

TRADE MARKS ACT, 1996

Decision in Hearing

IN THE MATTER OF an application for registration of Trade Mark No. 200133 and in the matter of an Opposition thereto.

PIZZA CAESAR LIMITED and LITTLE CAESAR PIZZA LIMITED Applicants

LITTLE CAESAR ENTERPRISES, INC. Opponent

The application

1. On 31 March, 1994, PIZZA CAESAR LIMITED and LITTLE CAESAR PIZZA LIMITED, Irish companies, of Cecilia House, Cecilia Street, Dublin 2, Ireland made application (No. 94/2088) to register LITTLE CAESARS as a Trade Mark in Class 42 in respect of the following services:

“Restaurants, self-service restaurants; cafeterias.”

2. The Trade Marks Act, 1963, which had effect at the time of the making of the application for registration, did not provide for the registration of marks in respect of services and the application was held in abeyance pending the introduction of legislation that would permit of its acceptance. The Trade Marks Act, 1996 (“the Act”) was subsequently passed into law by the Oireachtas and the relevant provisions were commenced with effect from 1 July, 1996. By virtue of paragraph 15(1) of the Third Schedule to the Act (Transitional Provisions), the application has effect as if it were made at commencement and as if the date of filing were the date of commencement.
3. The Application was then examined under the Act, accepted for registration and advertised accordingly under No. 200113 in Journal No. 1824 on 5 November, 1997.

4. Notice of Opposition to the registration of the mark pursuant to Section 43 of the Act was filed on 26 January, 1998 by LITTLE CAESER ENTERPRISES, INC. of 9088 Telegraph Road, Detroit, Michigan, United States of America. The Applicants filed a counter-statement on 26 June, 1998 and evidence was, in due course, filed by the parties under Rules 20, 21 and 22 of the Trade Mark Rules, 1996.
5. The Opposition became the subject of a Hearing before me, acting for the Controller, on 11 September, 2003. The parties were notified on 4 November, 2003 that I had decided to uphold the opposition and to refuse registration of the mark. I now state the grounds of my decision and the materials used in arriving thereat.

Notice of Opposition

6. In its Notice of Opposition the Opponent stated as follows:
 - (i) The Opponent is the proprietor of the Trade Mark LITTLE CAESERS (hereinafter referred to as the Opponent's mark) which is the subject of the trade mark applications identified in the Schedule hereto¹.
 - (ii) The Opponent operates the world renowned chain of Little Caesars pizza and take-away restaurants and as a consequence of the extensive use and advertising which has taken place under the Opponent's trade mark throughout the world the Trade Mark LITTLE CAESERS is entitled to protection as a well-known trade mark in accordance with Article *6bis* of the Paris Convention.
 - (iii) The mark LITTLE CAESERS (hereinafter referred to as the said mark) which the Applicant has applied to register under Application No. 200133 (hereinafter referred to as the said application) is identical to the Opponent's famous trade mark and the said application was filed by the Applicant long after the Applicant had been advised of the Opponent's objection to the Applicant's misappropriation of the Opponent's trade

¹ No such Schedule was, in fact, appended to the Notice of Opposition.

mark. As early as January 12 1993, when the Opponent became aware that the Applicant had opened an Italian style restaurant in Dublin under the name and Mark LITTLE CAESERS, the Opponent's Solicitors, Arthur P. McLean & Company, wrote to the directors of the Applicant advising of the Opponent's substantial reputation in the Trade Mark LITTLE CAESERS and demanding that they desist from making any further use of the Opponent's Trade Mark LITTLE CAESERS or any similar words, derivatives or abbreviations thereof in any manner whatsoever and undertake not to use same at any time in the future. The directors of the Applicant failed to comply with the Opponent's demands and the Opponent was therefore forced to initiate a High Court action for passing-off against the directors of the Applicant in October, 1993 which is the subject of ongoing proceedings. Thus, it is quite clear that the Applicant applied to register the Mark LITTLE CAESERS in the full knowledge that the trade mark was the property of the Opponent. Consequently the said application was filed by the Applicant in bad faith and offends against the provisions of Section 8(4)(b) of the Trade Marks Act, 1996.

- (iv) In the light of the extensive reputation enjoyed by the Opponent in the Republic of Ireland under the Trade Mark LITTLE CAESERS, use by the Applicant of the identical mark in relation to the services covered by the said application will undoubtedly lead the purchasing public to assume that the Applicant's business is in some way connected to or associated with the Opponent and/or that the Opponent has authorised the Applicant to use the Trade Mark LITTLE CAESERS in relation to the services in question. Thus, the Applicant's mark is likely to be confused with the Opponent's trade mark and registration of the Applicant's mark would therefore offend against the provisions of Section 10(2)(a) of the Trade Marks Act, 1996.
- (v) The services covered by the Applicant's Application No. 200133 and the goods covered by the Opponent's LITTLE CAESER Applications Nos. 151026, 151027 and 151028 are intimately connected since the operation of restaurants and cafeterias involves the sale of a very wide range of foodstuffs and beverages to the general public. In these circumstances the Opponent contends that the Applicant is seeking registration of a trade mark which is identical to the Opponent's trade mark in relation to

services which involve *inter alia* foodstuffs which are the same as those covered by the Opponent's prior applications and/or services which are similar to the goods covered by the Opponent's prior applications. However, in the event that the Controller finds that the respective goods and services are not so similar as to bar the Applicant's application the Opponent contends that the Applicant's mark falls within the scope of Section 10(3) of the Trade Marks Act, 1996 in that use of the Applicant's mark without due cause would take unfair advantage of and be detrimental to the distinctive character and reputation of the Opponent's mark.

- (vi) The Opponent further alleges that the Applicant's mark offends against the provisions of Section 10(4)(a) of the Trade Marks Act, 1996 on the grounds that the Opponent believes that it possesses a sufficient reputation in the State to justify proceeding by way of a passing-off action to prevent the continued use of the Applicant's mark and, as indicated previously, such an action has been initiated by the Opponent and is currently the subject of Court proceedings. Furthermore, any use of the mark Little Caesars by the Applicant can only cause confusion and deception.
- (vii) It is further alleged that the Applicant's mark is not a "trade mark" within the statutory definition and consequently offends against the provisions of Section 6(1) of the Trade Marks Act, 1996.
- (viii) The Trade Mark LITTLE CAESERS denotes exclusively goods and services emanating from the Opponent. Consequently, the Applicant's mark is devoid of distinctive character and is of a nature which is likely to deceive the purchasing public. In the circumstances the Applicant's mark also offends against the provisions of both Section 8(1)(b) and Section 8(3)(b) of the Trade Marks Act, 1996.
- (ix) The Opponent accordingly requests that registration of the Applicant's mark be refused and that a substantial award of costs be made in favour of the Opponent. The Opponent also reserves the right to furnish further details of its Opposition where necessary and/or appropriate.

Counter-Statement

7. In their Counter-Statement the Applicants stated as follows:

- (i) The Applicants have no knowledge of the statement contained in paragraph (1) of the Notice of Opposition. Reference is made therein to “the trade mark applications identified in the Schedule”. No such Schedule is identified in the Notice of Opposition.
- (ii) Paragraph (ii) of the Notice of Opposition is denied and the Opponent is put to strict proof to show the reputation claimed.
- (iii) In relation to paragraph (iii) of the Notice of Opposition, it is denied that the Application as filed by the Applicants was made in bad faith and offends against the provisions of Section 8(4)(b) of the Trade Marks Act, 1996.
- (iv) Paragraphs (iv), (v) and (vi) of the Notice of Opposition are denied. The Trade Mark which the Applicants have applied to register is not liable to be confused with the Opponent’s Trade Mark. There is no possibility of the Applicants’ services being passed off as or mistaken for those of the Opponent. The Applicants’ Trade Mark does not take unfair advantage of and is not detrimental to the distinctive character and reputation of the Opponent’s Trade Mark. It is denied that the Applicants’ Trade Mark offends the provision of Section 10(4)(a).
- (v) Paragraphs (vii) and (viii) of the Notice of Opposition are denied. The Mark applied for complies with the relevant provisions of the Trade Marks Act, 1996 and in particular with the provisions of Section 6(1), 8(1)(b) and 8(3)(b) and is in all respects a distinctive Trade Mark adapted to distinguish the Applicants’ services.
- (vi) In relation to paragraph (ix) of the Notice of Opposition, the Applicants request that the present Opposition be rejected and that an award of costs be made in favour of the Applicants.

The evidence

Rule 20

8. Evidence submitted by the Opponent under Rule 20 consisted of a Statutory Declaration (and Exhibits LC1 to LC11) dated 5 February, 1999 of Gregory J. Ralko, Vice President, International of LITTLE CAESAR ENTERPRISES, INC. In a long and detailed statement Mr. Ralko gives evidence as to how the Opponent came to adopt the mark LITTLE CAESARS (derived from the nickname given to

Michael Ilitch, founder of the company, by his wife), the extent of sales and advertising under the mark, the history of the development of the brand and the growth of the Opponent company. On the basis of his evidence in relation to these matters, Mr. Ralko asserts that his company has established a reputation in the State under the trade mark LITTLE CAESARS. He also reiterates the claim made in the Notice of Opposition to the effect that the application for registration was made in bad faith and specifically alleges that Mr. Samy, one of the directors of the Applicants, must have been aware of the Opponent's proprietorship of the LITTLE CAESARS mark from his time working for Pizza Hut (the Opponent's main competitor) in London in the 1980's.

Rule 21

9. Evidence submitted by the Applicants under Rule 21 consisted of a Statutory Declaration (and 2 exhibits) dated 24 August, 2000 of Hassan El Khouli, a director of PIZZA CAESAR LIMITED. Mr. El Khouli states that the Applicant owns a restaurant known as LITTLE CAESARS at Units 4 and 5 Chatham House, Balfe Street, Dublin, which was formally opened in June, 1992. Since then, the Applicant has expanded its business to include a coffee shop in Chatham Street and a restaurant in Rathfarnham. Mr. El Khouli exhibits copies of newspaper articles referring to the Applicant's restaurant and samples of advertising that has taken place under the mark LITTLE CAESARS. He also gives details of the Applicant's turnover for the years 1992-1998. Referring to the Statutory Declaration of Gregory J. Ralko filed by the Opponent under Rule 20, Mr. El Khouli disputes the claims made therein to the effect that the Opponent has a reputation under the trade mark LITTLE CAESARS in Ireland; he says that any such reputation subsists in other jurisdictions, primarily the United States and is not relevant to these proceedings. He also disputes Mr. Ralko's claim that the Applicant must have been aware of the Opponent's use of the mark LITTLE CAESARS at the time that it adopted it for use in connection with its (the Applicant's) business. Mr. El Khouli states that the Applicant independently came up with the mark, which was used by "*an extremely well known and internationally prominent film star prior to adoption by either party to these proceedings*".

Rule 22

10. Evidence submitted by the Opponent under Rule 22 consisted of a further Statutory Declaration dated 13 December, 2000 of Gregory J. Ralko in which the deponent criticises the evidence filed by the Applicant as insufficient to prove its claim to a widespread reputation under the mark LITTLE CAESARS. He also refutes Mr. El Khouli's criticism of his earlier evidence under Rule 20 and asserts again that the Opponent has a reputation under the mark in the State. Finally, he expresses disbelief at the Applicant's claim that it came up with the mark independently, alleging again that anyone involved in the pizza business and especially anyone who worked for Pizza Hut must have known of his company's use of, and reputation in, this mark.

The hearing

11. At the Hearing the Opponent was represented by Mr. Paul Gallagher, SC instructed by MacLachlan & Donaldson and the Applicant by Mr. Brian O'Moore, SC instructed by F.R. Kelly & Co. Both learned Counsel made extensive oral submissions, citing relevant case law and provided me with written outlines of those submissions, all of which I have found most useful in deciding this case. The very brief remarks as to the respective cases presented by Counsel that appear in the following two paragraphs are not offered as summaries of their arguments but merely as indications of the main points around which they built their cases.

12. In his submissions in support of the opposition, Mr. Gallagher summarised the main facts of the case as set out in the evidence and argued that,

- (i) the Applicant acted in bad faith in adopting the mark and that its explanation as to how it came to adopt it is wholly unsatisfactory and insufficient to refute the Opponent's allegation of bad faith,
- (ii) international reputations such as that enjoyed by the Opponent spill over into other jurisdictions and the changes that have occurred in international communications must be taken into account in assessing the extent to which such spill-over is likely to occur,

(iii) the identity of the mark applied for and the Opponent's earlier registered trade mark and the similarity of the respective goods and services, taken together, create a likelihood of confusion including a likelihood of association of the Applicant's mark with that of the Opponent, and

(iv) even if the respective goods and services of the parties are found to be dissimilar, the use by the Applicant of the Opponent's mark will take unfair advantage of that mark or be detrimental to its distinctive character and, in addition, is liable to be prevented under the law of passing-off.

13. Mr. O'Moore, for the Applicant, argued that there were three uncontroverted facts that dominate this opposition, viz.,

(i) the Applicant is an Irish company that has traded in the State for over ten years,

(ii) the Opponent is an American company that has never traded in the State nor ever placed an advertisement in any Irish newspaper or magazine or on any Irish radio or television channel, and

(iii) notwithstanding the issuing of proceedings for passing off in 1993, the Opponent has never sought a trial of that action because, says Mr. O'Moore, it knows that it does not possess the requisite reputation to succeed in it.

He also disputed the allegation of bad faith, which, he contended, would not be proven even if it were held that the Applicant knew of the Opponent's mark at the time that it adopted it for its own business, a fact which was not admitted by the Applicant.

The issues

14. Of the grounds of opposition cited in the Notice of Opposition filed on behalf of the Opponent, only those under Section 8(4)(b) and Section 10, subsections (2), (3) and (4) were canvassed at the hearing. I am satisfied that my consideration of the matter may be confined to these sections. While a decision one way or the

other under one of these provisions may be determinative of the matter and may obviate the need for consideration of the case under the others, I have treated each separately so that, in the event of a possible appeal, any matter that could have been considered at this stage will have been.

Earlier case

15. Before addressing the issues to be decided in this case, I must refer to a previous opposition case between these parties that has been decided by the Controller. That case concerned an application (No. 151027) made by the present Opponent for registration of the mark LITTLE CAESARS in respect of a range of goods in Class 30, which was opposed by one of the joint Applicants in the present case, Little Caesar Pizza Limited. The issues that came to be considered in that case were broadly the same as those under consideration now, i.e., the allegation of bad faith against one party and the charge of insufficient reputation against the other. The matter was the subject of a hearing before Mr. Dermot Sheridan, acting on behalf of the Controller, who decided the case in favour of the Applicant (the Opponent in this case) on the basis that he was not satisfied that the Opponent (the Applicant in this case) had adopted the mark in a *bona fide* manner. That case fell to be determined under the provisions of the Trade Marks Act, 1963 and the Hearing Officer's findings are not directly applicable to the present case but I have had regard to it, among other things, in deciding this matter and I will refer to it in the course of this decision as "the earlier case".

The present case

Section 8(4)(b) – was the application for registration made in bad faith?

16. Section 8(4)(b) of the Act provides as follows:

“(4) A trade mark shall not be registered if or to the extent that –

.....

(b) the application for registration is made in bad faith by the applicant.”

17. The Trade Marks Act, 1996 gives effect in Ireland to the provisions of the First Council Directive to Approximate the Laws of the Member States Relating to Trade Marks, 89/104/EEC of 21 December, 1988 (“the Directive”) and Section

8(4)(b), specifically, implements the optional provision at Article 3(2)(d) of the Directive to the effect that Member States may provide that a trade mark shall not be registered where and to the extent that the application for registration of the trade mark was made in bad faith by the applicant. “Bad faith” is not specifically defined in the Act but the concept has been considered, in the context of the Directive and of national laws made thereunder, in a number of cases and I was referred specifically to the **Gromax** case in the High Court of England and Wales [1999] RPC 367 in which Lindsay J stated,

“I shall not attempt to define bad faith in this context. Plainly it includes dishonesty and, as I would hold, includes also some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined. Parliament has wisely not attempted to explain in detail what is or is not bad faith in this context; how far a dealing must so fall short in order to amount to bad faith is a matter best left to be adjudged not by some paraphrase of the courts (which leads to the danger of the courts then construing not the Act but the paraphrase) but by reference to the words of the Act and upon a regard to all material surrounding circumstances.”

18. These words were considered by Pumfrey J in the case of Decon Laboratories Ltd. –v- Fred Baker Scientific Ltd [2001] RPC 17, in the context of an allegation that a registered trade mark proprietor did not, at the time of applying for registration, have a genuine intention of using its mark on all of the goods for which it had sought, and been granted, registration and that it had, therefore, made the application for registration in bad faith. In that case Pumfrey J said,

“This approach would mean that the validity of the registration could depend upon the advice received by the proprietor, since the scope of the specification of goods is normally, if not always, a matter upon which the proprietor would be advised by his professional advisors. If the proprietor genuinely informs the professional advisors as to the scope of his use and his intended use and is advised by them to take an unjustifiably wide specification of goods, his conduct could not be criticised. On the other hand, a proprietor who was

*advised that his specification of goods was too wide and decided to chance his arm might be open to criticism under Lindsay J's formulation. This may be thought to be anomalous when one is considering the intended and actual use of the mark and a suitable specification of goods. In my judgement, the underlying objection might well be thought to be far closer to the idea that the proprietor should lose his registration to the extent to which **a reasonable person in his position** (my emphasis) would know that the specification of goods as applied for was too wide."*

19. The foregoing passages highlight an important question that must be addressed in determining whether or not an application for registration of a mark has been made in bad faith, and that is the extent to which the assessment should be a subjective or an objective one. At the hearing, Mr. O'Moore, for the Applicant, urged me to take a narrow view of what constitutes bad faith and pointed out that, in contrast with the position under the previous Act (Trade Marks Act, 1963), a finding of bad faith in the making of an application for registration now constitutes a mandatory ground of refusal. Under the 1963 Act, the Controller had a general discretion to accept or refuse an application for registration quite apart from his consideration of the application under the specific provisions prohibiting registration. If an application appeared to be wanting in *bona fides*, it was refused in the exercise of that general discretion. The change in the law brought about by the introduction of the present Act is significant, according to Mr. O'Moore, as the wording of Section 8(4)(b) requires me to make a positive finding of actual bad faith in order to refuse registration. In this regard, he argued that, even if the allegation made by the Opponent to the effect that one or more of the directors of the Applicant knew of the Opponent's business and trade mark at the time that they adopted it (which is not admitted), that does not, of itself, establish that there has been any real act of bad faith. The Opponent, said Mr. O'Moore, did not trade in this country and had no reputation or goodwill here under the mark. In essence, I understood him to say that the mark carried no value in Ireland and its adoption by the Applicant could not therefore be regarded as a dishonest attempt to appropriate another's property or to seek to profit therefrom.

20. In my estimation, the question of whether or not an application for registration has been made in bad faith should not be regarded from a solely subjective aspect and confined essentially to an assessment of the motives of the applicant. Such an approach would have the bizarre effect of placing the reckless, naïve or immoral applicant at an advantage over the prudent and honest one, as the question of whether an applicant had acted in bad faith would turn on the applicant's own perception of his actions and their likely consequences. That cannot be what the Act or the Directive intends and an applicant's conduct must be judged largely objectively and measured against that which would be expected of any responsible business-person acting in a way that is honest, fair, prudent and above board.

21. Turning then to the facts of the present case, the application for registration was presented in March, 1994 but the mark LITTLE CAESARS was first adopted by the Applicant when it opened its restaurant in Balfe Street in 1992. At that time, the Opponent had been trading under the mark for over thirty years and had four thousand restaurants worldwide. It had been operating in the United Kingdom for seven years and, specifically, in London at a time when it is alleged and not denied that one of the directors of the Applicant, Mr. Adel Samy, was working in that city for Pizza Hut, which is the Opponent's main competitor. On the face of them, these facts support the Opponent's contention that the Applicant must have known of its trade mark at the time that it adopted it for its own business. The Opponent's repeated allegations to this effect might be expected to elicit a robust and unequivocal denial on the part of the Applicant. That was the view taken by Mr. Sheridan, Hearing Officer in the earlier case and is consistent with the remarks of O'Sullivan J in the High Court in the *Diesel* case [2000] 1 IR 577, in which he stated,

“Once, however, a charge of lack of bona fides was made against the plaintiff,, there could be no doubt, in my mind, that such a charge required refutation.”

22. In its evidence, however, the Applicant has not specifically denied knowledge of the Opponent's proprietorship of the mark at the time that it first adopted it. Mr. Samy has not made any statement on the matter, which I regard as extraordinary

given the very specific allegation against him. Mr. El Khouli has disputed the allegation but has done so primarily by offering an alternative explanation of how the mark *could* be adopted for use in relation to an Italian restaurant. As Mr. Gallagher pointed out at the hearing, such an explanation misses the point; regardless of whether or not a mark, not being wholly descriptive of the relevant goods or services, can be construed as having some general suitability for application to a particular business enterprise, once it has been taken and used by one undertaking in connection with that business, it is not permissible for another undertaking knowingly to use it in relation to the same business. In any event, I do not regard the mark LITTLE CAESARS as one that has an obvious application to a restaurant business, notwithstanding Mr. El Khouli's assertions to that effect.

23. In summary, I conclude that, on the balance of probability, the Applicant was aware of the Opponent's use of its mark at the time that it adopted it for its own use. In so doing, it acted in bad faith as the appropriation of another's mark constitutes conduct that would, on any objective assessment, be regarded as falling short of acceptable standards of commercial behaviour. Whether or not the subjective assessment of the Applicant was that there was nothing in particular to be gained from taking the Opponent's mark, given that the Opponent was not trading here, is immaterial. Any reasonable person would have anticipated the possible entry into this market of a chain that had been following a programme of expansion and was already present in the United Kingdom. Furthermore, even if it is the case that the Applicant did not know of the existence of the Opponent at the time that it adopted the mark (which I find extremely unlikely) and did so independently and without any ulterior motive, I am still inclined to regard its adoption of the mark as having been in bad faith for the following reason. When a business intends to adopt a trade mark or trading name, it behoves that business to undertake a reasonable preliminary enquiry to establish whether or not the mark or name in question is available for use or is likely to conflict with that of a pre-existing enterprise. I cannot believe that any reasonable enquiry by or on behalf of the Applicant at the time that it adopted this mark would have failed to discover the existence of the Opponent and its international reputation under its mark. If it is the Applicant's contention that it acted innocently in ignorance of the existence of the Opponent, then I regard that as indicative of recklessness such as may be

found to constitute bad faith for the purposes of the Act based, again, on an objective interpretation of that term. For these reasons, I find that the application for registration was made in bad faith and must be refused under Section 8(4)(b) of the Act.

Section 10(2) – is there a likelihood of confusion on the part of the public?

24. The relevant part of Section 10(2) of the Act, insofar as the present application is concerned, reads as follows:

“A trade mark shall not be registered if because –

(a) it is identical with an earlier trade mark and would be registered for goods or services 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 of the later trade mark with the earlier trade mark.”

25. The Opponent bases its opposition under this provision on its registration of the mark LITTLE CAESARS under No. 151027, dated 22 December, 1992, in Class 30 in respect of the following goods:

Tea, coffee, cocoa, drinking chocolate; mixtures of coffee and chicory, coffee essences and coffee extracts; chicory and chicory mixtures; all for use as coffee; bread, bakery products, pastry and pastry products and salt all for food; cakes, biscuits (other than biscuits for animals), flour, pasta, cereal preparations, all for food for human consumption; rice, non-medicated confectionery, sugar, spices (other than poultry spice), sauces, pies, tarts, flans, waffles, pizzas; ices and ice creams; doughnuts; prepared meals and snack foods, all included in Class 30.

26. By virtue of its earlier application date, the Opponent’s registration No. 151027 constitutes an “earlier trade mark” as defined in Section 11(1)(a) of the Act. It is also identical with the mark that the Applicant seeks to register. The fundamental requirement of Section 10(2)(a) that there be an identical earlier trade mark is,

therefore, satisfied in this case. The questions that then arise are the extent of the similarity, if any, of the respective goods and services and whether any such similarity, taken together with the identity of the marks, creates a likelihood of confusion on the part of the public.

27. Looking firstly at the similarity of the goods and services, the following are some of the factors that may be taken into account when making that assessment:

- the nature of the goods and services,
- the end users of them,
- the way in which they are used, and
- the degree to which they are competitive or complementary.

28. In the present case, the Opponent's registration covers a range of foodstuffs in Class 30 as itemised in paragraph 25 above while the Applicant has sought registration in respect of restaurants, self-service restaurants and cafeterias in Class 42. In their nature, such goods and services must be regarded as different for the same reason that all goods and services, *per se*, are different; goods are tangible and may be purchased and taken away for later consumption whereas services are intangible and are usually "consumed" in the instant of purchase. As to the end users of the respective goods and services, these are the same in my view in that the Opponent's goods and the Applicant's services are both aimed at the general consumer. I also consider that the respective goods and services are used similarly, the goods being used in the preparation of food for consumption and the services serving the same essential purpose. They may also be regarded as both competitive and complementary; in terms of competitiveness, the relevant consumer may choose either to avail himself of the Opponent's goods or of the Applicant's services when deciding how to meet his nutritional requirements; furthermore, if he chooses the Applicant's services, he is likely to consume goods of the type covered by the Opponent's registration. This latter conclusion is consistent with the observations of the Third Board of Appeal of the Office for Harmonisation in the Internal Market (OHIM) in Case R 152/2000-3, DIPPIN'DOTS, in which an application for registration of a mark in Class 30 met

with opposition based on a number of earlier registrations including one in respect of restaurant services in Class 42. In that case, the Board remarked,

“... As regards the goods in the application and “Restaurant services; fast food restaurant services; preparation of food for consumption” in Class 42 protected by the UK registration and comparable services protected by the registrations in other Member States, those goods and services must be viewed as complementary insofar as many of the goods in the application are consumed in a restaurant, snack bar or fast food establishment or are used for the preparation of food for consumption.”

29. On the whole, I am satisfied that there is an appreciable similarity between the goods of the Opponent’s earlier registration and the services covered by the present application. In my view, the degree of similarity between the respective goods and services is certainly above the minimum threshold required in order to ground an objection under Section 10(2).

30. Notwithstanding the identity of the marks and the similarity of the goods and services, it is clear from the language of Section 10(2) that the provision only applies where there is a resulting likelihood of confusion between the marks. In the *Sabel/Puma* case [1998] 1 CMLR 445, the European Court of Justice (ECJ) when considering Article 4(1)(b) of the Directive, which is the basis for Section 10(2), stated,

“... It is to be remembered that Article 4(1)(b) of the Directive is designed to apply only if, by reason of the identity or similarity both of the marks and of the goods and services which they designate, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark. It follows from that wording that the concept of likelihood of association is not an alternative to that of likelihood of confusion, but serves to define its scope. The terms of the provision itself exclude its application where there is no likelihood of confusion on the part of the public.”

31. Later in the same judgement the ECJ addressed the way in which the likelihood of confusion was to be assessed and stated,

“..... it is clear from the tenth recital in the preamble to the Directive that the appreciation of the likelihood of confusion depends on numerous elements and, in particular, on the recognition of the trade mark on the market, of the association which can be made with the used or registered sign, of the degree of similarity between the trade mark and the sign and between the goods and services identified. The likelihood of confusion must therefore be appreciated globally, taking into account all factors relevant to the case.”

32. This concept of a “global assessment” of the likelihood of confusion has been confirmed in subsequent case-law of the ECJ and the interdependence of the respective similarities of the marks and of the goods/services in such a global assessment is specifically established in the decision of the Court in Case C-39/97, **Canon Kabushiki Kaisha –v- Metro-Goldwyn-Meyer** [1999] 1 CMLR 77, in which the following passage appears:

“A global assessment of the likelihood of confusion implies some interdependence between the relevant factors, and in particular a similarity between the trade marks and between these goods or services. Accordingly, a lesser degree of similarity between these goods or services may be offset by a greater degree of similarity between the marks, and vice versa.”

33. Among the several factors that must be taken into account when making a global assessment of the likelihood of confusion in a given case is the degree of distinctiveness of the earlier mark. The ECJ in *Sabel/Puma* held that the more distinctive the earlier mark the greater the likelihood of confusion. Distinctiveness must be assessed both on the basis of the inherent qualities of the mark and on the basis of the factual distinctiveness that attaches to it by virtue of the use that has been made of it. In the present case, the Opponent has not engaged in trade directly in this country and the assessment of the likelihood of confusion must, therefore, be made in the context of a presumed normal and fair usage of the mark.

34. The question may be formulated as follows: Given a normal and fair usage by the Opponent of its mark in relation to its foodstuffs, and by the Applicant of the same mark in relation to restaurant and cafeteria services, is it likely that a substantial number of the consumers exposed to such usage might believe that the respective goods and services come from the same undertaking or from economically linked undertakings? Based on an assessment of all of the relevant factors, I consider that this question should be answered in the affirmative. The trade mark under consideration here is, in my view, a highly distinctive one, having no obvious connection with any of the relevant goods or services. It possesses a strong connotative significance, evoking an image of the powerful Roman emperor but humorously undermining or parodying that image through the use of the word “little”. The mark puts one in mind of an individual that might be called “Little Caesar” and causes one to wonder about that person and to muse about the characteristics that have earned him the name. It is a mark that makes a strong impact on the observer and leaves a lasting impression in the mind. I think that a person perceiving the mark on any of the goods of the Opponent’s registration and later encountering it used in relation to the services of the Applicant would be very likely to be reminded of his earlier experience of the mark. Of course, that is not enough, as mere association in the strict sense does not amount to confusion. However, the goods of the Opponent and the services of the Applicant are not so wildly different as to obviate the possibility of confusion arising from the fact that the identical, highly distinctive mark is to be used on both. In fact, I have concluded that the respective goods and services are similar in a number of respects notwithstanding their differences in nature. It is perfectly conceivable, and indeed likely, that a person who purchased foodstuffs bearing the Opponent’s mark and later saw the same mark used in relation to a restaurant might conclude that the enterprise behind the food manufacture was one and the same as that providing the restaurant service. I think such a person would be unlikely to assume that two different and unrelated undertakings operating in related fields of commercial activity (within what might broadly be called the food and catering industry) independently came up with the same highly distinctive mark and that their common use of it was coincidental and did not serve to indicate some commercial connection or relationship between them. The essential function of a

trade mark is to guarantee to the consumer the commercial origin of the marked goods or services and that function would, in my opinion, be compromised by the simultaneous use of this mark by both the Opponent and the Applicant in relation to their respective goods and services. For these reasons, I conclude that, because of the identity of the marks and the similarity of the respective goods and services, there is a likelihood of confusion on the part of the public and that the application for registration must be refused under Section 10(2)(a) of the Act.

Section 10(3) – will the Applicant’s use of the mark take unfair advantage of, or be detrimental to, the distinctive character and reputation of the Opponent’s mark?

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

“A trade mark which –

(a) is identical with or similar to an earlier trade mark, and

(b) is to be registered for goods or services which are not similar to those for which the earlier trade mark is protected,

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.

36. As is evident, this provision is expressed as applying only in situations where the goods or services covered by the respective marks are not similar. I have found that the services of the Applicant are similar to the goods of the Opponent in this case. I have, however, also considered this ground of opposition in case I am subsequently found to have been wrong on this latter point.

37. Unlike Section 10(2), the application of Section 10(3) does not depend on the existence of a likelihood of confusion as to origin and the provision may, in fact, apply in circumstances where no such confusion is likely. On the face of it, it might appear that Section 10(3) confers a broader scope of protection than does Section 10(2), which seems anomalous given that in the latter case there is a requirement that the goods/services covered by the respective marks be similar

whereas there is no such requirement in the former case. There is, of course, an important restriction on the application of Section 10(3) and that arises from the requirement that the earlier trade mark must have a reputation in the State in order for the provision to apply. Section 10(2) may be applied in circumstances, such as apply in this case, where the earlier trade mark is registered but has not been used in the State. Section 10(3), on the other hand, is intended to protect only those trade marks that have a reputation in the State and the first thing to be decided in considering the objection to registration under this provision is whether the Opponent's trade mark had a reputation in the State as of the date of filing of the present application, viz. 1 July, 1996.

38. It is for the Opponent to prove that its trade mark had a reputation in the State in order to support its opposition to registration under Section 10(3). In the present case, the Opponent seeks to rely on evidence of extensive sales and advertisement under its trade mark in other jurisdictions, primarily the United States and the United Kingdom, and to say that the reputation thereby acquired has “spilled over” into this market. Its assertions to this effect are based on the large numbers of people that travel between the State and those countries, for both business and leisure purposes. The Opponent says that, as a result of all this travel, many people, both Irish and foreign, living in this country now know its mark. The Applicant denies this and states that it is inconceivable that the Opponent's trade mark could have a reputation in the State given that the Opponent has never traded under the mark here.
39. Section 10(3) very specifically requires that the Opponent's trade mark must have a reputation *in the State*. I think it is reasonable to infer from those words that, in general, the requisite reputation would be acquired by use of the mark in the State. Nevertheless, it is not impossible that a mark could be shown to have a reputation here in the absence of any direct use. The much maligned “economic globalisation” that has occurred in recent decades has resulted in the establishment of massive corporations with very powerful brand names, the identity and influence of which may extend beyond the markets in which they are used as trade marks. Because the economy of the United States is the largest in the world and is at the centre of the developing globalisation, it is conceivable that a mark that has

become a household name in that jurisdiction could have a reputation here eventhough it was never used here. For that to be shown, however, I believe that very compelling evidence would have to be adduced proving, firstly, that the mark was extremely well known in other jurisdictions and, secondly, that the reputation enjoyed by the mark in those other countries had, by some means, transferred to this State such that a substantial number of people here now recognised the mark. It is not enough to show that the mark is very famous in another country; that is only the first step and the claimed reputation here must be proven by reference to actual evidence and not simply by reliance on an assumption that, because of certain circumstances, the reputation must now subsist here.

40. The only evidence of this type that the Opponent has offered is in the Exhibit LC6 accompanying the Statutory Declaration of Gregory J, Ralko filed as evidence under Rule 20. That exhibit consists of copies of six affidavits sworn by people, three of whom are U.S. citizens living in Ireland and three are Irish citizens who have lived for a time in the United States. In the case of the U.S. citizens, all three affidavits relate to an occasion in February, 1993 on which they patronised the Applicant's restaurant on Balfe Street, apparently in the belief that it was connected with the Opponent. As regards the affidavits of the three Irish people, these are all in the same general terms and are to the effect that the deponents know the Opponent's mark having seen it used in the United States and that they believe that any Irish person visiting or living in the United States would also know the mark. To my mind, this evidence serves primarily to support the Opponent's claim to a reputation under its mark in the United States, which may, in any event, be inferred from the very extensive sales and advertising under the mark in that jurisdiction. It does not prove that that reputation has transferred here and that, at the date of the present application for registration, it subsisted among a substantial number of people in the State.

41. I find, therefore, that the Opponent has not adduced evidence such as would support the claim that its trade mark had a reputation in the State when the present application was made and that the opposition under Section 10(3) of the Act fails.

Section 10(4) – is the use of the mark by the Applicant liable to be prevented by virtue of the law of passing off?

42. The final ground of opposition that falls to be considered is under 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 –

(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,”

43. The Opponent claims that the use by the Applicant of the trade mark LITTLE CAESARS in relation to a restaurant service constitutes passing off and it has instituted proceedings against the Applicant in the High Court. The Applicant denies the claim and asserts that it will defeat the action if and when it is finally heard. It is well established that every passing off case turns on its own facts and the matter that is pending before the High Court will, no doubt, ultimately be decided on the basis of the facts established by the evidence presented in that case. That evidence will not necessarily be the same as that which has been filed in the present proceedings. Section 10(4) prohibits the registration of marks the use of which is ***liable to be prevented*** under the law of passing off; whether use of a mark should actually be prevented under that law is a matter for the Court to decide in a given case and, in so deciding, the Court is performing a different function to that performed by the Controller when considering an application for registration. In my opinion, the proper application of Section 10(4) insofar as the question of passing off is concerned requires a determination by the Controller as to whether the fundamental ingredients of an action for passing off would be present if the mark for which registration is requested were used in the State by the Applicant. A decision one way or the other on that question does not amount to a finding of fact as to whether there is or has been passing off as that is clearly a matter for the Court to decide in any given case.

44. The so-called “classical trinity” of elements that a plaintiff must show in order to ground an action for passing off are (i) that he has a goodwill or reputation in a

mark associated with the relevant goods or services, (ii) that there has been a misrepresentation by the defendant that the goods or services offered by him are those of the plaintiff and, (iii) that the plaintiff has suffered damage as a result of that misrepresentation. For the purposes of applying Section 10(4), the date of application for registration must be taken as the date upon which the Opponent would had to have had the necessary reputation or goodwill. In considering the opposition under Section 10(3), I concluded that the Opponent had not proven that its mark was known to the public in this State at that time. It follows that I do not accept that the Opponent has discharged the onus on it to show that it had, at the relevant date, a reputation under the mark such as would be required in an action for passing off and that the opposition under Section 10(4) must be rejected.

Tim Cleary
Acting for the Controller

26 November, 2003