark is another brand of the opponent. I find this to be the case even where there is a low degree of similarity between the services, as in that instance the earlier services are the Class 36 services for which I found the earlier mark to have a higher than average degree of inherent distinctiveness.

¹⁴ Paragraph 12.

¹⁵ Opponent’s written submissions, page 9.

CONCLUSION

60. The opposition has partially succeeded. Registration is refused for the following services:

Class 35

On-line ordering services in the field of restaurant take-out and delivery.

Class 43

Providing restaurant services; Carry-out restaurants; Fast food restaurants; Provision of food and drink in restaurants; Restaurant services for the provision of fast food; Services for providing food and drink; temporary accommodation; restaurant services; catering services; contract food services; preparation of food and drink; restaurant services for the provision of fast food; Take-away food services; Take-away fast food services; Providing of food and drink via a mobile truck; Providing food and drink in restaurants and bars; Takeaway services.

61. Application No. 3534931 will, subject to a successful appeal, proceed to registration for the following services:

Class 35

Franchising (Business advice relating to – takeaways and restaurants); Business advice relating to franchising; Business assistance relating to franchising; Assistance in franchised commercial business management; Franchising (Business advisory services relating to - takeaways and restaurants); Business advisory services relating to franchising; Business advertising services relating to franchising; Management advisory services related to franchising; Business advice relating to restaurant franchising; Administration of the business affairs of franchises; Business management advisory services relating to franchising; Provision of business advice relating to franchising; Advisory services relating to publicity for franchisees; Provision of business information relating to franchising; Business advice and consultancy relating to franchising; Business assistance relating to the establishment of franchises; Advisory services relating to the operation of franchises; Advice in the running of establishments as franchises;

Assistance in product commercialization, within the framework of a franchise contract; Business advisory services relating to the establishment and operation of franchises; Providing assistance in the field of business management within the framework of a franchise contract; Services rendered by a franchisor, namely, assistance in the running or management of industrial or commercial enterprises; Supply chain management services; Website traffic optimisation; Website traffic optimization; Providing business information in the field of social media; Providing marketing consulting in the field of social media; Advertising and marketing services provided by means of social media; Marketing services in the field of restaurants; Business management assistance in the operation of restaurants; Business advisory services relating to the setting up of restaurants; Business management assistance in the establishment and operation of restaurants; Loyalty scheme services; Administrative loyalty card services; Administration of consumer loyalty programs; Administration of loyalty rewards programmes; Administration of loyalty rewards programs; Loyalty, incentive and bonus program services; Sales promotion through customer loyalty programs.

Class 43

Restaurant information services; Providing reviews of restaurants and bars; Reservation and booking services for restaurants and meals; Making reservations and bookings for restaurants and meals; provision of information, advisory and consultancy services in relation to Restaurant information services, Providing restaurant services, Carry-out restaurants, Fast food restaurants, Providing reviews of restaurants and bars, Provision of food and drink in restaurants, Restaurant services for the provision of fast food, Reservation and booking services for restaurants and meals, Making reservations and bookings for restaurants and meals, Services for providing food and drink, temporary accommodation, restaurant services, catering services, contract food services, preparation of food and drink, restaurant services for the provision of fast food, Take-away food services, Take-away fast food services, Providing of food and drink via a mobile truck, Providing food and drink in restaurants and bars, Takeaway services.

COSTS

62. Both parties have enjoyed a degree of success in these proceedings, with the greater part going to the applicant, who is entitled to a contribution towards its costs, based upon the scale published in Tribunal Practice Notice No. 2/2016. In calculating an award, I have taken account of the relative balance of success and the fact that the applicant did not file anything during the evidence rounds or make any submissions in lieu of attendance at a hearing. I award the applicant the sum of £100 as a contribution towards the costs of the proceedings.

63. I therefore order City Storage Systems LLC to pay Kenmark Kitchens Limited the sum of £100. This sum should be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.

Dated this 9th day of June 2023

**Clare Boucher,
For the Registrar,
Comptroller-General**