

**O-544-21**

**TRADE MARKS ACT 1994  
IN THE MATTER OF REGISTRATION Nos. 3455790 & 3457088  
STANDING IN THE NAME OF  
COLABA LIMITED  
AND  
IN THE MATTER OF REQUESTS FOR A DECLARATION  
OF INVALIDITY THERETO UNDER Nos. 503420 & 503421  
BY FLAVOUR MANAGEMENT LIMITED**

## BACKGROUND

1) The following trade marks are registered in the name of Colaba Limited (hereinafter CL):

Mark	Number	Filing & registration date	Class	Specification
<b>Pali Hill</b>	3455790	06.01.20 27.03.20	43	Providing food and drink; restaurant services.
<b>pali hill</b>	3457088	10.01.20 27.03.20	43	Providing food and drink; restaurant services.

2) By applications, both dated 20 October 2020, Flavour Management Ltd (hereinafter FML) applied for a declaration of invalidity in respect of these registrations. FML is the proprietor of the following trade mark:

Mark	Number	Filing & registration date	Class	Specification RELIED UPON
<b>PALI KITCHEN</b>	EU 17191206	11.09.17 07.10.20	43	Provision of food and drink; Restaurants; Grill restaurants; Restaurant services; Take-out restaurants; Takeaway services; Fast food restaurant services; Bar services; Café services; Catering services; Information advisory and consultancy relating to all aforesaid services.

3) The grounds of invalidity are, in summary:

- a) That the marks and services are highly similar and/or identical and there is a high degree of visual, phonetic and conceptual similarity between the mark applied for and the earlier mark of FML, and there is a likelihood of confusion. The marks in suit therefore offend against section 5(2)(b) of the Trade Marks Act 1994.
- b) FML has used its mark since September 2017 for the provision of food and drink and restaurant services in the UK and has established goodwill in the business under the sign above. The marks and services are similar and will cause misrepresentation to the consumer and will cause damage to FML. The marks in suit therefore offend against section 5(4)(a) of the Trade Marks Act 1994.

4) On 4 January 2021 and 22 December 2020 (respectively) CL provided counterstatements to the invalidity actions, which basically denied that the marks were similar, whilst accepting that the services of the two parties were identical. CL states that the name it uses is inspired by the Pali Hill locality in Mumbai. CL does not accept that FML has goodwill in its mark and requires proof of such.

5) Both sides filed evidence. Both sides ask for an award of costs. The matter came to be heard on 23 June 2021 when Mr Webster of Messrs Maucher Jenkins represented CL; FML was represented by Mr Williams of Messrs Trade Mark Direct.

### **FML's Evidence**

6) FML filed a witness statement, dated 13 January 2021, by Anubhav Kathuria a Director of FML, a position he has held since August 2017. The witness statement has virtually no narrative, consisting almost exclusively of a list of exhibits with a very brief description as to what they contain. No claims are made regarding turnover, promotion or marketing. I note the following from the exhibits:

- 2. Accounts for FML relating to trade under mark 17191206. These would appear to show that FML employed an average of 12 people during the period 2018-2020, with accrued income of £10,000 (18-19) and £33,000 (19-20). I note the accounts are titled "Micro-entity Accounts" and inside it is stated that the company is entitled to

exemption under section 477 of the Companies Act 2006 relating to small companies, and do not need to be audited.

- 3. This shows a domain name “palikitchen.co.uk” was registered in August 2017.
- 4,5 & 6. Screenshots from the Facebook account for Palikitchen (dated 2019), the Twitter account for Palikitchen (dated 2018) and Instagram account (dated 2018) showing the restaurant in London and highlighting dishes and opening times etc. There are very few followers, numbering 194, 85 and 2342 respectively for the accounts.
- 7. A selection of invoices for building work and health and safety checks all dated in 2018.
- 8. A receipt for a takeaway meal costing £7.15 dated 15 June 2018. Also included is an email to the local council which states that 61 chicken tikkas were sold on 29 June 2018.
- 10-18. Screenshots from a variety of websites such as, *Caterluyt*; *QSR magazine*, *Restaurant Industry News*, *Fab News*, *Essential Retail*, *Retail Times* etc. all dated 2018-2019 detailing the London restaurant.
- 19. An entry for an award in 2019.

7) There are numerous other exhibits which show that the restaurant was operational in the period 2018-2020. None are useful other than showing that FML was trading under the name Pali kitchen as a restaurant and takeaway during this time.

### **CL's Evidence**

8) CL filed a witness statement, dated 17 March 2021, by Kabir Suria, director of CL, a position he has held since 1 December 2019. He states that CL opened its restaurant in London on 14 October 2020 and that the mark was chosen as Pali Hill is a well-known

affluent neighbourhood in Mumbai which has a number of Bollywood stars and other celebrities residing in the area. It is claimed that a large number of Indian nationals will be aware of the area known as Pali Hill because of the status of the people who are said to live there. However, no evidence on this claim is provided. Mr Suria also comments on the money invested in the restaurant and discusses its promotion. However, this is all after the restaurant opened and after the applications had been filed and so well after the relevant date. He provides the following exhibits which I find relevant:

- KS6: This consists of various lists obtained from the internet of celebrities who, it is claimed, live in Pali Hill, although I note most are listed not as Pali Hill but as Bandra.
- KS7: This consists of pages from the Government website regarding the ethnicity of the population of England and Wales and states that in 2011 approximately 2.5% or approximately 1.5million people were classed as being of Indian origin.

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

## **DECISION**

10) The invalidity is brought under Section 47 of the Trade Marks Act 1994 ("The Act") which reads:

"47. (1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3 or any of the provisions referred to in that section (absolute grounds for refusal of registration).

Where the trade mark was registered in breach of subsection (1)(b), (c) or (d) of that section, it shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered.

(2) Subject to subsections (2A) and (2G), the registration of a trade mark may be declared invalid on the ground-

(a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or

(b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

(2ZA) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 5(6).

(2A) The registration of a trade mark may not be declared invalid on the ground that there is an earlier trade mark unless –

(a) the registration procedure for the earlier trade mark was completed within the period of five years ending with the date of the application for the declaration,

(b) the registration procedure for the earlier trade mark was not completed before that date, or

(c) the use conditions are met.

(2B) The use conditions are met if –

(a) the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with their consent in relation to the goods or services for which it is registered-

(i) within the period of 5 years ending with the date of application for the declaration, and

(ii) within the period of 5 years ending with the date of filing of the application for registration of the later trade mark or (where applicable) the date of the priority claimed in respect of that application where, at that date, the five year period within which the earlier trade mark should have been put to genuine use as provided in section 46(1)(a) has expired, or

(b) it has not been so used, but there are proper reasons for non-use.

(2C) For these purposes –

(a) use of a trade mark includes use in a form (the “variant form”) differing in elements which do not alter the distinctive character of the mark in the form in which it was registered (regardless of whether or not the trade mark in the variant form is also registered in the name of the proprietor), and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(2D) In relation to a European Union trade mark or international trade mark (EC), any reference in subsection (2B) or (2C) to the United Kingdom shall be construed as a reference to the European Community.

(2DA) In relation to an international trade mark (EC), the reference in subsection (2A)(a) to the completion of the registration procedure is to be construed as a reference to the publication by the European Union Intellectual Property Office of the matters referred to in Article 190(2) of the European Union Trade Mark Regulation.

(2E) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.

(2F) Subsection (2A) does not apply where the earlier trade mark is a trade mark within section 6(1)(c)

(2G) An application for a declaration of invalidity on the basis of an earlier trade mark must be refused if it would have been refused, for any of the reasons set out in subsection (2H), had the application for the declaration been made on the date of filing of the application for registration of the later trade mark or (where applicable) the date of the priority claimed in respect of that application.

(2H) The reasons referred to in subsection (2G) are-

(a) that on the date in question the earlier trade mark was liable to be declared invalid by virtue of section 3(1)(b), (c) or (d), (and had not yet acquired a distinctive character as mentioned in the words after paragraph (d) in section 3(1));

(b) that the application for a declaration of invalidity is based on section 5(2) and the earlier trade mark had not yet become sufficiently distinctive to support a finding of likelihood of confusion within the meaning of section 5(2);

(c) that the application for a declaration of invalidity is based on section 5(3)(a) and the earlier trade mark had not yet acquired a reputation within the meaning of section 5(3).

(3) An application for a declaration of invalidity may be made by any person, and may be made either to the registrar or to the court, except that-

(a) if proceedings concerning the trade mark in question are pending in the court, the application must be made to the court;

and

(b) if in any other case the application is made to the registrar, he may at any stage of the proceedings refer the application to the court.



(4) In the case of bad faith in the registration of a trade mark, the registrar himself may apply to the court for a declaration of the invalidity of the registration.

(5) Where the grounds of invalidity exist in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.

(5A) An application for a declaration of invalidity may be filed on the basis of one or more earlier trade marks or other earlier rights provided they all belong to the same proprietor.

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made: Provided that this shall not affect transactions past and closed.”

11) FML is relying upon its trade mark shown in paragraph 2 above which is clearly an earlier trade mark. The marks in suit were applied for on 6 January 2020 (3455790) and 10 January 2020 (3457088) at which point FML’s mark, although applied for in September 2017 had not been registered. As such the proof of use provisions do not apply.

12) I shall first consider the ground of invalidity under section 5(2)(b) which reads:

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

(a) .....

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

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

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

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

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

14) As stated previously FML’s mark is an earlier mark. When considering the issue under section 5(2)(b) I take into account the following principles which are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

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

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

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

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other

components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

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

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

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

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

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

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

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

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

15) As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective parties' services. I must then determine the manner in which these services are likely to be selected by the average consumer in the course of trade. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

“60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median.”

16) The services at issue in these proceedings are the provision of food and drink and restaurant services. The average consumer for such services will be the public at large including businesses. The selection of such services is most likely to be made on the street outside the café, restaurant etc or via advertising in publications or the internet. I cannot exclude personal recommendations and so aural considerations must be taken into account. Considered overall, the selection process for the services is likely to be predominantly a visual one, although I accept that aural considerations will also play their part. Turning now to the level of attention the average consumer will display when selecting such services, the average cost of a meal, snack or beverage is relatively low, but some restaurant meals are very expensive. Whichever is the case, the average consumer will want to ensure that whatever they consume is something which they enjoy and meets their requirements. There are a number of people with medical issues surrounding food and drink and increasingly the population is being encouraged to give more thought to the selection of the same, particularly the health aspects of the choice. **To my mind, the average consumer for such services will be likely to pay a medium degree of attention to the selection of the services at issue. Businesses using such services will be likely to pay a higher than medium degree of attention to the selection of the services at issue as their reputation and actual business may be adversely affected if they do not get the quality correct.**

17) I am fortified in this view by the comments of Mr P. Johnson acting as the Appointed Person in case BL 0/061/19 where he said:

“15. This actually highlights the difficulty with the ground of appeal. While some consumers may pay little attention to what they eat and some will pay an intensive

degree of attention (such as those with severe food allergies), most will fall between these extremes.

16. The extent of the Appellant's criticism was really little more than the Hearing Officer thought that a few more people were reflective about food choices than is actually the case. However, and as I have said, without any evidence I cannot just substitute my own perception of the market for that used below. In fact, my own view is that the Hearing Officer is right about the purchasing decision for food and drink. Walking down the high street and looking at advertising in shops which highlight the absence or inclusion of particular ingredients from food suggests retailers consider these things to be important to their customers. For instance, many things are labelled nut-free or containing no refined sugar or being low in fat; and similarly, some products are labelled with "one of your five a day" to indicate that consumption constitutes one of a person's five portions of fruit and vegetables per day. These things would be advertised only if they were relevant to customer choices and there were enough reflection in those choices for such information to be considered. Accordingly, I think the Hearing Officer's finding was entirely reasonable and is not open to challenge."

### **Comparison of services**

18) In the judgment of the Court of Justice of the European Union (CJEU) in *Canon*, Case C-39/97, the court stated at paragraph 23 of its judgment that:

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

19) The relevant factors identified by Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, for assessing similarity were:

- (a) The respective 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.

20) In *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T- 133/05, the General Court (GC) stated that:

“29. 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”.

21) 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."

**22) In its counterstatement CL accepted that the services of the two parties were identical.**

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

23) In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 the CJEU stated that:

"22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

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

24) CL points out that the word PALI has a meaning as it is a district in India. CL states that this is accepted by FML as in its original submissions FML stated:

“Conceptually, the most distinctive part of each mark is the word PALI, which may either be interpreted as a place name in India by the relevant public or may be construed as a name or word having no certain meaning. Either way, it is not a well-known or well-used word in the English language and so has a high level of distinctiveness, especially placed as it is, at the beginning of each of the respective marks.

The words KITCHEN and HILL are both nouns and so the structure of the respective marks is identical. The nouns simply serve to refer to either a kitchen or hill, both in the Pali region or a kitchen or hill having the name Pali. It is likely that the English speaking public would link both concepts together as forming aspects of the same overarching 'PALI' brand or business.

25) In its skeleton submissions FML also stated:

“The words KITCHEN and HILL are both nouns and so the structure of the respective marks is identical. The nouns simply serve to refer to either a kitchen or hill, both in a hypothetical PALI region or a kitchen or hill having the name PALI. The word PALI dominates the overall impression of the marks and so it is likely that the English speaking public would link both concepts together as forming aspects of the the same overarching 'PALI' brand or business or at least come from economically linked, undertakings.”

26) To my mind, FML have simply admitted that there is a place called Pali, but they have not accepted that it will be recognised as such by the average UK consumer. They have also said it could be seen as an invented word; therefore they have not made any admission regarding the meaning of the mark. In my opinion, FML's mark consists of two words, the first “PALI” which to my mind will have no meaning as far as the vast majority of the UK population is concerned as few will have heard of this district of Rajasthan. The second word “KITCHEN” is a well-known dictionary word familiar to every UK citizen as virtually every house contains such a room. Obviously when used in relation to the class 43



services in the instant case the word “kitchen” has a meaning of where the food was prepared or cooked. CL contended that as the word PALI is a place name it has a low level of distinctiveness, but this of course depends on the average consumer recognising it as such which in my view is unlikely, and CL has not provided any evidence that the district is well known or has any kind of reputation in the UK. The first word PALI is therefore the dominant and distinctive element of the mark, although of course one cannot ignore the second word in the mark. Overall the mark is **inherently distinctive to an average degree, although in the absence of meaningful evidence of use of the mark FML cannot benefit from enhanced distinctiveness through use.**

### Comparison of trade marks

27) It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by them, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

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

28) It would be wrong, therefore, to artificially dissect the trade 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 them. The trade marks to be compared are:

CL's trade marks	FML's trade mark
<b>Pali Hill</b>	<b>PALI KITCHEN</b>



29) Clearly, CL's two marks are identical save that one is in upper case and the other in lower case. Fair and notional use would mean that CL could use either version, and be considered to have used both. I will therefore carry out a single comparison test. CL's mark is in a slightly stylised font, with diamonds instead of dots above the letter "i" in both words. However, the average consumer will, in my opinion, pay little attention to such a negligible aspect of the mark, as the stylisation is of a relatively low-key nature. Additionally, the mark could be used in any font thus reducing the stylisation. Visually and aurally it is obvious that (save for the stylisation) the marks are identical in their first elements (PALI) and different in their second elements. I take into account that in *El Corte Inglés, SA v OHIM*, Cases T-183/02 and T-184/02, the General Court noted that the beginnings of word tend to have more visual and aural impact than the ends. The court stated:

"81. It is clear that visually the similarities between the word marks MUNDICOLOR and the mark applied for, MUNDICOR, are very pronounced. As was pointed out by the Board of Appeal, the only visual difference between the signs is in the additional letters 'lo' which characterise the earlier marks and which are, however, preceded in those marks by six letters placed in the same position as in the mark MUNDICOR and followed by the letter 'r', which is also the final letter of the mark applied for. Given that, as the Opposition Division and the Board of Appeal rightly held, the consumer normally attaches more importance to the first part of words, the presence of the same root 'mundico' in the opposing signs gives rise to a strong visual similarity, which is, moreover, reinforced by the presence of the letter 'r' at the end of the two signs. Given those similarities, the applicant's argument based on the difference in length of the opposing signs is insufficient to dispel the existence of a strong visual similarity.

82. As regards aural characteristics, it should be noted first that all eight letters of the mark MUNDICOR are included in the MUNDICOLOR marks.

83. Second, the first two syllables of the opposing signs forming the prefix 'mundi' are the same. In that respect, it should again be emphasised that the attention of the consumer is usually directed to the beginning of the word. Those features make the sound very similar.

30) See also: General Court cases: *Castellani SpA v OHIM*, T-149/06, *Spa Monopole, compagnie fermière de Spa SA/NV v OHIM*, T-438/07 (similar beginnings important or decisive), *CureVac GmbH v OHIM*, T-80/08 (similar beginnings not necessarily important or decisive), and *Enercon GmbH v OHIM*, T-472/07 (the latter for the application of the principle to a two word mark).

31) I take into account the comments from *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, quoted at paragraph 25 above. CL contends that the average Indian citizen will be aware of the location of Pali Hill in Bandra, a suburb of Mumbai. They have not provided evidence of this despite showing that a number of Bollywood stars live in the area of Bandra, and a number live on Pali Hill. Quite how this equates to the average consumer in the UK has not been specified other than to state that there are a number of UK citizens of Indian origin. To my mind it is akin to stating that the average UK citizen would be aware of Hollywood and possibly Beverly Hills as being the "home to the stars" but would they be aware of the actual roads such as Carolwood Drive. I do not believe they would and equally do not accept that the evidence provided shows that the average Indian citizen, let alone the average UK citizen would be aware of Pali Hill. CL also pointed to the statements of FML at paragraphs 24 & 25 above which accepted that Pali was a district in India. CL contended that Indian cuisine is known to vary from region to region, and that the average UK consumer would assume that the term referred to a particular style of Indian cooking. No evidence has been provided to show that there are such regional variations which are known to the average UK consumer. In my opinion, conceptually the marks of CL would conjure an image of a geographical location, a hill; whereas FML's mark calls to mind the space in a building where food is prepared or cooked. There is therefore a conceptual difference.

32) Considered overall the marks have visual and aural differences and similarities whilst they are conceptually different. **Overall they are similar to a low to medium degree.**

## Likelihood of confusion

33) In determining whether there is a likelihood of confusion, a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective services and vice versa. As I mentioned above, it is also necessary for me to keep in mind the distinctive character of FML's trade mark as the more distinctive the trade mark is, the greater the likelihood of confusion. I must also keep in mind the average consumer for the services, the nature of the purchasing process and the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them he has retained in his mind. Earlier in this decision, I concluded that:

- the average consumer for the services is a member of the general public including businesses and they will select the goods by predominantly visual means, although I do not discount aural considerations and that they are likely to pay a medium degree of attention to the selection with business users paying a higher than medium degree of attention to the selection of services in class 43.
- the marks of the two parties have a low to medium degree of similarity.
- FML's mark has an average degree of inherent distinctiveness but cannot benefit from an enhanced distinctiveness through use.
- the services of the two parties in class 43 are identical.

34) I also take into account the case of *L.A. Sugar Limited v By Back Beat Inc*, Case BL O/375/10, where Mr Iain Purvis Q.C., 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 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.

35) 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.

36) In *Whyte and Mackay Ltd v Origin Wine UK Ltd and Another* [2015] EWHC 1271 (Ch), Arnold J. considered the impact of the CJEU's judgment in *Bimbo*, Case C-591/12P, on the court's earlier judgment in *Medion v Thomson*. The judge said:

“18 The judgment in *Bimbo* confirms that the principle established in *Medion v Thomson* is not confined to the situation where the composite trade mark for which registration is sought contains an element which is identical to an earlier trade mark, but extends to the situation where the composite mark contains an element which is similar to the earlier mark. More importantly for present purposes, it also confirms three other points.

19 The first is that the assessment of likelihood of confusion must be made by considering and comparing the respective marks — visually, aurally and conceptually — as a whole. In *Medion v Thomson* and subsequent case law, the Court of Justice has recognised that there are situations in which the average consumer, while perceiving a composite mark as a whole, will also perceive that it consists of two (or more) signs one (or more) of which has a distinctive significance which is independent of the significance of the whole, and thus may be confused as a result of the identity or similarity of that sign to the earlier mark.

20 The second point is that this principle can only apply in circumstances where the average consumer would perceive the relevant part of the composite mark to have distinctive significance independently of the whole. It does not apply where the average consumer would perceive the composite mark as a unit having a different meaning to the meanings of the separate components. That includes the situation where the meaning of one of the components is qualified by another component, as with a surname and a first name (e.g. BECKER and BARBARA BECKER).

21 The third point is that, even where an element of the composite mark which is identical or similar to the earlier trade mark has an independent distinctive role, it does not automatically follow that there is a likelihood of confusion. It remains necessary for the competent authority to carry out a global assessment taking into account all relevant factors.”

37) To my mind, taking into account all of the above, despite the conceptual differences in the marks when used on identical services the marks are similar enough through sharing their first words (PALI) that there is a likelihood of consumers being indirectly confused into believing that the services in class 43 applied for and provided by CL are those of FML or provided by an undertaking linked to it. **The invalidity under Section 5(2) (b) therefore succeeds in respect of all the services for which the two marks are registered.**

38) I next turn to the ground of invalidity under section 5(4)(a) which reads:

“(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, where the condition in subsection (4A) is met,

(aa) .....

(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.”

Subsection (4A) of Section 5 states:

“(4A) The condition mentioned in subsection (4)(a) is that the rights to the unregistered trade mark or other sign were acquired prior to the date of application for registration of the trade mark or date of the priority claimed for that application.”

39) 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, conveniently summarised the essential requirements of the law of passing off as follows:

“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).”

40) Halsbury’s Laws of England Vol. 97A (2012 reissue) provides further guidance with regard to establishing the likelihood of deception. In paragraph 309 it is noted (with footnotes omitted) that:

“To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

(1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and

(2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

(a) the nature and extent of the reputation relied upon;

(b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;

(c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;

(d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.”

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.”



41) In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC, as the Appointed Person, endorsed the registrar's assessment of the relevant date for the purposes of section 5(4)(a) of the Act, as follows:

“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.’ ”

42) The relevant dates are therefore 6 January 2020 (3455790) and 10 January 2020 (3457088). I have commented earlier in this decision about the paucity of evidence of use provided by the opponent. To my mind the opponent has not shown that it has goodwill in the UK under its mark, as at these dates. The opposition under this ground therefore fails.

43) In case I am wrong in the above finding I will continue to consider whether there would be misrepresentation. Earlier in this decision I found that use of the marks in suit, actual or on a fair and notional basis would result in indirect confusion with the opponent's mark. Accordingly, it seems to me that the necessary misrepresentation required by the tort of passing off will occur. I also accept that given the identity of the services damage will occur. The opposition under Section 5(4)(a) of the Act would succeed.

## **CONCLUSION**

44) The invalidity action under section 5(2)(b) succeeds and the trade marks 3457088 and 3455790 will be removed from the register. The invalidity action under section 5(4)(a) fails.

## **COSTS**

45) As FMLL has been successful it is entitled to a contribution towards its costs. It has been professionally represented.

Preparing a statement and considering the other side's statement x2	£600
Invalidation Actions x 2	£400
Preparing evidence	£600
Attendance at hearing	£800
<b>TOTAL</b>	<b>£2400</b>

46) I order Colaba Limited to pay Flavour Management Limited the sum of £2,400. This sum to be paid within two months of the expiry of the appeal period or within twenty one days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 20<sup>th</sup> day of July 2021**

**G W Salthouse**  
**For the Registrar**  
**the Comptroller-General**