

O-212-10

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. 83076
BY PASTICCERIA E CONFETTERIA SANT AMBROEUS S.R.L. (ITLAY)
FOR A DECLARATION OF INVALIDITY IN RESPECT OF
TRADE MARK NO. 2422901 IN THE NAME OF
G&D RESTAURANT ASSOCIATES LLC**

TRADE MARKS ACT 1994

**IN THE MATTER OF Application No. 83076
by Pasticceria E Confetteria Sant Ambroeus S.r.l. (Itlay)
for a Declaration of Invalidity in respect of
Trade Mark No. 2422901 in the name of
G&D Restaurant Associates Llc**

DECISION

1. Trade Mark No. 2422901 is registered in Class 43 in respect of “Restaurant and catering services”. The mark is as follows:.



2. By an application dated 13 November 2007, Pasticceria E Confetteria Sant Ambroeus S.r.l. (Itlay) applied for the registration to be declared invalid under the following provisions:

- | | |
|------------------------------|---|
| Under Section 3(6) | The registrant had been the UK agent for the brand up to 2006 and had never had permission from Matteck Matsuzaki (the manufacturer) to register the mark. |
| Under Section 5(2)(b) | because the registration is for a mark that is similar to the applicant's earlier mark, both in the element SANT AMBROEUS and in the distinctive stylisation in which they are represented and is in respect of services that are similar to the goods of that earlier registration such that there exists a likelihood of confusion. |
| Under Section 5(3) | because use of a similar mark to an earlier mark in which the applicants have a reputation would take unfair advantage of, and be detrimental to, the distinctive character and/or the repute of that earlier mark |
| Under Section 5(4)(a) | by virtue of the law of passing off. |

3. Both sides filed evidence in these proceedings which insofar as it may be relevant I have summarised below. The matter came to be heard on 4 May 2010, when the applicants were represented by Mr Simon Malynicz of Counsel, instructed by W P Thompson & Co, their trade mark attorneys. The registered proprietors were not represented.

Applicant's evidence

4. This consists of three Witness Statements, two from Giancarlo Isola dated 26 March 2008, and a third from David Alan Gill dated 3 June 2008.

5. In his first Statement Mr Isola confirms that he has been employed by the applicants in the position of Legal Representative since 1993. He says that the applicant company has an active commercial interest in the UK in relation to “confectionary, sweets, sweetmeats, biscuits, cookies, sugar, honey, cocoa, chocolate, tea, coffee, coffee substitutes, flour, preparations made from cereals, bread, cakes, buns, ice-cream, ices, sauces” which is the full specification as registered. Mr Isola confirms that the mark has been used throughout the period 6 July 2002 to 5 July 2007, both on the goods, mentioning Jimmy Choo Ltd in particular, and in publicity material. He gives the volume of sales in the period as being in the order of Euro 12,000, and the amount spent on publicity as around Euro 3,000.

6. Mr Isola goes on to refer to Exhibits GI01 to GI05 and GI07, which consist of invoices dated in the period of 28 February 2004 to 29 September 2006, for the supply of “food and beverages” to Jimmy Choo Ltd (GI01-05) and Morgan Chase Bank NA (GI07). Mr Isola states the goods supplied include “confectionary, sweets, sweetmeats, biscuits, cookies, cocoa, chocolate, tea, coffee, coffee substitutes, preparations made from cereals, cakes, buns, ice-cream.” Exhibit GI06 is an invoice dated 18 November 2004 to Portobello Food Ltd for goods listed as “panettoni, cakes, torrone, chocolates and marron glaces”. The invoices have Sant Ambroeus as the heading, and although not showing that the goods supplied were branded as such, Mr Isola confirms this to be the case. He introduces Exhibit GI08 which consists of a brochure showing the mark being used in relation to the goods stated, it is in Italian, making it unclear whether it is representative of use for the UK. However, Mr Isola states that it is an “...illustration of the use of the mark and in relation to the packaging of the goods specified in the registration” from which it would be reasonable, in the absence of evidence to the contrary, to take as being representative of the use for the UK.

7. As Exhibit GI09 Mr Isola provides a publicity brochure which bears the date of December 2003. This refers to the foundation of Sant Ambroeus in 1936, and the business as being “Conference Room, Lunch, Banqueting, Chocolate House, Bonbonnières and Sweetmeat-boxes, Bar and Cakes”. Mr Isola states that the brochure was distributed to around 50 bars, cafeterias and restaurants in the UK. Exhibit GI10 consists of pages from Marie Claire Maison dated December 2006 – January 2007, Mr Isola referring to his company’s co-marketing activities with “internationally famous jewellers”. The magazine is in Italian and on the cover refers to it being “Edizione Italiana”. Although Mr Isola says that the magazine was available in the UK, which it may well have been, but there is nothing that tells me that this edition was, or that a corresponding English/UK edition existed. Mr Isola concludes his statement saying that the applicant has been using the famous SANT AMBROEUS mark since 1936 in Italy and other countries, including the UK, but it is not clear from which date it may have been used in the UK.

8. Mr Isola's second Statement gives details of his company's history, from its foundation in its current legal form in 1948, Exhibit GI11 being a copy of the relevant extract (and translation) from the Italian Chamber of Commerce. Exhibit GI12 consists of an authorisation dated 11 June 1938 issued by the Chief Justice of the district of Milan, by which the company, Sant Ambroeus is authorised to "install and use the machine for the production of soda water and other beverages.

9. In his Witness Statement, Mr Gill confirms that he is a partner in W P Thompson & Co, the currently recorded agent and address for service for registration No. 1317269 for the mark SANT AMBROEUS in Class 30. This Witness Statement supplements the information provided in Mr Isola's second Statement, in particular explaining that the documents shown as Exhibits GI11 and GI12 were the only documents at that time required by Italian law in order to open and conduct a business. Mr Gill explains the dates on Exhibit GI11, introducing Exhibit DAG1, which consists of a renewal certificate for a trade mark registered in Italy. This confirms renewal on 20 December 1987 of a registration for the trade mark as SANT AMBROEUS for "pastry and confectionary products". The filing date is shown as 31 December 1937, the grant being made on 31 May 1938. Mr Gill states that the applicant for renewal is the wife of one of the original founders of the business, a fact that is verified by Exhibits GI11 and GI12 to Mr Isola's Statement.

Registered Proprietor's evidence.

10. This consists of four Witness Statements. This first is dated 7 October 2008 and comes from Dimitri Pauli who says that he is one of the co-owners of G&D Restaurant Associates LLC who run three pastry shops/café/restaurants in the United States under the Sant Ambroeus name. Exhibit DP1 consists of a print from his company's website taken on 11 July 2007. This shows the mark applied for, and states the "...original Sant Ambroeus opened its doors in Milan in 1936...". The exhibit includes extracts from the press, one of which recounts the opening of the shop in Milan in 1936, its purchase by Hans Pauli in 1960, the relocation to the US in 1982, his selling to a Paris-based speciality food shop Fauchon 18 years later, and the opening of a new version of Sant Ambroeus in Greenwich Village by Dimitri Pauli, the son of Hans, some 2 years later. Mr Pauli states the chronology to be the opening of the Madison Avenue business in 1983 by his father, Hans, and the later sale of that business. He says that he opened the Southampton (USA) business in 1993 and continued to operate this after the sale of the Madison business. Mr Pauli says that in 2003 G&D was established to expand the business, subsequently buying back the Madison business in 2005, opening a third in West Village in the same year.

11. Mr Pauli states his belief as to his rights to the SANT AMBROEUS mark, and to his ownership of a US registration for the same filed by his mother, Francesca Pauli in 1987.

12. The second Statement is also dated 7 October 2008 and comes from Francesca Pauli. Mrs Pauli sets out her personal recollection of the history of the ownership of the SANT AMBROEUS business, starting with its purchase of a Milan patisserie from the Cattaneo family in 1980, running it until 1986 during which time a second business was opened under the same name on Madison Avenue. In 1986 the decision was made to move to the US and sold the Milan business to the landlords. After moving to the US the name SANT AMBROEUS was registered as a trade mark. Mrs Pauli corroborates the subsequent events detailed by Dimitri Pauli.

13. The next Witness Statement is dated 8 July 2008 and comes from Daniele Cericola, a Partner in the Italian law firm Grande Stevens. The Witness Statement comments on the evidence of Giancarlo Isola, in particular the contents of Exhibits GI11 to GI13, and Exhibit DAG1 to the Statement of David Gill. As Exhibit DC1 Ms Cericola provides an online version of the document shown as Exhibit GI11, which she says is incomplete. As the Statement consists of submissions (and clarifications) it is not necessary or appropriate that I provide a summary. I will, of course take them fully into account in my determination of the case.

14. The final Witness Statement is dated 14 July 2008 and comes from Peter John Charlton, a registered trade mark attorney and partner in Elkington and Fife LLP, with responsibility for representing the registered proprietors.

15. As Exhibit PJC1 Mr Charlton shows a copy of a Witness Statement dated 10 October 2007 from Giancarlo Isola that was filed in revocation proceedings by the registered proprietors against the earlier mark relied upon by the applicants in these proceedings. Exhibit PJC2 consists of a copy of a trade mark search report relating to the trade mark SANT AMBROEUS in Italy. Mr Charlton comments on Paragraph 5 of the Statement of case, stating that the registered proprietor has prior CTM rights in mark 5419403. Exhibit PJC3 consists of a copy of the statement of case in proceedings by G & D against the CTM, Mr Charlton highlighting that the earliest mark relied upon by G & D dates from 1987. Exhibit PJC4 consists of a copy of the covering letter from the applicant's representatives in the proceedings, which refers to invoices showing alleged use of the mark in Italy and the UK. Exhibit PJC5 consists of details of from the USPTO register for SANT AMBROEUS filed on 14 January 1987.

Applicant's evidence in reply

16. This consists of a Witness Statement dated 9 January 2009 from Giancarlo Isola. Being evidence in reply it is not surprising that the Statement includes submissions mixed with evidence of fact. Although I have not summarised the submissions I will, of course take them into account in my determination of this case.

17. Mr Isola states that as shown by the Witness Statement of Mrs Francesca Pauli the founders of the applicant company were the Cattaneo family, namely, Ms Teresa Borella di Achille in Cattaneo, Mr Italo Cattaneo di Giovanni, Mr Pelegrini Aldo di Guido, Ms Teresa Cattaneo di Giovanni in Pelegrini. The company was formed under the name Pasticceria E Confetteria Sant Ambrose S.r.l by Public Deed, as confirmed by the Articles of Association, both dated 18 March 1948. As Exhibit GI14 Mr Isola shows copies of these documents with an English translation, submitting that these confirm that Ms Teresa Borella di Achille Cattaneo and Mr Italo Cattaneo were original founders and owners of the company name and trade mark SANT AMBROEUS.

18. Mr Isola refers to Exhibit GI15 which consists of a copy of an Italian trade mark renewal certificate (and translation thereof) showing that Ms Teresa Borella Cattaneo owned the mark SANT AMBROEUS in an italicised script on 31 December 1937 for use in respect of "Pastry and confectionery products".

19. Exhibit GI16 consists of an extract from the Italian trade mark registration gazette showing that on 10 July 1950 the applicants applied for, and subsequently registered SANT

AMBROEUS in a plain block script in relation to a range of food and beverages including pastries and cakes. Exhibit GI17 consists of an instructing letter dated 1 July 1970 from Ms Borella Cattaneo on the applicant's headed paper enclosing a power of attorney and official forms in respect of the trade mark, Mr Isola saying that this was to effect renewal.

20. Mr Isola asserts that the evidence clearly shows that the rights to SANT AMBROEUS reside with Pasticceria E Confetteria Sant Ambroeus S.r.l. of 1938, and that this is one and the same company to the applicants. Exhibit GI18 consists of a copy of a Private Deed of Purchase of Stake in a Limited Liability Company dated May 1987. By this document Mr Hans Pauli and Mrs Francesca Angeretti sold their share capital to Fideur Fiduciaria Europe S.p.A and transferred to Confetteria Sant Ambroeus S.r.l who at paragraph 2.1) e) are confirmed to be "...the full and exclusive owner of the "SANT AMBROEUS" trademark, which is duly registered..." The paragraph also states that "...and no rights of any kind of third parties exist for the use of said trademark..." unless as expressly agreed in the agreement, which under paragraph 2.3) allowed Hans Pauli and Francesca Angeretti exclusive use in the USA. Mr Isola states that at the same time as the transfer, Fideur Fiduciaria Europe S.p.A took ownership of the applicant's company.

21. Referring to the Statement of Daniele Cericola in which Ms Cericola raises questions over the document exhibited as GI12, Mr Isola states that the term "ditta" is also used as a designation of "company" such as in the indication "firm". In support he provides an extract from an Italian/English dictionary as Exhibit GI19.

22. That concludes my summary of the evidence insofar as it may be relevant.

Decision

23. In his skeleton argument Mr Malynicz confirmed that the applicant was no longer relying on the grounds under Section 5(3) and 5(4)(a), and the application therefore stands to be decided based on Sections 5(2)(b) and 3(6). Mr Malynicz dealt with the grounds in this order and it seems logical for me to do so also. Section 5(2)(b) reads as follows:

"5. - (1) A trade mark shall not be registered if it is identical with an earlier trade mark and the goods or services for which the trade mark is applied for are identical with the goods or services for which the earlier trade mark is protected

(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."

24. An earlier trade mark is defined in Section 6 of the Act as follows:

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

(a) a registered trade mark, international trade mark (UK), or international trade mark (EC) 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,”

25. The registered proprietors put the applicants to proof regarding the use that they may have made of their earlier mark, the provisions referred to being as follows:

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) 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.

(2A)* But 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) within the period of five years ending with the date of the application for the declaration the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, 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 differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, 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 Community 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. (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)

26. Section 6(1)(c) refers to a trade mark which, at the date of application for registration of the trade mark in question or (where appropriate) of the priority claimed in respect of the application, was entitled to protection under the Paris Convention or the WTO agreement as a well known trade mark. There is no claim that the earlier mark falls within the definition of a “well known” trade mark.

27. In Paragraph 16 of their Statement of Case the applicants say that the mark has been used in the relevant period set under Section 47(2)(b) in relation to:

“Confectionary, sweets, sweetmeats, biscuits, cookies, sugar, honey, cocoa, chocolate, tea, coffee, coffee substitutes, flour, preparations made from cereals, bread, cakes, buns, ice-cream, ices, sauces”

28. Since the filing of this application the earlier mark relied upon has been the subject of a revocation action launched by G&D Restaurants Associates LLC, the registered proprietors. In an appeal from the decision of the Registrar (O-371-09) Ms Anna Carboni, sitting as the appointed Person reached the following view on the use that had been made of the mark by Pasticceria E Confetteria Sant Ambroeus S.r.l. (Itlay):

89. Genuine use has not been established in relation to every type of food listed in the specification for the Mark. There is no evidence in relation to flour, sugar or honey *per se* (as opposed to products made with these ingredients); and I do not see any references to ices or sauces. Mr Malynicz did not argue for these to be maintained when I queried them at the hearing. I therefore conclude that the specification should be cut down as follows:

“Confectionery; sweets, sweetmeats; biscuits, cookies; cocoa, chocolate, tea, coffee, coffee substitutes; preparations made from cereals; bread, cakes, buns; ice-cream; all included in Class 30.”

90. The effective date of this partial revocation should be stated as 6 July 2007, in accordance with G&D’s application.”

29. The date of revocation is prior to the date on which this application was launched, so I must take the specification set out by Ms Carboni as the starting point. I will, however, also have regard to the fact that in Paragraph 16 of their Statement of Case, the applicants say that the mark has been used in the relevant period set under Section 47(2)(b) in relation to a range

of goods that the registered proprietors note does not include “bread” (flour, ices and sauces having been removed by the revocation). That being the case I will proceed on the basis that non-use in relation to bread is conceded.

30. The requirements for “genuine use” have been set out by the European Court of Justice (“the ECJ”) in its judgment in *Ansul BV v Ajax Brandbeveiliging BV*, Case C-40/01 [2003] RPC 40 and in its reasoned Order in Case C-259/02, *La Mer Technology Inc. v Laboratoires Goemar S.A.* [2005] ETMR 114. In *Ansul*, the ECJ held as follows:

“35. ... ‘Genuine use’ therefore means actual use of the mark....

36. ‘Genuine use’ must therefore be understood to denote use that is not merely token, serving solely to preserve the rights conferred by the mark. Such use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user...

37. It follows that ‘genuine use’ of the mark entails use of the mark on the market for the goods or services protected by that mark and not just internal use by the undertaking concerned. The protection the mark confers and the consequences of registering it in terms of its enforceability *vis-à-vis* third parties cannot continue to operate if the mark loses its commercial *raison d’être*, which is to create or preserve an outlet for the goods or services that bear the sign of which it is composed, as distinct from the goods or services of other undertakings. Use of the mark must therefore relate to goods or services already marketed or about to be marketed and for which preparations by the undertaking to secure customers are under way, particularly in the form of advertising campaigns...

38. Finally, when assessing whether there has been genuine use of the trade mark, regard must be had to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark is real, in particular whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark.

39. Assessing the circumstances of the case may thus include giving consideration, *inter alia*, to the nature of the goods or service at issue, the characteristics of the market concerned and the scale and frequency of use of the mark. Use of the mark need not, therefore, always be quantitatively significant for it to be deemed genuine, as that depends on the characteristics of the goods or service concerned on the corresponding market.”

31. In *La Mer* the ECJ held as follows:

“21. ... it is clear from paragraph [39] of *Ansul* that use of the mark may in some cases be sufficient to establish genuine use within the meaning of the Directive even if that use is not quantitatively significant. Even minimal use can therefore be sufficient to qualify as genuine, on condition that it is deemed justified, in the economic sector concerned, for the purpose of preserving or creating market share for the goods or services protected by the mark.

22. The question whether use is sufficient to preserve or create market share for those products or services depends on several factors and on a case by case assessment which it is for the national court to carry out....

...

25. In those circumstances it is not possible to determine *a priori*, and in the abstract, what quantitative threshold should be chosen in order to determine whether use is genuine or not. A *de minimis* rule, which would not allow the national court to appraise all the circumstances of the dispute before it, cannot therefore be laid down.”

32. As can be seen from these cases, in establishing genuine use the opponent would usually be expected to provide evidence relating to the “...characteristics of the market concerned and the scale and frequency of use of the mark.”

33. The applicant’s evidence comes from Mr Isola who has been employed by Pasticceria E Confetteria Sant Ambroeus S.r.l. (Itlay) since 1993, so has a long-standing connection with the company. Although he is a legal representative rather than an officer employed in the direct running of the company there is no question raised over his capacity to give evidence relating to the commercial operations. As the registered proprietors do not challenge the evidence (apart from requiring proof of use) or seek to test it through cross examination, on the basis of the guidance provided by Mr Richard Arnold Q.C. (as he was) when acting as the Appointed Person in *Extreme* BL O 161-07, I shall take the evidence at face value based on its likely credibility.

34. Mr Isola particularly mentions the mark having been used in relation to goods supplied to Jimmy Choo Ltd. This is supported by invoices dated in the period of 28 February 2004 to 29 September 2006, so within the relevant period, for the supply of “food and beverages” (GI01-05). Invoices also relate to the supply of food and beverages to Morgan Chase Bank NA (GI07). Mr Isola states the goods supplied to include “confectionary, sweets, sweetmeats, biscuits, cookies, cocoa, chocolate, tea, coffee, coffee substitutes, preparations made from cereals, cakes, buns, ice-cream.” The invoice shown as Exhibit GI06 is dated 18 November 2004 and shows the supply of goods to Portobello Food Ltd listed as “panettoni, cakes, torrone, chocolates and marron glaces. The invoices have Sant Ambroeus as the heading, and although not showing that the goods supplied were branded as such, Mr Isola confirms this to be the case.

35. As evidence of the promotion of the mark Mr Isola provides a brochure (GI08) which is said to show the mark being used in relation to the goods stated, and although in Italian, and to be an “...illustration of the use of the mark and in relation to the packaging of the goods specified in the registration”. I consider it reasonable, in the absence of evidence to the contrary, to take this as being representative of the use claimed for the UK. A further brochure (GI09) dated December 2003 refers to the foundation of Sant Ambroseus in 1936, and the business as being “Conference Room, Lunch, Banqueting, Chocolate House, Bonbonnieres and Sweetmeat-boxes, Bar and Cakes”. Mr Isola states that the brochure was distributed to around 50 bars, cafeterias and restaurants in the UK, presumably in December 2003 or later. The pages from Marie Claire Maison dated December 2006 – January 2007 (GI10) relating to co-marketing activities with “internationally famous jewellers”. Although in Italian and on the cover referred to as being “Edizione Italiana” Mr Isola states that it was available in the UK, although I am not sure if this means the edition itself or the magazine in general.

36. The volume of sales in the period 6 July 2002 to 5 July 2007 are given as being in the order of Euro 12,000, and the amount spent on publicity as around Euro 3,000. In the context of the market these amounts are not great, but as was stated in *La Mer* (confirming the position in *Ansul*) use may be sufficient to establish genuine use within the meaning of the Directive even if that use is not quantitatively significant.

37. In stating the extent of the applicant's use Mr Isola omits "flour, bread, ices and sauces" from the registered specification which to me indicates some conscious thought and a claim based on a factual assessment. Accepting that not all of the specific goods may be expressly mentioned the following specification reflects my own view of the extent of the use:

"Confectionery; sweets, sweetmeats; biscuits, cookies; cocoa, chocolate, tea, coffee, coffee substitutes; preparations made from cereals; cakes, buns; ice-cream; all included in Class 30."

38. Turning then to consider the ground under Section 5(2)(b). In my consideration of a likelihood of confusion, I take into account the guidance from the settled case law provided by the ECJ in *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] FSR. 77, *Marca Mode CV v Adidas AG & Adidas Benelux BV* [2000] ETMR 723, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH* C-120/04 and *Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* C-334/05 P (LIMONCELLO). It is clear from these cases that:

(a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors; *Sabel BV v Puma AG*,

(b) the matter must be judged through the eyes of the average consumer of the goods/services in question; *Sabel BV v Puma AG*, 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; *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel B.V.*,

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details; *Sabel BV v Puma AG*,

(d) the visual, aural and conceptual similarities of the marks must therefore be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components; *Sabel BV v Puma AG*,

(e) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*,

(f) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either *per se* or because of the use that has been made of it; *Sabel BV v Puma AG*,

(g) in determining whether similarity between the goods or services covered by two trade marks is sufficient to give rise to the likelihood of confusion, the distinctive character and reputation of the earlier mark must be taken into account; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*,

(h) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Section 5(2); *Sabel BV v Puma AG*,

(i) further, 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; *Marca Mode CV v Adidas AG and Adidas Benelux BV*,

(j) but if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*.

(k) assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark; the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components; *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-3/03P *Matratzen Concord GmbH v Office for Harmonisation in the Internal Market* [2004] ECR I-3657 at 32, That is the case where the component in the complex is likely to dominate, by itself, the image of that mark which the relevant public keeps in mind, with the result that all the other components of the mark are negligible within the overall impression created by it (Case T-6/01 *Matratzen Concord v OHIM – Hukla Germany (MATRATZEN)* [2002] ECR II-4335, paragraph 33, and Case T-28/05 *Ekabe International v OHIM – Ebro Puleva (OMEGA3)* [2007] ECR II-4307, paragraph 43, *Shaker di L. Laudato & C. Sas v OHIM (LIMONCELLO)*)

39. The applicants rely on one earlier mark, No. 1317269 which was applied for on 30 July 1987 and registered on 22 September 1989, so is clearly an “earlier mark”. The mark is represented as follows:

The image shows the text "Sant Ambroeus" written in a thick, black, cursive script. The letters are rounded and connected, with a slightly irregular, hand-drawn appearance. The word "Sant" is on the left and "Ambroeus" is on the right, both in the same style.

40. The mark in suit is as follows:



41. The registered proprietors admit that this earlier mark is similar to their registered mark. I take this to be a concession to the marks being visually, aurally and conceptual similar in their overall impression, having regard to the distinctive and dominant component, namely SANT AMBROEUS. This element is not just similar; it is identical, not just in words but also in the use of the same distinctive script.

42. The related goods of the earlier mark (following my consideration of the proof of use requirements) stands as follows:

Confectionary, sweets, sweetmeats, biscuits, cookies, cocoa, chocolate, tea, coffee, coffee substitutes, preparations made from cereals, cakes, buns, ice-cream.

43. The registration that is the subject of this application is in respect of "Restaurant and catering services"

44. Food is an everyday commodity, one of life's necessities, so clearly the "average consumer" will be everyone; the public at large although I accept for some, for example, vegetarians, those with diabetes or a gluten intolerance this will not be the case in respect of all foodstuffs. I see no reason why, as purveyors of prepared foodstuffs the consumer should be any different in respect of restaurant and catering services.

45. Food is a product that can be relatively inexpensive when compared to other products but as a regular and essential purchase cumulatively accounts for a significant part of the household budget. For this reason consumers tend to be price-sensitive. Some so called luxury foodstuffs are expensive and will be a purchase made for particular occasions or special events and in this case there will be even more attention in the selection. There is also the matter that where foodstuffs are concerned there tends to be a strong loyalty based on the consumer having acquired a taste for a particular brand, or the quality associated with it. That said, own-brand labels seem to have become popular, probably helped by their lower cost but also the belief that they are goods obtained from the popular manufacturers, often engendered by the use of packaging with similar visual features. So in respect of food I would say that the purchaser will be reasonably well informed and reasonably circumspect and observant; they notice brands.

46. Restaurants and caterers are also concerned with food although in their case it is not the food that bears the name but the preparation and service of it in a particular environment. Restaurants rely on public perception and reputation so there is value in having a name that

creates the right associations and in this respect the name becomes linked to the qualities of the food as much as the standard by which it is purveyed. So again a consumer of restaurant and catering services will be observant and circumspect in the selection of the service provider.

47. As far as I am aware, and there is no evidence or any suggestion to the contrary, the words SANT AMBROEUS have no descriptive relevance for foodstuffs or indeed services connected with the provision of such goods. As a trade mark it has a strong distinctive character. Whilst the applicants have used their mark this has not been of a scale such that it would be appropriate to consider this use has enhanced its distinctive character. With minimal use it would usually follow that the mark would not be deemed to have established much of a reputation, but this should be taken in the context that some goods with a particular cache can have a reputation that far exceeds its commercial success, although there is not enough to be able to infer that this is the case here.

48. When comparing the respective goods, or in this case goods and services, the established tests in assessing the similarity or otherwise is set out in *British Sugar Plc v James Robertson & Sons Limited (Treat)* [1996] R.P.C. 281, *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer*. I also have regard to the decision of the General Court in *Saint-Gobain SA v OHIM* Case T-364/05. I must consider the uses and users of the respective goods or services, the physical nature of the goods, and the trade and distribution channels through which they reach the market. In the case of self-serve consumer items this will also include consideration of where the respective goods are likely to be found, particularly in multi product outlets such as supermarkets. The extent to which the respective goods or services are competitive or complementary is also a relevant consideration guided by how they are classified in trade, and known by the relevant consumer. Where the proof of use provisions have been applied, the comparison is based on the use established, otherwise it is a notional one based on the wording used in the specifications. These cases set out criteria for determining the similarity of goods, but may not be appropriate when considering whether goods should be regarded as similar to services.

49. As I have already said, the purchase of food for home consumption is a regular and essential purchase by the public at large. Food that is obtained pre-prepared as a restaurant or catering service is a less common experience but again is open to all, so the users of the respective goods and services are the same. Goods must be different in their “physical nature” to services even where this involves the provision of the self-same goods. The purchase of food is increasingly done in large, multi-product environments such as supermarkets, and will travel from the manufacturers and suppliers through the distribution network, in some cases the retailers own, to the outlet. The goods used in the provision of a restaurant service may originate from the same source and be channelled down the same route, either directly to the service provider or to a wholesaler, where they will be purchased for preparation and sale.

50. The fact that one trader is providing a service and the other is involved in the sale of goods means that they will not encounter each other on the supermarket shelves. However, there is evidence that the applicants both trade in goods and provide a service that relates to the provision of food in a restaurant/catering environment (GI09). Although I do not know whether this is typical of the market in general; there is no other evidence to assist me, it does illustrate that it could be; it is certainly not an improbability. I believe it follows that if the consumer is used to seeing the same trader using the same brand for both foodstuffs and the

provision of restaurant/catering services, there will be a higher potential for association leading to confusion. It could be argued that restaurants and caterers are in competition with retailers selling food for home preparation; I do not take this view, but at the very least the two are complementary.

51. Balancing all of these points I have little difficulty in coming to the view that foodstuffs for further preparation should be regarded as similar to the service of providing prepared food, be it for home consumption or at some other premises.

52. Taking all factors into account and adopting the global approach advocated, I come to the position that if the registered proprietors were to use the mark that they have registered in respect of restaurant and catering services, this would cause the public to wrongly believe that the respective goods and services come from the same or economically linked undertakings, and that there is a likelihood of confusion.

53. My decision under Section 5(2)(b) effectively decides the matter so I do not need to go on to determine the issues under the remaining ground under Section 3(6), but for the record make the following comments. In an allegation that an application was made in bad faith the onus rests with the applicants for invalidation to make a prima facie case. It implies some deliberate action by the proprietor that a reasonable person would consider to be unacceptable behaviour or, as put by Lindsay in the *Gromax* trade mark case [1999] RPC 10: “includes some dealings which fall short of the standards of acceptable commercial behaviour”. The issue must be determined on the balance of probabilities and may be made out in circumstances which do not involve actual dishonesty. It is not necessary to reach a view on the applicant’s state of mind regarding the transaction if, in all the surrounding circumstances, making the application would have been considered contrary to normally accepted standards of honest conduct.

54. Mr Malynicz drew my attention to the Private Deed of Purchase of Stake in a Limited Liability Company (GI18) by which Mr Hans Pauli and Mrs Francesca Angeretti sold their share capital to Fideur Fiduciaria Europe S.p.A and transferred to Confetteria Sant Ambrosus S.r.l. Paragraph 2.1) e) of the Deed confirm the purchaser to be “...the full and exclusive owner of the “SANT AMBROSEUS” trademark, which is duly registered...” and that “...no rights of any kind of third parties exist for the use of said trademark...” unless as expressly agreed in the agreement. Under paragraph 2.3) this allowed Hans Pauli and Francesca Angeretti exclusive use of the mark in the US with the purchaser having all other rights. Mr Malynicz argued that under the terms set out in Case C-529/07 *Chocoladefabriken Lindt & Sprüngli AG/Franz Hauswirth GmbH* and *AJIT WEEKLY Trade Mark* [2006] RPC 25 this was an act of bad faith.

55. In *Ajit* it was stated that the tribunal must ascertain what the defendant knew, namely in respect of rights and reputation, and then decide whether in the light of that knowledge the conduct was dishonest judged by ordinary standard of honest people and not the defendant’s own standards. Mr Malynicz submitted that the UK was not “virgin territory” and that the registered proprietors must have known that there would be significant amounts of people who had visited Milan and heard of the applicants, and maybe frequented their establishment, thus there would be confusion. Mr Malynicz may well be correct but there is nothing that supports his contention. Likewise, the limited scale of applicant’s use of SANT AMBROEUS within the UK means that there can be no certainty that the registered proprietors must have known that they were already in the market.

56. In the *Lindt* case the ECJ decided it was necessary to consider the intention. If this had been to prevent others from marketing a similar 3D bunny without an intention of using the mark, then it would be bad faith because the mark would not then fulfil its essential function of distinguishing one entity's goods from those of another. In this case there is no evidence that the registered proprietor sought registration without an intention that the mark be used. Again there is nothing that establishes that the registered proprietors made the application simply to interfere with the applicant's rights, or that they did not have an intention to commercially exploit the mark. I am also conscious of the decision in *Hotel Cipriani SRL & Ors v Cipriani (Grosvenor Street) Ltd & Ors* [2008] EWHC 3032 (Ch) in which it was reaffirmed that an allegation of bad faith requires cogent evidence in support, and that in a "first-to-file" regime "it does not constitute bad faith for a party to apply to register [a Community Trade Mark] merely because he knows that third parties are using the same mark". The upshot is that had I gone on to consider the allegation of bad faith in detail I would, in all probability have found it not proven.

57. The applicants having been successful are entitled to a contribution towards their costs. I therefore order that the registered proprietor pay the applicants the sum of £1,950. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 30 day of June 2010

**Mike Foley
for the Registrar
the Comptroller-General**