

O-411-11

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK APPLICATION NO 2547408
IN THE NAME OF JAVED SALEEM AND ZAHIRA KHAN
TO REGISTER IN CLASS 30 THE TRADE MARK:**



AND

**OPPOSITION THERETO UNDER NO 101009
BY GEORGE AND VASOULLA PSARIAS**

TRADE MARKS ACT 1994

In the matter of trade mark application 2547408 in the names of Javed Saleem

and Zahira Khan, to register in class 30 the trade mark:



and

Opposition thereto under No 101009 by George and Vasoulla Psarias

THE BACKGROUND, PLEADINGS AND ARGUMENTS

1. Javed Saleem and Zahira Kahn (the applicants) applied to register the figurative trade mark OLIVE TREE (as shown above) on 08/05/2010. The application was published in the Trade Marks Journal on 02/07/2010 in respect of the following goods in class 30:

Coffee, tea, cocoa, sugar, rice, tapioca, sago, artificial coffee; flour and preparations made from cereals, bread, pastry and confectionery, ices; honey, treacle; yeast, baking-powder; salt, mustard; vinegar, sauces (condiments); spices; ice; sandwiches; pizzas, pies and pasta dishes.

2. George and Vasoulla Psarias (the opponents) oppose the registration of the mark, citing their earlier trade mark OLIVE TREE which is registered in respect of *restaurant services* in class 43. The opposition is based upon several grounds. Firstly, upon Section 5(2)(b) of the Trade Marks Act 1994 ("the Act") Act on the basis that the respective trade marks are similar, the goods and services are similar and there is therefore a likelihood of confusion between them. In respect of the similarity of the goods and services, the opponents rely upon three earlier decisions of the Trade Marks Registry, where similarity between classes 43 and 30 was found. These are Case BL O/212/10 *Pasticceria E Confetteria Sant Ambroeus vs G&D Restaurant Associates* (2010); Case BL O/091/09 *Wally Yachts NV vs. Take – and –Bake Pizza Ltd* (2009) and Case BL O/235/09 *Minscuff Ltd v Scoff Food Limited* (2009). Secondly, under Section 5(4)(a) of the Act in that they have an established goodwill under the OLIVE TREE name in respect of restaurant services, bar services, catering services, food and drink and that use of the trade mark application will lead to a misrepresentation and damage to this goodwill. Thirdly, under Section 3(6) of the Act in that it is claimed that the applicants acted in bad faith by applying for the trade mark. This claim is based on the fact that there have been previous opposition proceedings between the parties in respect of restaurant services and similar services in class 43, during which the applicants withdrew their application. Further, the claim is based on the use made of an OLIVE TREE trade mark in respect of café services by the applicant which the opponent feels supports its assertion that the applicant has acted in bad faith.

3. The applicants filed a counterstatement denying the grounds of opposition. Specifically, in respect of the allegation of bad faith they argue that their actions in previous proceedings between the parties were attempts to avoid any conflict and that this ethos continues in respect of this application, where they have restricted the class 30 specification in deleting “prepared foods” so as to avoid any conflict with any earlier trade marks. As such, they argue that they have acted, at all times, in good faith.

THE EVIDENCE

The opponents’ evidence

4. This consists of a witness statement, dated 24th January 2011, from Mr George Psarias. In addition, there are seven exhibits attached to the witness statement. Mr Psarias explains that he is the Director/Company Secretary of the three Olive Tree restaurants in Leeds and that he, along with other family members, own all the shares in these establishments. Further, he explains that he has been trading under the Olive Tree name since 1982. The following relevant points emerge from this evidence:
 - The first Olive Tree restaurant in Leeds was opened in September 1986, the second in December 2004 and the third in February 2006. According to Mr Psarias, the restaurants are locally, regionally and nationally renowned and have won many awards and accolades. The reputation of the Olive Tree name is far reaching.
 - Turnover figures for the years 2005 to 2009 are provided in Exhibit GP/1. These total £6,302,329.
 - Exhibit GP/3 contains numerous media articles from the local press in the West Yorkshire area, which, according to Mr Psarias, illustrate the enviable reputation the Olive Tree name enjoys. I note that there are several of these articles and that they range in date from 1986 onwards, with the most recent dated in January 2010. Many of the articles are reviews of the restaurants (which are invariably positive in tone and content) or provide details of awards and other accolades won. Further, one article comments that the first Olive Tree restaurant to open appears in the publications The Good Food Guide and Les Routiers. This article can be dated 1989/1990 due to its content and the reference made in it to a recent accolade awarded. A later article indicates that the Olive Tree restaurants are included in The Good Food Guide 2009. In the same year, the restaurants were also named the best restaurants at the Oliver awards of the Yorkshire Evening Post publication. The remaining articles vary in content, for example, one mentions that Mr Psarias broke the world record for the largest milk shake in 2001; another comments on Mr Psarias and his involvement in a scheme to help the homeless.
 - Exhibit GP/4 is a selection of articles/entries from the national press. These are from Waitrose Food Illustrated publication, dated April 2003, where the first Olive Tree restaurant is listed and reviewed; a Barclaycard magazine, dated 1996, where the first Olive Tree restaurant is listed and an article from a London publication aimed at Greek nationals residing in the UK, dated 1999. I note that in respect of the national press, Mr Psarias mentions that the Olive Tree has appeared in the Guardian and in the Sunday Times supplement

“Style” with the Sunday Times food critic AA Gill rating the Olive Tree as being one of the top 4 Greek restaurants in the UK. However, these claims are unsupported as the original articles are not included in evidence.

- Exhibit GP/5 contains a selection of extracts from The Good Food Guide. I note that the Olive Tree has featured in the guide in the years 1987, 1990, 1992, 2000, 2003 and 2009. The exhibit also contains an extract, namely the front cover, of the Harden’s publication UK Restaurants 2003. This publication is described as including “Over 1500 entries including the best pubs, bistros, cafes and curry houses”. Only the front cover is included however and there is therefore no mention of the Olive Tree. Likewise, the front cover of the AA Hotels and Restaurants in Britain, 1988, is exhibited, with no mention of the Olive Tree. Finally, there are two certificates of quality, dated 1991 and 1993 respectively, awarded to the Olive Tree by Les Routiers, the guide to good value.
- Mr Psarias claims that he and his wife Vasoulla, have appeared on numerous television and radio programmes indirectly promoting the Olive Tree, by demonstrating expertise in Greek cuisine. These include appearances on ITV’s This Morning (1993) and the BBC’s Food and Drink in 1992. The latter is supported by exhibit GP/6 which is an extract from the Radio Times, 1992, where Mr and Mrs Psarias are listed as guests of the programme. The exhibit also contains letters, dated in the early 1990s, which appear to suggest that Mr Psarias was in negotiations to appear in a television programme, based around Greek cookery. Further, there are articles from Yorkshire local press, reporting that Mr Psarias is set to appear in a television programme about his life, to be screened in Cyprus. Numerous other local and national television and radio programmes are mentioned by Mr Psarias in the context of him having appeared. However, this is not supported by any other evidence.
- Mr Psarias claims to have taken part in numerous cooking demonstrations at shows and exhibitions, such as the Olympia in London, the NEC in Birmingham and Earl’s Court in London. Further, that he has published recipes on hallumi and other products for the Cyprus Trade Centre. However, there are no supporting exhibits.
- Exhibit GP/7 is an extract from the 1990 Guinness Book of Records which records that Mr Psarias holds the record for the world’s longest kebab. I note that the Olive Tree is mentioned in this entry.
- Mr Psarias also claims that customers travel from other parts of the United Kingdom to eat at his restaurants. However, this is unsupported in the evidence.

The applicants’ evidence

5. This consists of a witness statement, dated 25th March 2011, from Mr Saleem. The following relevant points are contained within this witness statement:
 - The applicants are the joint owners/directors of two Olive Tree businesses, Café Olive Tree and Olive Tree ZJ, a food distribution company. In respect of the former, Mr Saleem explains that a class 43 trade mark registration had previously been sought. However, this had been withdrawn in order to avoid any litigation and costs following an opposition.

- Mr Saleem explains that he only became aware of the opponents’s Olive Tree restaurant business following this attempt to register a trade mark in class 43. Up until that point, according to Mr Saleem, each business was entirely unaware of the other.
- Following the withdrawal of its class 43 application, Mr Saleem explains that his company sought to register in respect of class 30. Further, that it was the only Olive Tree named establishment to do so in a stylised manner and that it had further attempted to distance itself from others; the class 30 application was restricted so as to exclude prepared foods. In this regard, Mr Saleem asserts that in his opinion, he and his wife have always strived to conduct themselves professionally and fairly wherever possible.
- Mr Saleem asserts that there are many Olive Tree restaurants throughout the United Kingdom.
- Finally, Mr Saleem points out that the opponents’ business is for Greek restaurants, whereas his company is in respect of Halal food.

DECISION

The proof of use provisions

6. The contested trade mark was published on 02/07/2010. The earlier trade mark completed its registration procedure on 15/07/2010. As a five period has not elapsed prior to the publication of the contested trade mark, the proof of use provisions do not apply. I must therefore make a notional assessment based on the earlier specification of services as it is registered.

Likelihood of confusion – Section 5(2)(b)

7. The relevant parts of Section 5 of the Act read as follows:

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.

8. In reaching my decision I have taken into account the guidance provided by the Court of Justice of the European Union (“CJEU”) in a number of judgments: *Sabel BV v. Puma AG* [1998] R.P.C. 199, *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* [1999] R.P.C. 117, *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V* [2000] F.S.R. 77, *Marca Mode CV v. Adidas AG + Adidas Benelux BV* [2000] E.T.M.R. 723, *Case C-3/03 Matrazen Concord GmbH v GmbGv Office for Harmonisation in the Internal Market* [2004] ECR I-3657 *Medion AG V Thomson multimedia Sales Germany & Austria GmbH* (Case C-120/04) and *Shaker di L. Laudato & Co. Sas* (C-

334/05). In *La Chemise Lacoste SA v Baker Street Clothing Ltd* (O/330/10) Mr Geoffrey Hobbs QC, sitting as the Appointed Person, quoted with approval the following summary of the principles which are established by these cases:

"(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, in certain circumstances, be dominated by one or more of its components;

(f) and beyond the usual case, where the overall impression created by a mark depends heavily on the dominant features of the mark, it is quite 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 causes the public to 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

9. The case-law informs me that the average consumer is reasonably observant and circumspect (*Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V* paragraph 27). The degree of care and attention the average consumer uses when selecting goods or service providers can, however, vary depending on what is involved (see, for example, the judgment of the General Court (GC) in *Inter- Ikea Systems BV v OHIM* (Case T-112/06)).
10. The contested goods in question are foodstuffs, which are likely to be purchased on a regular basis. Moreover, they are not likely to be prohibitively expensive. I consider that the average consumer will be a member of the public at large who will display a medium degree of attention and will be reasonably observant and circumspect. Likewise, the average consumer of the earlier services will be the public at large. There is likely to be a distinct range within restaurant services as regards prestige and expense, in that some restaurants will be visited infrequently or on a special occasion and others who are reasonably priced and, therefore, are accessible far more regularly. The average level of attention therefore, is expected to be medium.

Comparison of goods and services

11. When making the comparison, all relevant factors relating to the goods and services in the respective specifications should be taken into account in determining this issue. In *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* the CJEU stated at paragraph 23 of its judgment:

"In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, *inter alia*, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary."
12. Guidance on this issue has also come from Jacob J in *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281 where *the following factors were highlighted as being relevant* when making the comparison:
 - (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.”

13. Further, I have fully taken into account the content of the earlier decisions of the Tribunal relied upon by the opponent, namely BL O/212/10 *Pasticceria E Confetteria Sant Ambroeus vs G&D Restaurant Associates* (2010); Case BL O/091/09 *Wally Yachts NV vs. Take – and –Bake Pizza Ltd* (2009) and Case BL O/235/09 *Minscuff Ltd v Scoff Food Limited* (2009).

14. The earlier services are:

Class 43:

Restaurant services

The goods of the trade mark applied for are:

Class 30:

Coffee, tea, cocoa, sugar, rice, tapioca, sago, artificial coffee; flour and preparations made from cereals, bread, pastry and confectionery, ices; honey, treacle; yeast, baking-powder; salt, mustard; vinegar, sauces (condiments); spices; ice; sandwiches; pizzas, pies and pasta dishes.

15. I note that goods and services are, by their very nature, different in that the former is tangible whereas the latter is intangible. However, the purpose of the earlier restaurant service is to produce and provide complete meals for customers. This coincides with the purpose of pizzas and pasta dishes of the specification applied for which are meals which are prepared and ready for consumption. Further, restaurants commonly provide finished items such as pizza or pasta dishes and also items such as sandwiches, therefore the producer of these goods and services can coincide. Likewise, the distribution channels could coincide as the purchaser of, for example, a pizza may choose to consume it in a restaurant setting or may collect the finished item from a restaurant (many of whom commonly also provide takeaway options) to consume at home. Finally, they are likely to coincide in end user and there is a complementary relationship present. I consider therefore that these goods and services are similar to a moderate degree.

16. The remaining items in the specification applied for are: drinks and other items (bread, pastry) that are commonly served in restaurants, condiments which are commonly available in restaurants and basic food components

and/or ingredients which will, no doubt, be utilized by a restaurant in creating a complete meal. In respect of the remaining contested terms, therefore, I consider that they are connected in the abstract with restaurant services in the manner already described.

17. However, in contrast with the pizzas, pasta dishes and sandwiches, which I have found to be similar in purpose to restaurant services, these goods are not those which provide complete, finished meals. Rather they are additions to a finished meal (for example, sauces), something which is enjoyed following a meal (for example, coffee), are components of a meal (for example, pies and rice) or enable the creation of a meal (for example, flour and yeast). As such, there is a difference in purpose. They also differ in their very nature. Further, in the absence of any evidence to the contrary, one would not normally expect the provider of restaurant services to also manufacture and sell items such as coffee, pastries, sauces under the same brand name. Finally, the trade channels will differ with such goods usually sold in an environment such as a supermarket rather than via a restaurant. As such, it is concluded that they are not similar to one another.
18. In this regard, I note the contents of the earlier Registry decision relied upon by the opponents, namely Case O/212/10 Pasticceria E Confetteria Sant Ambroeus vs G&D Restaurant Associates (2010). In this invalidation action, the Hearing Officer found class 30 terms similar to restaurant services and catering services. Some of the terms found to be similar are identical to those which I have found to be dissimilar here, for example preparations made from cereals. However, crucially the rationale of the previous decision was based on the specific evidence filed, in that the applicant for invalidation was able to demonstrate that as well as providing restaurant services, he also manufactured foodstuffs. Further, the Hearing Officer commented that he was unsure as to whether this was typical of the market, but that this evidence was the only evidence available to him and he therefore reached a finding of similarity on that basis. In my view, the earlier decision was decided on its own particular facts and so can be distinguished from the proceedings here, for which no such evidence exists.

Comparison of the marks

19. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. It would be wrong, therefore, to artificially dissect the trade marks, although, it is necessary to take into account any distinctive and dominant components.
20. The respective trade marks are shown below:

| | |
|---------------------------------|--|
| OLIVE TREE |  |
| Earlier unregistered trade mark | Trade mark application |

I note that the earlier trade mark is a word only mark whereas the trade mark application is a highly stylised mark comprised of a number of elements including the letter “O” of the word “Olive” replaced by a graphical representation of an olive (which is attached to an olive tree). Further, the letter “T” of the word “Tree” is a graphical representation of said olive tree. Despite the obvious stylistic differences, I consider that the graphics depicted in the contested trade mark merely serve to emphasise the verbal elements “olive tree”. Further, the trade marks are aurally identical. Finally, there is also conceptual identity as each refers to a tree which grows olives.

Distinctive and dominant components

21. The earlier trade mark has no clear dominant (visually outstanding) components. Rather it will be appreciated instantly as a complete whole. In the contested trade mark, it is the verbal element OLIVE TREE, complete with its letter O represented by an olive and letter T represented by a tree that I consider to be dominant. It is centrally placed and catches the eye first.

22. As regards distinctive components, the applicants’ argue that there are a number of restaurants in the United Kingdom which are called Olive Tree. However, this is unsupported by any evidence. I am of the view that, at worst, Olive Tree is merely evocative of the Mediterranean or other areas where olives are grown. Prima facie, it is at least averagely distinctive for restaurant services. What impact, however, does the use made of the earlier trade mark have on its overall degree of distinctiveness? I note that the opponents’ have used the trade mark over a long period of time. However, this use has not been on a national basis, rather it is limited to the city of Leeds. In this regard, I note that there is some use in magazines that would be distributed more widely throughout the United Kingdom and the Olive Tree is listed consistently in the Good Food Guide over a lengthy period of time. However, I must consider the matter from the perspective of the average notional consumer, who is the average United Kingdom person. In my view, the evidence filed does not demonstrate that the average consumer will realistically, have been exposed to the earlier trade mark with the effect that there is a degree of recognition of it amongst the general UK public. As such, I consider that the use made does not bestow a higher degree of distinctiveness than that to which it is inherently entitled. I will consider the impact of this further below in

relation to the overall likelihood of confusion, bearing in mind that the more distinctive the earlier mark(s) (based either on inherent qualities or because of use made), the greater the likelihood of confusion (see *Sabel BV v. Puma AG*, paragraph 24).

23. Similarly, Olive Tree in the contested trade mark is distinctive, with the graphical additions merely acting to emphasise and reinforce the concept of an olive tree. The marks therefore coincide in respect of a distinctive element. Bearing in mind all of the foregoing, I consider them to be highly similar.

Global Assessment - conclusions on Section 5(2)(b)

24. It is clear that the factors assessed have a degree of interdependency (*Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*, paragraph 17) and that a global assessment of them must be made when determining whether there exists a likelihood of confusion (*Sabel BV v. Puma AG*, paragraph 22). However, there is no scientific formula to apply. It is a matter of considering the relevant factors from the viewpoint of the average consumer and determining whether they are likely to be confused.
25. I have already found that the average consumer is the public at large and that the expected level of attention displayed during the purchasing process to be medium. Some of the contested goods have been found to be similar to the earlier restaurant services. The respective trade marks have been found to be highly similar, indeed they are deemed to be identical aurally and conceptually. Further, the earlier trade mark is at least of average distinctiveness. In considering all of these factors and the manner in which they interact with one another, I am persuaded that the average relevant consumer, who will be displaying a medium degree of attention and so one that will not be higher than the norm, is likely to consider there to be an economic connection between the respective undertakings. I conclude therefore that there is a likelihood of indirect confusion between these trade marks in respect of pizzas, prepared pasta dishes and sandwiches. The opposition under section 5(2)(b) however fails in respect of those goods which I have found to be dissimilar to the services covered by the earlier mark. In the event that I am found to be incorrect as regards this dissimilarity, I consider that any similarity between these goods and services must be at the low end and this, together with the other factors to be considered including the earlier mark having only an average degree of distinctiveness convinces me that there is no likelihood of confusion in respect of these goods. In my view, the commonality of the name Olive Tree on such products will be put down to co-incidence.
26. As the opposition has not been totally successful under Section 5(2) (b), I will go on to consider the remaining grounds of opposition.

Passing off - Section 5(4)(a)

27. Section 5(4)(a) reads as follows:

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

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

(b)

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

28. The requirements for this ground of opposition have been restated many times and can be found in the decision of Mr Geoffrey Hobbs QC, sitting as the Appointed Person, in *WILD CHILD Trade Mark* [1998] R.P.C. 455. Adapted to opposition proceedings, the three elements that must be present can be summarised as follows:

(1) that the opponent’s goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;

(2) that there is a misrepresentation by the applicant (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the applicant are goods or services of the opponent;

and

(3) that the opponent has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the applicant’s misrepresentation.

29. In considering the claim of the opponent in respect of passing off, I must consider whether or not he is in any better position than under Section 5(2)(b) above. In order to do so, I must consider the claim made by the opponent in respect of Section 5(4)(a) and the evidence filed in support.

In the notice of opposition, the opponents claim that the denomination OLIVE TREE attracts a protectable goodwill in respect of the following services: restaurant services, catering services, bar services, food and drink. This claim is therefore wider than the restaurant services relied upon in respect of the opposition based upon Section 5(2)(b).

30. In relation to goodwill, this was explained in *Inland Revenue Commissioners v Muller & Co’s Margarine Ltd* [1901] AC 217 at 223 as:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and

connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first.”

31. It is also worth noting that to qualify for protection under the law of passing-off, any goodwill must be of more than a trivial nature¹. However, being a small player does not prevent the law of passing-off from being relied upon as it can be used to protect a more limited goodwill².
32. The evidence filed demonstrates that the opponents have provided restaurant services for a number of years, from the 1980s right through to the relevant date for these proceedings, namely 8th May 2010 under the term OLIVE TREE. The turnover figures outlined are not insignificant. This evidence is accompanied by numerous media articles, from press publications located in the region of Yorkshire, which endorse positively the OLIVE TREE restaurants. These articles also provide information of awards and accolades awarded to the OLIVE TREE, both from the 1980s and 1990s and, most recently, in 2010. Further, the evidence contains extracts from The Good Food Guide. These entries span a significant date range, with the most recent being 2009.
33. It is true that Mr Psarias’ witness statement refers to articles on and reviews of the OLIVE TREE appearing in the Guardian and Sunday Times publications which are not included as exhibits. However, I do not consider this to be fatal to the opponent’s case. In considering the evidence in totality, I am persuaded that the opponents have established goodwill in respect of restaurant services and that it is the name OLIVE TREE that has become associated with this goodwill.
34. However, this is not the end of the matter as the opponents also claim that their business attracts goodwill in respect of catering services; bar services and food and drink. In respect of the evidence filed in these proceedings, I note that it is exclusively restaurant services that have been provided. This is so even where the main content of the evidence refers primarily to another topic, such as the opponent’s successful world record attempts or their participation in schemes to help the homeless. There is no evidence that they also, for example, run pubs or bars as separate entities, over and above the type of services that one would normally expect a restaurant to provide. There is also no evidence that they have provided catering services in a manner which differs from that normally provided by a restaurant. Likewise there is no evidence that they have provided food and drink in a manner other than via a restaurant setting, such as a coffee shop or ice cream parlour. As such, I am not persuaded that goodwill has been established in respect of the remaining goods/services claimed. The sum of all this is that the services relied upon are the same as those already considered under Section 5(2)(b). In respect of those goods found to be dissimilar to restaurant services, I have already

¹ *Hart v Relentless Records* [2002] E.W.H.C. 1984

² See, for instance, *Stannard v Reay* [1967] F.S.R. 140, *Teleworks v Telework Group* [2002] R.P.C. and *Stacey v 2020 Communications* [1991] F.S.R. 49).

found the claim under Section 5(2)(b) to fail (indeed, even in the event of a low degree of similarity being found, there would still be no confusion). As such, I cannot see how there can be any misrepresentation. As such, in my view, the opponent cannot be in any better position under Section 5(4)(a) and so the opposition also fails in this respect.

BAD FAITH – Section 3(6) of the Act

35. Section 3(6) of the Act states that:

“A trade mark shall not be registered if or to the extent that the application is made in bad faith”.

36. It is clear that bad faith includes dishonesty and “some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular field being examined”³. It is necessary to apply what is known as the “combined test”⁴. This requires an assessment of what Mr Saleem and Ms Khan knew at the time of making their application⁵ and then, in the light of that knowledge, whether their behaviour fell short of acceptable commercial behaviour. Bad faith impugns the character of an individual or the collective character of a business or firm. As such, it is a serious allegation. The more serious the allegation the more cogent the evidence must be to support it. I also take particular note of the decision of Arnold J. in *Hotel Cipriani SRL and others v Cipriani (Grosvenor Street) Limited and others* [2008] EWHC 3032 (Ch) 5⁶ where he held:

“189. In my judgment it follows from the foregoing considerations that 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 in relation to identical goods or services, let alone where the third parties are using similar marks and/or are using them in relation to similar goods or services. The applicant may believe that he has a superior right to registration and use of the mark. For example, it is not uncommon for prospective claimants who intend to sue a prospective defendant for passing off first to file an application for registration to strengthen their position. Even if the applicant does not believe that he has a superior right to registration and use of the mark, he may still believe that he is entitled to registration. The applicant may not intend to seek to enforce the trade mark against the third parties and/or may know or believe that the third parties

³ See *Gromax Plasticulture Limited v. Don and Low Nonwovens Ltd* [1999] RPC 367.

⁴ See the judgment in (1) *Barlow Clowes International Ltd. (in liquidation)* (2) *Nigel James Hamilton and (3) Michael Anthony Jordon v (1) Eurotrust International Limited (2) Peter Stephen William Henwood and (3) Andrew George Sebastian* Privy Council Appeal No. 38 of 2004 and also the decision in *Ajit Weekly Trade Mark* [2006] RPC 25.

⁵ The relevant date for the assessment is the date of filing of the application – see *Hotpicks Trade Mark*, [2004] RPC 42, *Nonogram Trade Mark* [2001] RPC 21 and *Chocoladefabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH*.

⁶ Arnold J's judgment was recently upheld in the Court of Appeal - [2008] EWHC 3032 (Ch).

would have a defence to a claim for infringement on one of the bases discussed above. In particular, the applicant may wish to secure exclusivity in the bulk of the Community while knowing that third parties have local rights in certain areas. An applicant who proceeds on the basis explicitly provided for in Article 107 can hardly be said to be abusing the Community trade mark system.”

37. In these proceedings, the opponents argue that there have been previous opposition proceedings between the parties in respect of Class 43, which led to the applicants withdrawing their applications. The fact of these prior proceedings, together with fact that the applicants continue to use the denomination OLIVE TREE in respect of café services, lead Mr Psarias to the view that their actions are those that can rightfully be deemed to be in bad faith.
38. In response, the applicants argue that their previous actions of withdrawing conflicting trade mark applications is supportive of their position that they have acted in good faith rather than the converse position adopted by the opponents. Further, prior to applying for the trade mark, the subject of this opposition, they conducted research to ensure that there were no conflicts with earlier trade marks in respect of Class 30. Finally, on application, they restricted their application in Class 30 further by removing “prepared foods”, again in an attempt to avoid any conflict with earlier trade marks. The applicants are of the view that all of these actions strongly refute any allegation that they have acted in bad faith.
39. I consider that the actions of the applicants, in the prosecution of the current trade mark application, to be reasonable and proportionate and can in no way be said to have fallen short of acceptable commercial behaviour. I am also mindful of the content of Arnold J’s judgment in *Cipriani*, particularly the express indication that that 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 in relation to identical goods or services, let alone where the third parties are using similar marks and/or are using them in relation to similar goods or services”. This judgment clearly has direct application to the proceedings here. It seems to me that the fact there have been prior proceedings between these two resulting in the withdrawal of a trade mark application is insufficient to support a finding of bad faith.
40. Finally, even if the applicants are using the denomination OLIVE TREE in respect of café services (and I note, a food distribution business under the name OLIVE TREE ZJ), this is out of scope of these proceedings. Rather, it is the trade mark applied for here, and the goods covered by it, which are the subject of these proceedings and which must be considered. Finally they point out that they abandoned their plan to register the trade mark for these services when it was clear that a conflict with an earlier trade mark existed. Whether or not the trade marks are readily distinguishable, that they hold this view and that it is not wholly unreasonable for them to do so and bearing in mind the *Cipriani* judgment already referred to and their previous behaviour in withdrawing potentially conflicting applications, leads me to the view that

again, there is no evidence that their conduct has fallen short of acceptable commercial behaviour. The opposition based upon Section 3(6) therefore fails.

COSTS

41. In these proceedings, both the opponents and applicants have achieved a measure of success. I order, therefore, that each party should bear its own costs.

Dated this 22nd day of November 2011

**Louise White
For the Registrar,
The Comptroller-General**