

**O-330-16**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NOS 3082906 AND 3082909  
BY PEPE LIMITED TO REGISTER THE TRADE MARKS**



**AND**



**IN CLASSES 35 AND 43**

**AND IN THE MATTER OF CONSOLIDATED OPPOSITIONS THERETO UNDER  
NOS 403767 AND 403768  
BY PEPE'S PIRI PIRI LIMITED**


## Background and pleadings

1) Pepe Limited (“the applicant”) applied to register the trade marks 3082906 and 3082909 in the UK on 24 November 2014. They were both accepted and published in the Trade Marks Journal on 12 December 2014. Additional relevant details of these applications are shown below, including the identical list of services of both applications:

<p>3082906</p> 	<p><b>Class 35:</b> <i>Advertising; business management; business administration; office functions; administration of the business affairs of franchises; advice in the running of establishments as franchises; advisory services relating to publicity for franchisees; franchising (Business advice relating to -); services rendered by a franchisor, namely, assistance in the running or management of industrial or commercial enterprises; management advisory services related to franchising; business advisory services relating to the setting up of restaurants; business advisory services relating to the running of restaurants; business administration in the field of transport and delivery; retail and wholesale services in relation to meat, fish, poultry and game, meat extracts, preserved, frozen, dried and cooked fruits and vegetables, jellies, jams, compotes, eggs, milk and milk products, coffee, tea, cocoa and artificial coffee, rice, tapioca and sago, flour and preparations made from cereals, bread, pastry and confectionery, edible ices, sugar, honey, treacle, yeast, baking-powder, salt, mustard, vinegar, sauces (condiments), spices, ice, grains and agricultural, horticultural and forestry products, live animals, fresh fruits and vegetables, seeds, natural plants and flowers, beers, mineral and aerated waters and other non-alcoholic beverages, fruit beverages and fruit juices, syrups and other preparations for making beverages, alcoholic beverages (except beers), pizza, cheeses, tomato, tomato puree, tomato sauce, tomato pizza sauce, mozzarella, salami, onion, oregano, sausages, mushrooms, chili flakes, ham, brie, egg, spinach, parmesan, olives, capers, anchovies, gorgonzola, tuna, red onions, piadina, pastas, chicken,</i></p>
<p>3082909</p> 	

	<p><i>bacon, pesto, and beef minced meat; information, advisory and consultation services relating to all of the above.</i></p> <p><b>Class 43:</b> <i>Services for providing food and drink; takeaway services; take-out restaurants; fast food restaurant services; restaurant services; restaurant services incorporating licensed bar facilities; restaurants; self service restaurants; take-out restaurant services; catering for the provision of food and beverages; contract food services; corporate hospitality (provision of food and drink); restaurants providing Italian cuisine; information, advisory and consultation services relating to all of the above.</i></p>
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2) Pepe's Piri Piri Limited ("the opponent") opposes the marks on the basis of Section 5(2)(b), of the Trade Marks Act 1994 ("the Act"). This is based upon conflict with its earlier UK mark 2468716 and its earlier Community Trade Mark (now known as an EU Trade Mark) 8443517. The relevant details of these are shown below:

2468716	
 <p>Filing date: 8 October 2007 Date of entry in register: 25 April 2008</p>	<p><b>Class 43:</b> <i>Restaurant and take away services; provision of food and drink.</i></p>
EUTM 8443517	
<p>PEPE'S PIRI PIRI</p> <p>Filing date: 22 July 2009 Date of entry in register: 5 April 2010</p>	<p><b>Class 29:</b> <i>Meat, fish, poultry and game; poultry products; chicken products; fried chicken; roasted chicken; baked chicken; cooked chicken; burgers; meat burgers, fish burgers; poultry burgers, chicken burgers; game burgers; pork burgers; lamb burgers; meat salads; fish salads; poultry salads; chicken salads; game salads; fruit salads; vegetable salads; potato salads; prepared salads; prepared meals consisting wholly or mainly of chicken; prepared snacks or meals; meat extracts; preserved,</i></p>

*frozen, dried or cooked fruits and vegetables; jellies, jams, compotes; milk; milk products or milk preparations; edible oils or fats; foods prepared from meat, beef, lamb, pork, fish, chicken or poultry products; sandwich fillings; eggs, cheese, pickles, milk based desserts; yogurt based desserts; cooked or frozen foods, all containing chicken; snack foods containing chicken; prepared snacks or meals containing chicken or poultry.*

**Class 30:** *Coffee, cocoa, chocolate, rice, tapioca, sago, artificial coffee, coffee substitutes; sugar; tea; flour and preparations made from cereals, pastry or confectionery; pastries; confectionary; rolls, biscuits, breads, cakes; ices; honey, treacle; yeast, baking-powder; salt; vinegar; sauces; condiments; mustard; spices; ice; edible sandwiches, meat sandwiches, pork sandwiches, fish sandwiches, chicken sandwiches, beef sandwiches, lamb sandwiches; sandwiches containing salads; pitta bread; pitta bread sandwiches; pitta bread sandwiches containing chicken; pitta bread sandwiches containing meat; pitta bread sandwiches containing fish; pitta bread sandwiches containing poultry; pitta bread sandwiches containing game; pitta bread sandwiches containing pork; pitta bread sandwiches containing lamb; pitta bread sandwiches containing salad; wraps, meat wraps, pork wraps, fish wraps, chicken wraps, beef wraps, lamb wraps; snack foods; prepared snacks or meals; salad dressings; seasonings; pasta salads.*

**Class 35:** *Business consultancy in relation to franchising; business consultancy services associated with franchising restaurants, cafes, cafeterias, coffee shops, bars, restaurants, snack bars, catering or other establishment or facilities engaged in providing food or drinks; business operation of cafes, cafeterias, coffee shop, snack bars, catering, restaurants or other establishments or facilities engaged in providing food or drinks prepared for consumption; business consultancy services associated with operating cafes, cafeterias, coffee shops, bars, restaurants, snack bars, catering or other establishment or*

	<p><i>facilities engaged in providing food or drinks.</i></p> <p><b>Class 43:</b> <i>Restaurant; services for providing food and drink; bar services; restaurant services; cafes, cafeterias, coffee shop, snack bars, catering, restaurants or other establishments or facilities engaged in providing food or drinks prepared for consumption.</i></p>
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3) The opponent submits that the respective goods are identical or similar and that the marks are similar and that the applications, therefore, offend under Section 5(2)(b) of the Act.

4) The applicant filed counterstatements denying the claims made and putting the opponent to proof of use of its earlier UK mark.

5) The two opposition proceedings were subsequently consolidated. Only the opponent filed evidence and both sides provided written submissions. Neither side requested a hearing and I make a decision after careful consideration of the papers.

6) The opponent's evidence goes to the issue of use of its earlier UK mark. I consider that its chances of success are no greater when relying upon the UK mark than when relying on its earlier EUTM. The latter is not subject to proof of use because it completed its registration procedure less than five years before the publication of the contested marks. In light of this, I will only summarise the evidence insofar as I consider it relevant to the claim of enhanced distinctive character of its EUTM.

**Opponent's evidence of enhanced distinctive character**

7) This takes the form of a witness statement by Clive Sawyer, Franchise Director for the opponent. He states that the opponent opened its first restaurant in Watford, Hertfordshire in 2006 and it expanded using a franchise model. At the time of the witness statement (23 November 2015), the opponent had 43 restaurants across England and with one in Northern Ireland. The exhibits that accompany the statement illustrate use of a mark that consists of a device of a cartoon chicken

together with the word and device that is virtually identical to the UK mark but differs in that the typeface is a more ordinary than that used in its earlier mark. The words PIRI PIRI also appear in smaller letters under the representation of PEPE'S as shown in the opponent's earlier UK mark.

8) Mr Sawyer provides turnover figures for the years 2010 to 2015. These show a growth from just over £2.5 million in 2010 to over £19.5 million in 2014. In the same period, marketing spend has risen from £30,000 to £200,000.

9) Exhibit CS8 consists of illustrations of branded packaging showing containers, including one for "Chich 'N' Rice" where a stylised word form of PEPE'S PIRI PIRI appears. Exhibit CS12 consists of Internet extracts including extracts from the *Just Eat* website where the opponent's restaurants are referred to by way of both the word and device mark and also the word mark

10) Mr Sawyer states that the opponent currently has 43 franchises to third parties. A copy of its franchise prospectus is provided at Exhibit CS9.

## **DECISION**

11) Sections 5(2)(b) of the Act is as follows:

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

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

## **Comparison of goods and services**

12) The respective goods and services are as follows:

<b>Opponent's goods and services</b>	<b>Applicant's services</b>
<p><b>Class 29:</b> <i>Meat, fish, poultry and game; poultry products; chicken products; fried chicken; roasted chicken; baked chicken; cooked chicken; burgers; meat burgers, fish burgers; poultry burgers, chicken burgers; game burgers; pork burgers; lamb burgers; meat salads; fish salads; poultry salads; chicken salads; game salads; fruit salads; vegetable salads; potato salads; prepared salads; prepared meals consisting wholly or mainly of chicken; prepared snacks or meals; meat extracts; preserved, frozen, dried or cooked fruits and vegetables; jellies, jams, compotes; milk; milk products or milk preparations; edible oils or fats; foods prepared from meat, beef, lamb, pork, fish, chicken or poultry products; sandwich fillings; eggs, cheese, pickles, milk based desserts; yogurt based desserts; cooked or frozen foods, all containing chicken; snack foods containing chicken; prepared snacks or meals containing chicken or poultry.</i></p> <p><b>Class 30:</b> <i>Coffee, cocoa, chocolate, rice, tapioca, sago, artificial coffee, coffee substitutes; sugar; tea; flour and preparations made from cereals, pastry or confectionery; pastries; confectionary; rolls, biscuits, breads, cakes; ices; honey, treacle; yeast, baking-powder; salt; vinegar; sauces; condiments; mustard; spices; ice; edible sandwiches, meat sandwiches, pork sandwiches, fish sandwiches, chicken sandwiches, beef sandwiches, lamb sandwiches; sandwiches containing salads; pitta bread; pitta bread sandwiches; pitta bread sandwiches containing chicken; pitta bread sandwiches containing meat; pitta bread sandwiches containing fish; pitta bread sandwiches containing poultry; pitta bread sandwiches containing game; pitta bread sandwiches containing pork; pitta bread sandwiches containing lamb; pitta bread</i></p>	<p><b>Class 35:</b> <i>Advertising; business management; business administration; office functions; administration of the business affairs of franchises; advice in the running of establishments as franchises; advisory services relating to publicity for franchisees; franchising (Business advice relating to -); services rendered by a franchisor, namely, assistance in the running or management of industrial or commercial enterprises; management advisory services related to franchising; business advisory services relating to the setting up of restaurants; business advisory services relating to the running of restaurants; business administration in the field of transport and delivery; retail and wholesale services in relation to meat, fish, poultry and game, meat extracts, preserved, frozen, dried and cooked fruits and vegetables, jellies, jams, compotes, eggs, milk and milk products, coffee, tea, cocoa and artificial coffee, rice, tapioca and sago, flour and preparations made from cereals, bread, pastry and confectionery, edible ices, sugar, honey, treacle, yeast, baking-powder, salt, mustard, vinegar, sauces (condiments), spices, ice, grains and agricultural, horticultural and forestry products, live animals, fresh fruits and vegetables, seeds, natural plants and flowers, beers, mineral and aerated waters and other non-alcoholic beverages, fruit beverages and fruit juices, syrups and other preparations for making beverages, alcoholic beverages (except beers), pizza, cheeses, tomato, tomato puree, tomato sauce, tomato pizza sauce, mozzarella, salami, onion, oregano, sausages, mushrooms, chili flakes, ham, brie, egg, spinach, parmesan, olives, capers, anchovies, gorgonzola, tuna, red onions, piadina, pastas, chicken, bacon, pesto, and beef minced meat; information, advisory and consultation services relating to all of the above.</i></p>

*sandwiches containing salad; wraps, meat wraps, pork wraps, fish wraps, chicken wraps, beef wraps, lamb wraps; snack foods; prepared snacks or meals; salad dressings; seasonings; pasta salads.*

**Class 35:** *Business consultancy in relation to franchising; business consultancy services associated with franchising restaurants, cafes, cafeterias, coffee shops, bars, restaurants, snack bars, catering or other establishment or facilities engaged in providing food or drinks; business operation of cafes, cafeterias, coffee shop, snack bars, catering, restaurants or other establishments or facilities engaged in providing food or drinks prepared for consumption; business consultancy services associated with operating cafes, cafeterias, coffee shops, bars, restaurants, snack bars, catering or other establishment or facilities engaged in providing food or drinks.*

**Class 43:** *Restaurant; services for providing food and drink; bar services; restaurant services; cafes, cafeterias, coffee shop, snack bars, catering, restaurants or other establishments or facilities engaged in providing food or drinks prepared for consumption.*

**Class 43:** *Services for providing food and drink; takeaway services; take-out restaurants; fast food restaurant services; restaurant services; restaurant services incorporating licensed bar facilities; restaurants; self service restaurants; take-out restaurant services; catering for the provision of food and beverages; contract food services; corporate hospitality (provision of food and drink); restaurants providing Italian cuisine; information, advisory and consultation services relating to all of the above.*

13) In its written submissions, the applicant sensibly concedes that the respective Class 43 services are identical or similar. Further, it also conceded that the following of its Class 35 services are identical or similar:

*...; administration of the business affairs of franchises; advice in the running of establishments as franchises; advisory services relating to publicity for franchisees; franchising (Business advice relating to -); services rendered by a franchisor, namely, assistance in the running or management of industrial or commercial enterprises; management advisory services related to franchising;*



*business advisory services relating to the setting up of restaurants; business advisory services relating to the running of restaurants;...; information, advisory and consultation services relating to all of the above.*

14) In respect to *business management; business administration* the applicant submits that these are broad terms that cover a number of independent sub-categories many of which are dissimilar to the limited services of the opponent's earlier mark. It therefore reserved the right to restrict these terms, however, despite being given an opportunity to provide a fall-back specification in the IPO letter dated 13 April 2016, it has not provided a fall back specification. In respect of *business administration*, this includes services that it has already conceded by the applicant as being similar or identical to the opponent's services, namely its *administration of the business affairs of franchises*. Therefore, its *business administration* shares at least the same level of similarity to the opponent's services as its more specific term. In respect of its term *business management* this includes services that may be provided as part of *business consultancy services in relation to franchising and business consultancy services associated with operating cafes, cafeterias, coffee shops... [etc]* and consequently they both cover identical services.

15) In respect of the applicant's *Advertising*, the opponent submits that it should be considered identical to *business consultancy* because the primary objective of a business consultant is to increase exposure of the customer's brand. Whilst I do not dispute that such business consultants may attempt to increase exposure of the brand, they are not in the business of advertising but rather the business of providing business consulting services. A potential customer seeking out advertising services will approach an advertising agency or similar to access such services, therefore, the trade channels are different when procuring advertising services than when procuring business consulting services. The purpose of business consultancy and that of advertising are different. A business consultant will provide advice and support to a business whereas someone providing advertising will design and implement promotional activity for its client. Taking all of this into account, I conclude there is very little, if any similarity.

16) The applicant's *office functions* are services of undertaking activities relating to the normal function of an office and will normally involve procuring personnel skilled in such activities. This is different to the provision of business consultancy or franchising covered by the opponent's specification. Once again, I conclude that there is very little, if any similarity.

17) The applicant's term *business administration in the field of transport and delivery* is not covered by the opponent's specification. The opponent's specification does include *business consultancy services* in the field of franchising and the operation of food and drink outlets such as cafes and restaurants. Whilst the core of all these services is highly similar they are targeted at generally different types of trader. However, the applicant's *business consultancy services* in the field of franchising includes *business consultancy services* in the field of transport and delivery franchising and as such, there is a high level of similarity. There will be an overlap of consumers, the nature of the services is the same, as is the intended purpose. I conclude that there is reasonable similarity between these services.

18) Finally, I turn to consider the similarity of the opponent's goods and services with the following of the applicant's Class 35 services:

*retail and wholesale services in relation to meat, fish, poultry and game, meat extracts, preserved, frozen, dried and cooked fruits and vegetables, jellies, jams, compotes, eggs, milk and milk products, coffee, tea, cocoa and artificial coffee, rice, tapioca and sago, flour and preparations made from cereals, bread, pastry and confectionery, edible ices, sugar, honey, treacle, yeast, baking-powder, salt, mustard, vinegar, sauces (condiments), spices, ice, grains and agricultural, horticultural and forestry products, live animals, fresh fruits and vegetables, seeds, natural plants and flowers, beers, mineral and aerated waters and other non-alcoholic beverages, fruit beverages and fruit juices, syrups and other preparations for making beverages, alcoholic beverages (except beers), pizza, cheeses, tomato, tomato puree, tomato sauce, tomato pizza sauce, mozzarella, salami, onion, oregano, sausages, mushrooms, chili flakes, ham, brie, egg, spinach, parmesan, olives, capers, anchovies, gorgonzola, tuna, red onions, piadina, pastas, chicken, bacon,*

*pesto, and beef minced meat; information, advisory and consultation services relating to all of the above*

19) The applicant's services can be paraphrased as the retail and wholesale of food and beverages. The opponent's earlier mark includes goods in both Class 29 and 30 and include a broad range of food and beverages. In *Oakley, Inc v OHIM*, Case T-116/06, at paragraphs 46-57, the General Court ("the GC") held that although retail services are different in nature, purpose and method of use to goods, retail services for particular goods may be complementary to those goods, and distributed through the same trade channels, and therefore similar to a degree.

20) In *Tony Van Gulck v Wasabi Frog Ltd*, Case BL O/391/14, Mr Geoffrey Hobbs Q.C. as the Appointed Person reviewed the law concerning retail services v goods. He said (at paragraph 9 of his judgment) that:

"The position with regard to the question of conflict between use of **BOO!** for handbags in Class 18 and shoes for women in Class 25 and use of **MissBoo** for the Listed Services is considerably more complex. There are four main reasons for that: (i) selling and offering to sell goods does not, in itself, amount to providing retail services in Class 35; (ii) an application for registration of a trade mark for retail services in Class 35 can validly describe the retail services for which protection is requested in general terms; (iii) for the purpose of determining whether such an application is objectionable under Section 5(2)(b), it is necessary to ascertain whether there is a likelihood of confusion with the opponent's earlier trade mark in all the circumstances in which the trade mark applied for might be used if it were to be registered; (iv) the criteria for determining whether, when and to what degree services are 'similar' to goods are not clear cut."

21) However, on the basis of the European courts' judgments in *Sanco SA v OHIM*<sup>1</sup>, and *Assembled Investments (Proprietary) Ltd v. OHIM*<sup>2</sup>, upheld on appeal in

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<sup>1</sup> Case C-411/13P

<sup>2</sup> Case T-105/05, at paragraphs [30] to [35] of the judgment

*Waterford Wedgwood Plc v. Assembled Investments (Proprietary) Ltd*<sup>3</sup>, Mr Hobbs concluded that:

- i) Goods and services are not similar on the basis that they are complementary if the complementarity between them is insufficiently pronounced that, from the consumer's point of view, they are unlikely to be offered by one and the same undertaking;
- ii) In making a comparison involving a mark registered for goods and a mark proposed to be registered for retail services (or vice versa), it is necessary to envisage the retail services normally associated with the opponent's goods and then to compare the opponent's goods with the retail services covered by the applicant's trade mark;
- iii) It is not permissible to treat a mark registered for 'retail services for goods X' as though the mark was registered for goods X;
- iv) The General Court's findings in *Oakley* did not mean that goods could only be regarded as similar to retail services where the retail services related to exactly the same goods as those for which the other party's trade mark was registered (or proposed to be registered).

22) Ms Anna Carboni, sitting as the Appointed Person in *GIANT Trade Mark*, BL O-264-14 considered whether the hearing officer in that case was correct to rely upon *Oakley* when finding similarity between clothing (that includes clothing for cycling) and the retailing of bicycles. As Ms Carboni noted, at paragraph 27, that the GC had held that in respect of the "retail of clothing" on the one hand and "clothing" on the other, that the nature, purpose and method of use were different and that any finding of similarity would rest on different factors. Further, at paragraph 31, Ms Carboni observed that in this modern age, retail outlets, particularly online outlets sell "almost anything" and cautioned the tribunal in giving undue weight to the existence of an overlap in channels to distribution.


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<sup>3</sup> Case C-398/07P

23) In the current case, the retail services applied for relate to a wide range of foods and beverages. The opponents, on the other hand, have a broad range of Class 29 and Class 30 goods including *Meat, fish, poultry and game; preserved, frozen, dried or cooked fruits and vegetables; jellies, jams, compotes; milk; milk products; foods prepared from meat, chicken eggs, Coffee, cocoa, rice, tapioca, sago, artificial coffee, flour and preparations made from cereals, pastry or confectionery; confectionary; breads, ices; honey, treacle; yeast, baking-powder; salt; vinegar; sauces; condiments; mustard; spices; ice* all being the subject of the retail and wholesale services of the applicant. Here, the similarity goes beyond the respective goods and services being provided merely from a common retail environment. The provider of food and beverage products may operate its own retail outlets to retail its own goods. Therefore, the distribution channels may be the same. The consumer may, therefore, consider that a single undertaking is responsible for both the goods and the services. Taking this into account, I conclude that the applicant's retail and wholesale services shares some similarity with the opponents' food and beverage goods. However, I accept that the nature, intended purpose and method of use are different and that, consequently, the similarity is not of the highest.

**Comparison of marks**

24) The respective marks are:

Opponent's mark	Applicant's marks
PEPE'S PIRI PIRI	

25) It is clear from the judgment of Court of Justice of the European Union (“the CJEU”) in *Sabel BV v Puma AG*, Case C-251/95 (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. The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

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

26) It would be wrong, therefore, to artificially dissect the trade marks, although, it is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.

27) The opponent’s mark consists of the words PEPE’S PIRI PIRI. The PIRI PIRI element has a meaning relevant to the goods and services because it indicates a “very hot sauce made with red chilli peppers”<sup>4</sup>. As a consequence of this meaning, PIRI PIRI is of no distinctive character in respect of foodstuffs flavoured with piri piri and a low level of distinctive character in respect of other foodstuffs and beverages and the services listed. As a result of this, it is the word PEPE’S that is the dominant and distinctive element of the mark.

28) The applicant’s first mark consists of the lowercase letters “pe pe” in addition to a “:” element (“the colon element”) appearing at the end of the letters. The first “pe”

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<sup>4</sup> Oxford Dictionary of English:  
<http://www.oxfordreference.com/search?btog=chap&isQuickSearch=true&q=piri+piri&type=englishdictionaries>

element is presented in white and the second “pe” and the colon element presented in the colour green. All these elements appear on a black background. When considering the mark as a whole the black background and the colon element contribute little to the distinctive character of the mark and it is the “pe pe” element that is the dominant and distinctive element. In respect of the applicant’s second mark, the black background is extended in width to accommodate the descriptive words ITALIAN STREET FOOD appearing in small letters to the right of the “pe pe:” elements. Because of the descriptive nature of the term, it does not disturb my finding that the “pe pe” element is the dominant and distinctive element of this mark also.

29) Visually, the marks share similarity because of the common occurrence of the letters P-E-P-E appearing in the same order prominently within the marks. In all other respects, the marks are different with the opponent’s mark containing a possessive “s” and the words PIRI PIRI that is absent in the applicant’s marks and with the visual presentation, colour and additional elements present in the applicant’s marks being absent in the opponent’s mark. The applicant submits that the stylisation of the PEPE element of its mark, together with the presence of the colon makes its mark completely distinct from the opponent’s mark. I accept that it is a difference, but do not agree that it makes it “completely distinct”. Further, I do not agree with the applicant when it submits that the shading of the letters in its mark will result in it being perceived as PE PE rather than the name PEPE. Despite this shading, the overall impression created by this element of the mark is the name PEPE. I find that the dominance of the letters P-E-P-E in all three marks creates a moderately high level of similarity, even when factoring in the differences between the marks.

30) Aurally, the opponent’s mark will be expressed as PEP-AYS-PIR-EE-PIR-EE. The applicant’s marks, despite the colour separation of the “pe” and “pe” elements will still be perceived as the first name “Pepe” and will, therefore, be expressed in the identical way as the corresponding element of the opponent’s mark. The remaining elements of the applicant’s marks are not likely to be expressed. Taking this into account and also that the opponent’s mark consists of the possessive form of PEPE, I find that the marks share a moderately high level of aural similarity.

31) Conceptually, I have already commented that both parties' marks contain the first name "Pepe". This creates, in the minds of the consumer, a male person of non-British origin. The common occurrence of this name in all the marks provides some conceptual similarity. The opponent's mark also contains the words PIRI PIRI that will be perceived as a reference to hot chillies or a hot chilli sauce of some kind. This concept is absent in the applicant's marks. The second of the applicant's marks also contains the words ITALIAN STREET FOOD that creates a concept absent in the opponent's mark. The other embellishments present in the applicant's marks do not contribute to any conceptual identity. Taking all of this into account, I conclude that the applicant's first mark and opponent's mark share a moderately high level of conceptual similarity. The level is reduced slightly when considering the opponent's mark and the applicant's second mark because of the additional concept conveyed by the phrase ITALIAN STREET FOOD, but the occurrence of PEPE in both marks results in a moderate level of conceptual similarity.

#### **Average consumer and the purchasing act**

32) The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer, Case C-342/97*.

33) In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

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



34) The parties' respective services fall into two broad categories. Firstly, there is the business services associated with running and franchising restaurants. Such services are provided to other businesses and consequently will involve a more considered purchase and likely to involve meetings and communication between the parties before a purchase is made. The level of care and attention is therefore reasonably high.

35) The second broad category of goods and services are, what I will collectively call, the retail and provision of food and drink. Here, the consumer is likely to be members of the general public. Such goods and services are generally inexpensive and the level of care and attention paid during the purchasing act is not particularly high, however, I recognise that some restaurants can be more expensive and would require a greater degree of care and attention. The nature of the purchasing act will often be visual, with the establishment being identified by its signage or print and online advertising, but I don't ignore that aural considerations may play a part in the purchasing process.

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

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

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

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been

registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

37) The opponent's mark consists of the possessive form of the name PEPE and the term PIRI PIRI. This term describes a hot pepper sauce and therefore has a known meaning in respect of foodstuffs. Consequently, it is of low or no distinctive character when used in respect of foodstuffs that may contain such a sauce and remains allusive in respect of food-related services and foodstuffs and beverages not containing hot peppers. PEPE, being a name is not endowed with a particularly high level of distinctive character. When the mark as a whole is considered, I conclude it has a moderate level of inherent distinctive character.

38) The Opponent claims that its mark benefits from an enhanced level of distinctive character as a result of the use made of it. The evidence illustrates that the opponent has 43 restaurants in the UK. The exhibits that accompany the statement illustrate that the mark used consists of a background as that in the opponent's UK mark, the word PEPE'S in a more traditional typeface to that shown in the UK mark and with the addition of the words PIRI PIRI appearing in smaller letters below the word PEPE'S and with a device of a cartoon chicken appearing to the left of these elements. The applicant contends that the mark registered is not the mark used and that there is no evidence of the size of the relevant market and what market share the opponent enjoys. On the first point, the mark PEPE'S PIRI PIRI retains its character within the mark as used and I accept that it demonstrates that the word mark has acquired an enhanced distinctive character through use. In addition, the evidence includes examples of where a word version of the mark is used to identify the opponent's restaurants and foodstuffs available in these restaurants (see Exhibit CS8 where examples of branded packaging is shown including a container for "Chich 'N' Rice" where a stylised word form of PEPE'S PIRI PIRI appears and Exhibit CS12 that includes extracts from the *Just Eat* website where the opponent's

restaurants are referred to by way of both the word and device mark and also the word mark).

39) On the second point, the opponent has not provided market share figures but it has disclosed turnover increasing from £2.5 million in 2010 to over £19.5 million in 2014. In the same period, marketing spend rose from £30,000 to £200,000. Taking all of this together, I conclude that the opponent has established a presence in the UK and that this presence is of a size that will have resulted in some enhanced level of distinctive character. With it having 43 restaurants around the UK, it is established, in the market place, to the extent that it benefits from some level of enhanced distinctive character, even if this is not particularly great.

#### **GLOBAL ASSESSMENT – Conclusions on Likelihood of Confusion.**

40) The following principles are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.*, Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P:

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

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

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

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

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

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

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

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

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

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

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

41) I must adopt the global approach advocated by case law and take into account that marks are rarely recalled perfectly with the consumer relying instead on the

imperfect picture of them he has in kept in his mind (*Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V* paragraph 27). I must take into account all factors relevant to the circumstances of the case, in particular the interdependence between the similarity of the marks and that of the goods or services designated (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*).

42) I have found that that the respective marks share a moderately high level of aural and visual similarity and a moderate or moderately high level of conceptual similarity, that the majority of the respective goods and services are identical, similar, reasonably similar, or similar, but not to the highest level. I have also found that the purchasing process of the business to business type services will involve a reasonably high level of care and attention but that in respect of the goods and services aimed at the general public, the level of care and attention is not particularly high. I also keep in mind that I have found that the opponent's mark is endowed with a moderate level of distinctive character and that this has been enhanced through use, but not to any great extent.

43) When taking all of the above into account together with the fact that the words ITALIAN STREET FOOD (present in the applicant's second mark) and the words PIRI PIRI have obvious meanings that will be less memorable to the consumer, I find that there is a likelihood of confusion between the opponent's mark and both the applicant's marks. Despite acknowledging the visual differences, they will be seen as a reference to a person named PEPE and even if the relevant consumer notices the difference, they are still likely to assume that the respective goods and services originate from the same or linked undertaking where those goods and services are identical, similar or similar to a degree.

44) The oppositions fail in respect of where I have found no, or very little similarity between the respective goods and services and as such, the applicant's first application survives in respect of *advertising* and *office functions* in its Class 35 specification.

45) Therefore, regardless of whether there is an increased level of care and attention during the purchasing process (a point that makes confusion less likely), I am of the

view that a likelihood of confusion exists in respect of the following list of the applicant's goods and services:

**Class 35:** ...; *business management; business administration; ...; administration of the business affairs of franchises; advice in the running of establishments as franchises; advisory services relating to publicity for franchisees; franchising (Business advice relating to -); services rendered by a franchisor, namely, assistance in the running or management of industrial or commercial enterprises; management advisory services related to franchising; business advisory services relating to the setting up of restaurants; business advisory services relating to the running of restaurants; business administration in the field of transport and delivery; retail and wholesale services in relation to meat, fish, poultry and game, meat extracts, preserved, frozen, dried and cooked fruits and vegetables, jellies, jams, compotes, eggs, milk and milk products, coffee, tea, cocoa and artificial coffee, rice, tapioca and sago, flour and preparations made from cereals, bread, pastry and confectionery, edible ices, sugar, honey, treacle, yeast, baking-powder, salt, mustard, vinegar, sauces (condiments), spices, ice, grains and agricultural, horticultural and forestry products, live animals, fresh fruits and vegetables, seeds, natural plants and flowers, beers, mineral and aerated waters and other non-alcoholic beverages, fruit beverages and fruit juices, syrups and other preparations for making beverages, alcoholic beverages (except beers), pizza, cheeses, tomato, tomato puree, tomato sauce, tomato pizza sauce, mozzarella, salami, onion, oregano, sausages, mushrooms, chili flakes, ham, brie, egg, spinach, parmesan, olives, capers, anchovies, gorgonzola, tuna, red onions, piadina, pastas, chicken, bacon, pesto, and beef minced meat; information, advisory and consultation services relating to all of the above.*

**Class 43:** *Services for providing food and drink; takeaway services; take-out restaurants; fast food restaurant services; restaurant services; restaurant services incorporating licensed bar facilities; restaurants; self service restaurants; take-out restaurant services; catering for the provision of food and beverages; contract food services; corporate hospitality (provision of food*

*and drink); restaurants providing Italian cuisine; information, advisory and consultation services relating to all of the above.*

46) The oppositions fail in respect of the following Class 35 services:

*Advertising; office functions*

47) I should add, that the outcomes I have reached would not be disturbed if I discounted the enhanced distinctive character of the opponent's mark.

## **COSTS**

48) The opponent has been largely successful and is entitled to a contribution towards its costs, according to the published scale in Tribunal Practice Notice 4/2007. I take account that only the opponent filed evidence, but that both sides provided written submissions in lieu of a hearing. I award costs as follows:

Preparing statement and considering counterstatement	£300
Opposition fee	£200
Evidence	£500
Submissions in lieu of a hearing	£400
<b>Total:</b>	<b>£1400</b>

49) I order Pepe Limited to pay Pepe's Piri Piri Limited the sum of £1400 which, in the absence of an appeal, should be paid within 14 days of the expiry of the appeal period.

**Dated this 13<sup>th</sup> day of July 2016**

**Mark Bryant**  
**For the Registrar**  
**The Comptroller-General**