

**DECISION OF THE CONTROLLER OF PATENTS, DESIGNS AND TRADE
MARKS IN PROCEEDINGS UNDER THE TRADE MARKS ACT, 1996**

In the matter of an application for registration of Trade Mark No. 244304 and in the matter of an Opposition thereto.

MUHAMMAD LATIF

Applicant

TUNA GULEC and ALI FINDIK (trading as The Charcoal Grill)

Opponent

The Application

1. On 23 September, 2010, Muhammad Latif, of 17 Ashford, Monksland, Athlone, Co. Westmeath, Ireland made application (No. 2010/01663) under Section 37 of the Trade Marks Act, 1996 (“the Act”) to register THE CHARCOAL GRILL as a trade mark in respect of “*Cafés; services for providing food and drink*” in Class 43.
2. The application was accepted for registration and advertised accordingly under No. 244304 in Journal No. 2165 dated 8 December, 2010.
3. Notice of Opposition to the registration of the mark pursuant to Section 43 of the Act was filed on 28 January, 2011 by Tuna Gulec and Ali Findik trading as The Charcoal Grill, of 3 Prospect Hill, Galway, Ireland. The Applicant filed a counter-statement on 13 April, 2011. The Opponent filed evidence under Rule 20 of the Trade Marks Rules, 1996 (“the Rules”) on 5 October, 2011. The Applicant engaged in correspondence with this Office regarding the submission of evidence, but did not submit any evidence by means of a Statutory Declaration and, eventually, the Controller moved the proceedings on to the Rule 25 stage (inviting the parties to elect to attend at a Hearing or to lodge written submissions in lieu of attending at a Hearing).
4. Both parties attended the Hearing, following which I decided to uphold the opposition and to refuse to allow the application to proceed to registration. The parties were informed of my decision by way of letter dated 8 January, 2014. I now state the grounds of my decision and the materials used to arrive thereat in response to a request by the Opponent in that regard pursuant to Rule 27(2) of the Trade Mark Rules 1996.

Grounds of the Opposition

5. In its Notice of Opposition the Opponent refers to its proprietorship of the unregistered trade mark “THE CHARCOAL GRILL”, used since 2000 in relation to the provision of food and drink, with both an Irish and Turkish influence, in the fast food/restaurant sector, and raises objection to the present application under various Sections of the Act, which I shall summarise as follows:

- Sections 6 and 8 – *the mark applied for is not capable of distinguishing the goods or services of the Applicant from the goods or services of other undertakings,*
- Section 8(4)(a) – *use of mark prohibited by enactment or rule of law,*
- Section 10(2)(a) – *likelihood of confusion on the part of the public, and likelihood of association with the Opponent’s trade mark*
- Section 10(3) – *use of mark would take unfair advantage of, or be detrimental to, distinctive character or reputation of the Opponent’s mark,*
- Section 10(4)(a) - *use of mark is liable to be prevented by virtue of any rule of law protecting an unregistered trade mark or other sign,*
- Section 37(2) – *Applicant does not use or intend to use mark in relation to goods covered by application.*
- Section 42(3) – *Applicant has not met the requirements for registration*
- Section 61 – *the Opponent’s mark is entitled to protection as well-known marks in accordance with article 6bis of the Paris Convention*

Counter-Statement

6. In its Counter-Statement the Applicant states that it registered “THE CHARCOAL GRILL” as a business name in 2008 and have carried on business successfully under that name ever since. The Applicant denies there is, or would be, any confusion because of the different food and structures of the respective businesses of the parties to these proceedings.

Rule 20 Evidence

7. Evidence submitted by the Opponent under Rule 20 consisted of a Statutory Declaration, dated 5 October, 2011, of Tuna Gulec, of Prospect Hill, Galway, Ireland and six accompanying exhibits (“TG1” to “TG6”). He states that, since September 2000, the

Opponent has continuously traded at Lower Cross, Galway as “THE CHARCOAL GRILL”. He exhibits at “TG1” a copy of the lease for the premises dated 10 July, 2001. Due to the success of the business a second “THE CHARCOAL GRILL” branch was opened in February 2007 at Mary Street, Galway and a third branch, operating under the same name, was opened in July 2013 at prospect Hill, Galway.

8. Mr. Gulec provides details of media coverage (exhibit “TG2”), menus (exhibit “TG3”) and marketing and sponsorship activities (exhibit “TG4”). He states the total amount expended on advertising and promoting THE CHARCAL GRILL is approximately €10,000, or around €1,000 per annum. He attaches at exhibit “TG5” turnover figures from 2000 to 2009, which show a significant upward trend during the period.
9. Mr. Gulec attached, at exhibit “TG6” a menu from the Applicant’s restaurant, which shows the name in use as “The Charcoal Grill Café Bistro”, which he says is not the mark the Applicant has applied to register.

The Hearing

10. At the Hearing the Opponent was represented by Kayanne Horgan solicitor of Higgins, Chambers & Flanagan Solicitors and the Applicant by Paul Gunning BL. For her part Ms. Horgan concentrated her arguments on Sections 10(3) (taking advantage of the Opponent’s earlier mark) and Section 10(4) (passing off). It is upon these Sections that I have decided the matter. For his part Mr. Gunning argued that the Opponent did not have rights in an unregistered mark, to the extent that they could rely upon it as an earlier well-known mark, and nor could the Opponent show it would have a legal basis for prohibiting use of the Applicant’s mark.

Decision

11. Section 10(3) of the Act provides as follows:

“A trade mark which is identical with or similar to an earlier trade mark shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the State (or, in the case of a Community trade mark, in the Community) and the use of the later trade mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or reputation of the earlier trade mark.”

The Opponents are relying upon Section 10(3) on the basis that their earlier unregistered mark is a well-known trade mark within the definition of an earlier trade mark as laid out in the relevant part of Section 11(c) of the Act, which is written in the following terms:

“11(1). In this Act an “earlier trade mark” means:

...

(c) 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 as a well-known trade mark.

...”

12. There is no commonly agreed detailed definition of what constitutes a “well-known mark”, but I am satisfied that the purpose and effect of the provision is to afford an extra level of protection to marks that have a reputation over and above that which is given to other trade marks. As is evident from the wording of the Section, there are a number of conditions that must be fulfilled in order for it to apply. Firstly, there must be identity or similarity of the marks at issue; secondly, the earlier mark(s) must have a reputation in the State; thirdly, the use of the later trade mark must be without due cause; and fourthly, that use must take unfair advantage of, or be detrimental to, the distinctive character or reputation of the earlier marks.

13. The first of the conditions has clearly been met, as the Opponent’s mark is identical to the Applicant’s mark. In deciding whether or not the second condition has been met I must determine what the legislators mean by having a “reputation in the State”. Must the earlier mark be well-known throughout the State or is it sufficient that it be well-known in a single city within the State? In answering that question I am assisted by the Court of Justice of the European Union in *Nieto Nuño v Monlleó Franquet*¹, where it answered a question regarding how a Member State is to interpret the relevant provision of the EU Directive (which led to the formulation of Section 10(3) of the 1996 Act), regarding the extent of the geographical area (entire State, substantial part thereof, or city and surrounding area) in which the mark must be well-known. The Court found at paragraphs 17 and 18 as follows:

¹ Nieto Nuño v Monlleó Franquet Case C-328/06

“17. ... since the Community provision being interpreted lacks a definition to that effect, a trade mark certainly cannot be required to be well known ‘throughout’ the territory of the Member State and it is sufficient for it to be well known in a substantial part of it (see, by analogy, Case C-375/97 General Motors [1999] ECR I- 5421, paragraph 28, concerning the kindred concept of the ‘reputation’ of a trade mark for which Article 5(2) of the Directive refers also to an assessment ‘in the Member State’).

18. However, the customary meaning of the words used in the expression ‘in a Member State’ preclude the application of that expression to a situation where the fact of being well known is limited to a city and to its surrounding area which, together, do not constitute a substantial part of the Member State.”

14. In the instant case I am satisfied the Opponent’s mark is “well-known” within the city of Galway. But I am also satisfied the mark has not gained sufficient reputation in the State, or in a substantial part of the State, to the extent that the mark’s reputation has penetrated the consciousness of the wider public such that a substantial number of people would know and recognise the mark even if they had never used the Opponent’s goods. Therefore, in my opinion, the mark has not acquired the level of reputation that Section 10(3) seeks to protect and, accordingly, I must dismiss the opposition under Section 10(3).

Section 10(4)(a) - use of mark is liable to be prevented by virtue of any rule of law

15. I now turn to Section 10(4) of the Act, the relevant part of which reads as follows:

“A trade mark shall not be registered if, or to the extent that, its use in the State is liable to be prevented – 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,”

16. The section is not concerned with whether passing off has actually taken place, but is directed towards the question as to whether registration should be permitted and so it is concerned with what would be the situation if the mark applied for was used. In *Miss World Ltd, Laffoy J* quoted from and applied the three part test formulated by Lord Oliver in *Reckitt & Colman Products Limited v. Borden Inc. & Others* (the so-called “Jif Lemon” case). In his speech (at p. 880) Lord Oliver said:

“The law of passing off can be summarised in one short proposition, no man may pass off his goods as those of another. More specifically, it may be expressed in terms of the elements which the plaintiff in such an action has to

prove in order to succeed. These are three in number. First, he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying "get-up" (whether it consists simply of a brand name or a trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get up is recognised by the public as distinctive specifically of the plaintiff's goods or services. Second, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff. Whether the public is aware of the plaintiff's identity as the manufacturer or supplier of the goods or services is immaterial, as long as they are identified with a particular source which is in fact the plaintiff. For example, if the public is accustomed to rely on a particular brand name in purchasing goods of a particular description, it matters not at all that there is little or no public awareness of the identity of the proprietor of the brand name. Third, he must demonstrate that he suffers or, in a quia timet action, that he is likely to suffer damage by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff."

17. The Opponent has traded under their THE CHARCOAL GRILL mark since 2000 and has generated sales and undertaken marketing and promotion, which have given rise to a significant and valuable goodwill. Figures in respect of turnover and advertising expenditure have been provided going back to 2000. I am satisfied the Opponent had a reputation in their THE CHARCOAL GRILL mark at the relevant date.

18. Turning now to misrepresentation. The present proceedings concern a case of double identity – identical marks for identical services. Furthermore, both parties operate their businesses within approximately 85 kilometres of one another, leading me to conclude they may cater for, or have catered for, shared consumers. It would not be unreasonable for a consumer, who is familiar with the Opponent's mark, to believe, on encountering the Applicant's mark, that the Opponent has expanded its business further and opened another branch in Athlone. Therefore, if the Applicant was to trade in "*Cafés; services for*

providing food and drink” under THE CHARCOAL GRILL mark I am satisfied that it would lead consumers to believe erroneously that the Applicant’s services were those of the Opponent or associated with the Opponent. This would constitute the type of misrepresentation that the law of passing off seeks to avoid.

19. Finally, I must consider whether such misrepresentation would result in damage to the Opponent’s business or goodwill. In my opinion, the Opponent has used its THE CHARCOAL GRILL mark extensively and has sufficient customers to justify its claim to have a vested right in the trade mark for café and restaurant services. It is entitled to retain and expand that use and custom, which it has already successfully done. It is entitled to be protected against it being taken away or dissipated by someone who would create a misrepresentation of origin in the minds of existing or potential customers. I am satisfied that use of THE CHARCOAL GRILL trade mark by the Applicant in respect of “*Cafés; services for providing food and drink*” would cause damage to the Opponent’s identical business and therefore, I find that the ingredients for an action for passing off exist. Accordingly, I must refuse the Application on the grounds that it offends against Section 10(4)(a) of the Act.

20. For these reasons, I have decided to allow the opposition and to refuse to allow the Applicant’s mark to proceed to registration.

Dermot Doyle

Acting for the Controller

12 June, 2014