

O/689/21

TRADE MARKS ACT 1994

CONSOLIDATED PROCEEDINGS

IN THE MATTER OF APPLICATION NO. 3436004
BY OM SAI RAM RESTAURANTS LIMITED
IN CLASS 43

AND IN THE MATTER OF OPPOSITION THERETO
UNDER NO. 419259
BY FERNANDOS EXPRESS LTD

AND IN THE MATTER OF APPLICATION NO. 3436000
BY OM SAI RAM RESTAURANTS LIMITED
IN CLASS 43

AND IN THE MATTER OF OPPOSITION THERETO
UNDER NO. 419260
BY FERNANDOS EXPRESS LTD

AND IN THE MATTER OF REGISTRATION NO. 3319792
IN THE NAME OF FERNANDOS EXPRESS LTD
IN CLASS 43

AND AN APPLICATION FOR A DECLARATION OF INVALIDITY THERETO
UNDER NO. 503102
BY OM SAI RAM RESTAURANTS LIMITED

BACKGROUND AND PLEADINGS

1. On 13 October 2019, Om Sai Ram Restaurants Limited (“OSR”) applied to register the following trade mark in the UK, under application no. 3436004:



(“the 004 mark”)

2. On the same date, OSR also applied to register the trade mark **Fernando’s Grill** in the UK, under number 3436000 (“the 000 mark”).

3. Both marks were published for opposition purposes on 1 November 2019 and, under both applications, registration is sought for the following services:

Class 43: Services for providing food and drink; restaurant, bar and catering services; takeaway services; booking and reservation services for restaurants; information in relation to all the aforesaid services.

4. On 30 January 2020, Fernandos Express Ltd (“Fernandos”) opposed both applications. The oppositions are brought under section 5(2)(b) of the Trade Marks Act 1994 (“the Act”) and are directed against all the services listed at paragraph 3. Fernandos relies upon its UK registration number 3319792, which consists of the following trade mark:



(“the 792 mark”)

5. The 792 mark was filed on 22 June 2018 and became registered on 21 September 2018 in respect of *'restaurant services incorporating licensed bar facilities'* in class 43.

6. Fernandos contends that the competing trade marks are similar and that the respective services are either identical or similar, giving rise to a likelihood of confusion, including a likelihood of association.

7. OSR filed counterstatements denying the ground of opposition.

8. On 27 March 2020, OSR made an application to invalidate the 792 mark pursuant to section 47 of the Act. The application is based upon section 5(4)(a) of the Act. OSR relies upon its alleged earlier rights in the sign **Fernando's Grill**, as well as the following figurative sign:



9. It claims that the signs have been used throughout the UK since 2016 in respect of the following services:

Services for providing food and drink; restaurant, bar and catering services; takeaway services; booking and reservation services for restaurants; information in relation to all the aforesaid services.

10. OSR claims to have acquired substantial goodwill under the signs and submits that use of the 792 mark would constitute a misrepresentation to the public. OSR argues that this would result in damage to its business.

11. Fernandos filed a counterstatement denying the ground of invalidation.

12. On 1 December 2020, the proceedings were consolidated pursuant to rule 62(g) of the Trade Marks Rules 2008.

13. OSR is professionally represented by Trade Mark Direct, whereas Fernandos represents itself. Both parties filed evidence in these proceedings, which will be summarised to the extent that it is considered necessary. Both parties were given the option of an oral hearing, though neither asked to be heard on this matter. Only OSR elected to file written submissions in lieu of a hearing. Whilst I do not intend to summarise these, I have taken them into consideration and will refer to them below, as and where necessary. This decision is taken following a careful perusal of the papers before me, keeping all submissions in mind.

14. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Act relied upon in these proceedings are derived from an EU Directive and, therefore, this decision continues to refer to the trade mark case law of the EU courts.

EVIDENCE

OSR's evidence

15. OSR's evidence in chief consists of the witness statement of Mr Murat Akin dated 6 January 2021, together with Exhibits 1 to 7 and 10 to 17, and the witness statement of Ms Mamatha Sheshadri Rao dated 6 January 2021.

16. Mr Akin confirms that he is the business owner of Fernandos Bar & Grill Ltd ("Bar & Grill") and has been appointed a company director on numerous occasions since its incorporation. He provides documents from Companies House relating to Bar & Grill.¹ These demonstrate that the company was incorporated on 19 February 2016. Mr Akin is listed as a shareholder. Mr Akin says that he was a director and the sole shareholder of the company at the filing date of the 792 mark.

¹ Exhibit 1 to the witness statement of Mr Akin

17. Mr Akin states that Bar & Grill traded under the name 'FERNANDO'S GRILL' in relation to restaurant and takeaway services since its incorporation. Unaudited financial statements for the years ending 28 February 2017, 28 February 2018 and 28 February 2020 are provided,² though profit and loss accounts are not included. A handwritten document described as a "takings list" is also exhibited.³ This suggests that, between 13 October 2016 and 31 November 2016, the company generated an income of £44,682. Several invoices relating to business expenses from 2016 are provided.⁴ Examples of advertising expenditure are also evidenced.⁵ These include invoices from More Radio Worthing dated 31 August 2016, 30 September 2016, 31 October 2016 and 30 November 2016 for radio and internet promotion at a cost of £514.80 per invoice. Invoices from Worthing Herald for newspaper advertisements on 27 October 2016, 3 November 2016 and 10 November 2016 are also included. These advertisements cost £180, £180 and £540, respectively. Further, invoices dated 22 October 2016 and 16 November 2016 from Here & Now, Worthing, are included; these relate to quarter page features in the November 2016 and December 2016 issues, which cost £96 per feature.

18. According to Mr Akin, a logo and a Facebook profile were created for the company by a third-party designer on 25 February 2016 and 6 July 2016, respectively. He provides email correspondence from the designer dated 17 August 2020.⁶ The email explains that Mr Akin asked them to create the brand for the company on 25 February 2016 and that this was handed over to him in September 2016 along with a website for the company. A Dropbox file containing the logos that were created as part of the brand appear in an attachment to the email, including the device present in the 792 mark. A print of the Facebook profile of 'Fernando's Grill & Steak House Restaurant' is evidenced.⁷ The page, which was created on 21 August 2018, has over 1,000 likes and over 1,000 followers. I note that the profile of 'Fernandos Express' is included under 'Related Pages'. A print of this profile is also included in the evidence.⁸ The

² Exhibit 2

³ Exhibit 2

⁴ Exhibit 17

⁵ Exhibits 16 & 17

⁶ Exhibit 5

⁷ Exhibit 7

⁸ Exhibit 7

page was created on 6 July 2016 and has over 2,000 likes and followers; the 792 mark appears to be used as the profile picture. Prints of the website at fernandosgrill.co.uk are provided.⁹ The words 'FERNANDO'S GRILL' are visible in the same font that is used in the 004 mark, the 792 mark and the earlier figurative sign. The device from these marks is also on the webpage. Further, a photograph of the exterior of a restaurant is visible; the signage consists of the 004 mark/earlier figurative sign, though presented on an orange background. A print from the Wayback Machine suggests that the website was active between 27 April 2017 and 19 September 2020.¹⁰ Payment schedules for fernandosgrill.co.uk and fernandosgrillandsteakhouse.co.uk are provided.¹¹ These show regular payments for the domains between 7 July 2016 and 21 August 2020. An order page for the restaurant at fernandosgrill.orderyoyo.co.uk is also exhibited,¹² which contains the words 'Fernando's Grill Worthing'.

19. OSR was incorporated on 7 May 2019.¹³ Mr Akin says that, in October 2019, he sold the restaurant business and its goodwill to OSR. He provides a deed relating to the sale.¹⁴ The document is dated 29 October 2019 and demonstrates that Bar & Grill assigned the business of a licenced restaurant and associated goodwill to OSR for the sum of £15,000 on this date. However, I note that the deed is only signed on behalf of Bar & Grill, i.e. it is not signed on behalf of OSR. Mr Akin claims that, since purchasing the business, OSR have continued to trade under the name 'Fernando's Grill' and the 004 mark/earlier figurative sign.

20. Mr Akin outlines that the restaurant has received a number of reviews between 2016 and 2020. Prints from Tripadvisor containing customer reviews dated 15 October 2016 to 17 October 2020 are provided.¹⁵ A large majority of the reviewers appear to be local to the Worthing area. Many of the reviews are positive. At the date of obtaining the prints, there were 309 reviews for the restaurant on Tripadvisor. Reviews for the

⁹ Exhibit 6

¹⁰ Exhibit 6

¹¹ Exhibit 13

¹² Exhibit 6

¹³ Exhibit 3

¹⁴ Exhibit 4

¹⁵ Exhibit 14

restaurant on Google are also exhibited,¹⁶ which show that it has an average five-star rating from 378 reviews. The date indicators for the reviews (for example, “4 years ago”) would place them within the period described by Mr Akin. One of the prints contains a map, showing the location of ‘Fernandos Express’; it is in close proximity to ‘Fernando’s Grill’.

21. Ms Sheshadri Rao explains that she is a business owner and director of OSR, a position she has held since 7 May 2019. Ms Sheshadri Rao confirms that OSR purchased the business and goodwill of the restaurant from Bar & Grill in October 2019. Moreover, she claims that OSR has continued to operate the business under the name ‘FERNANDO’S GRILL’ and the figurative mark since the purchase.

22. OSR also filed evidence in reply comprising the second witness statement of Ms Sheshadri Rao dated 25 June 2021, together with Exhibits 18 to 21. Ms Sheshadri Rao provides a copy of the deed of assignment dated 29 October 2019 signed by both Bar & Grill and OSR.¹⁷

Fernandos’ evidence

23. Fernandos’ evidence consists of the witness statement of Mr Ali Tembel dated 16 March 2021, together with Exhibit 1.

24. Mr Tembel confirms that he is the sole owner and director of the company with 100% shareholdings. The broad purpose of his statement is to provide his criticisms of OSR’s evidence in chief. Mr Tembel says that the setting up of Bar & Grill involved himself, Mr Akin and one other individual, but that he instigated the creation of the 792 mark by the third-party designer. In this regard, he provides email correspondence between him and the designer.¹⁸ In its email dated 30 March 2016, the designer sought confirmation from Mr Tembel as to whether he wanted to proceed with a particular logo. In his response dated 1 April 2016, Mr Tembel replied in the affirmative.

¹⁶ Exhibit 15

¹⁷ Exhibit 18

¹⁸ Exhibit 1 to the witness statement of Mr Tembel

Although the subject of the email was entitled “Re: FERNANDO’S LOGO 3A”, it does not include a representation of the logo.

PRELIMINARY REMARKS

25. I note that much of the evidence given by Mr Akin and Mr Tembel, as well as a large proportion of the parties’ written submissions in these proceedings, focuses on past business dealings between them. There are also references to other court cases and legal disputes in which they are (or have been) engaged, in addition to suggestions of “derogatory” online communications and accusations of underhand business practices.

26. Fernandos’ pleaded case is that there is a likelihood of confusion between OSR’s applied-for marks and its registration, which OSR denies. My assessments in relation to Fernandos’ claims must take into account only the applied-for marks – and their specifications – and any potential conflict with Fernandos’ registration.

27. As for OSR’s pleaded case, it claims that use of Fernandos’ registration would be contrary to the law of passing off. This is disputed by Fernandos. OSR’s claim requires that I assess whether any goodwill has been generated by its trading under the unregistered earlier rights and whether use of Fernandos’ registration would constitute a misrepresentation to the public, resulting in damage to OSR’s goodwill.

28. In determining each of these claims, I shall be guided by all relevant factors and the principles established in case law. However, I must clarify that the issues referred to above will not form part of my assessments and will, therefore, have no bearing on the outcome of this decision.

MY APPROACH

29. As the 792 mark is relied upon by Fernandos for the purposes of its oppositions, it is convenient to deal with OSR’s application for invalidation against the 792 mark first. I will then return to consider Fernandos’ oppositions, should it become necessary to do so.

APPLICATION TO INVALIDATE THE 792 MARK

Section 5(4)(a)

30. Section 5(4)(a) has application in invalidation proceedings by virtue of section 47 of the Act, the relevant parts of which read as follows:

“47. (1) [...]

(2) Subject to subsections (2A) and (2G), the registration of a trade mark may be declared invalid on the ground-

(a) [...]

(b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

[...]

(5) Where the grounds of invalidity exist in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.

(5A) An application for a declaration of invalidity may be filed on the basis of one or more earlier trade marks or other earlier rights provided they all belong to the same proprietor.

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made: Provided that this shall not affect transactions past and closed.”

31. Section 5(4)(a) of the Act states:

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

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, where the condition in subsection (4A) is met,

(aa) [...]

(b) [...]

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

32. Subsection (4A) of section 5 states:

“(4A) The condition mentioned in subsection (4)(a) is that the rights to the unregistered trade mark or other sign were acquired prior to the date of application for registration of the trade mark or date of the priority claimed for that application.”

33. In *Discount Outlet v Feel Good UK*, [2017] EWHC 1400 IPEC, Her Honour Judge Melissa Clarke, sitting as a deputy Judge of the High Court, conveniently summarised the essential requirements of the law of passing off as follows:

“55. The elements necessary to reach a finding of passing off are the ‘classical trinity’ of that tort as described by Lord Oliver in the *Jif Lemon* case (*Reckitt & Colman Product v Borden* [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

56. In relation to deception, the court must assess whether "*a substantial number*" of the Claimants' customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21)."

34. Halsbury's Laws of England Vol. 97A (2012 reissue) provides further guidance with regard to establishing the likelihood of deception. In paragraph 309 it is noted (with footnotes omitted) that:

"To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

(1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and

(2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

(a) the nature and extent of the reputation relied upon;

(b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;

(c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;

(d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.”

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.”

Relevant date

35. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O/410/11, Mr Daniel Alexander Q.C., sitting as the Appointed Person, endorsed the Registrar’s assessment of the relevant date for the purposes of section 5(4)(a) of the Act, as follows:

“43. In *SWORDERS TM* O-212-06 Mr Alan James acting for the Registrar well summarised the position in s.5(4)(a) proceedings as follows:

‘Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether

the position would have been any different at the later date when the application was made.”

36. There has been no claim by Fernandos that the 792 mark had been used prior to the earliest claimed use of OSR’s alleged earlier signs. Moreover, no such evidence has been adduced. Therefore, the relevant date for the assessment of OSR’s claim under section 5(4)(a) is the filing date of the 792 mark, that being 22 June 2018.

Goodwill

37. The first hurdle for OSR is to show that it had the necessary goodwill resulting from the trading activity relied on under the earlier signs at the relevant date. Goodwill was described in *Inland Revenue Commissioners v Muller & Co’s Margarine Ltd* [1901] AC 217 (HOL), in the following terms:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start.”

38. In *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 (HC), Pumfrey J. stated:

“27. There is one major problem in assessing a passing of claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent’s reputation extends to the goods comprised in the applicant’s specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under s.11 of the 1938 Act (see *Smith Hayden & Co. Ltd’s Application (OVAX)* (1946) 63 R.P.C. 97 as qualified by *BALI Trade Mark* [1969] R.P.C. 472). Thus the evidence will include evidence from the trade as to reputation;

evidence as to the manner in which the goods are traded or the services supplied; and so on.

28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed to the relevant date. Once raised, the applicant must rebut the prima facie case. Obviously, he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of probabilities that passing off will occur.”

39. However, in *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat), Floyd J. (as he then was) stated that:

“[The above] observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be answered of passing off. I do not understand Pumfrey J to be laying down any absolute requirements as to the nature of evidence which needs to be filed in every case. The essential is that the evidence should show, at least prima facie, that the opponent's reputation extends to the goods comprised in the application in the applicant's specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application.”

Extent of goodwill

40. Goodwill arises as a result of trading activities. OSR's evidence is not without its limitations. For example, there is very little detail as to the turnover that was generated under the earlier signs prior to the relevant date. Financial statements have been provided which show that Bar & Grill's business assets increased from £8,024 in the year ending 28 February 2017 to £49,329 in the year ending 28 February 2018. However, profit and loss accounts are not included and, therefore, the statements do not provide a clear indication as to any turnover generated under the earlier signs. Moreover, evidence of use of the earlier signs is limited. Although the earlier signs can be seen in the prints from fernandosrestaurant.co.uk and the photograph of the

restaurant exterior, this evidence is undated and, therefore, cannot go to the position at the relevant date. I acknowledge that the website was created in July 2016 and the print from the Wayback Machine suggests it was active between 2017 and 2020. However, there is no evidence of whether the earlier signs were used on the website before the relevant date. Likewise, the prints from the restaurant's Facebook profile are undated and, in any event, suggest that the page was created on 21 August 2018, i.e. after the relevant date.

41. Notwithstanding the above, I am satisfied that OSR and, to a greater extent, Bar & Grill, had been trading prior to the relevant date. Although a handwritten "takings list" can only be attributed a limited degree of evidential weight, Mr Akin gives unchallenged evidence that the restaurant generated a turnover of over £40,000 between 13 October 2016 and 31 November 2016. The evidence also features invoices relating to Bar & Grill's business expenses in 2016, some of which relate to orders for foodstuffs and beverages; while these documents, taken in isolation, are not evidence of any particular services being rendered, they are at least suggestive that a restaurant was in operation. I note that the restaurant was promoted via local radio between August and November 2016 at a cost of over £1,500. Further, the restaurant was featured in local publications between October and December 2016 at a cost of over £1,000. Moreover, the restaurant received regular reviews from its customers between 2016 and the relevant date. The reviews are certainly indicative of an ongoing business. Overall, the reviews reference positive experiences at the restaurant from individuals local to the Worthing area. Taking the evidential picture as a whole into account, on balance, I am prepared to accept that there was a small, but nonetheless protectable, goodwill in the Worthing area in '*services for providing food and drink; restaurant services*' at the relevant date.

42. This finding does not, however, extend to '*takeaway services*'. The online ordering page for the restaurant suggests that the establishment may offer such services. There are also references to "delivery" and "collection" on the website. However, this evidence is undated and does not establish that these services were provided before the relevant date. Similarly, I am not satisfied that there was a protectable goodwill in '*booking and reservation services for restaurants*'. It is not uncommon in the trade for these services to be provided by third parties on behalf of restaurants and there is no

evidence that Bar & Grill or OSR provided this service prior to the relevant date. Finally, given that there is no evidence of any other services being provided under the earlier signs, I am not satisfied that goodwill has been established in respect of '*bar and catering services*' or any information services.

Distinctiveness of the earlier signs

43. The invoices for business expenses and promotional activities are, by and large, addressed to 'Fernando's Grill'. Moreover, the Tripadvisor page relates to 'Fernando's Grill Restaurant', while the Google reviews relate to 'Fernando's Grill and Steak House Restaurant'. On this basis, I am satisfied that the sign 'Fernando's Grill' was distinctive of the goodwill. However, I am not satisfied that the figurative earlier sign was distinctive of the goodwill. This is because there is no evidence of the sign being used prior to the relevant date. The limited instances of the sign (or similar signs) which appear in the evidence – such as, for example, the restaurant signage and prints from the website – are all undated.

Ownership of the goodwill

44. The evidence refers to the operation of the restaurant by both Bar & Grill and OSR. The evidence includes a deed relating to the assignment of the restaurant business and any associated goodwill for the sum of £15,000. Although, as Fernandos has correctly identified, the deed provided by Mr Akin is not signed on behalf of OSR, the copy provided by Ms Sheshadri Rao is signed by representatives of both parties. Clearly, there was an agreement between the parties for Bar & Grill to assign ownership of the business and any goodwill vested in it to OSR. In light of the foregoing, I consider that ownership of the goodwill generated by Bar & Grill prior to the assignment was transferred to OSR upon the execution of the deed. OSR is, therefore, entitled to bring the case under section 5(4)(a) of the Act.

Misrepresentation and damage

45. In *Neutrogena Corporation and Another v Golden Limited and Another* [1996] RPC 473, Morritt L.J. stated that:

“There is no dispute as to what the correct legal principle is. As stated by *Lord Oliver of Aylmerton in Reckitt & Colman Products Ltd. v. Borden Inc.* [1990] R.P.C. 341 at page 407 the question on the issue of deception or confusion is

“is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the public will be misled into purchasing the defendants' [product] in the belief that it is the respondents' [product]”

The same proposition is stated in Halsbury's Laws of England 4th Edition Vol.48 para 148. The necessity for a substantial number is brought out also in *Saville Perfumery Ltd. v. June Perfect Ltd.* (1941) 58 R.P.C. 147 at page 175; and *Re Smith Hayden's Application* (1945) 63 R.P.C. 97 at page 101.”

And later in the same judgment:

“[...] for my part, I think that references, in this context, to “more than *de minimis*” and “above a trivial level” are best avoided notwithstanding this court's reference to the former in *University of London v. American University of London* (unreported 12 November 1993) . It seems to me that such expressions are open to misinterpretation for they do not necessarily connote the opposite of substantial and their use may be thought to reverse the proper emphasis and concentrate on the quantitative to the exclusion of the qualitative aspect of confusion.”

46. In *Lumos Skincare Limited v Sweet Squared Limited and others* [2013] EWCA Civ 590, Lloyd L.J. commented on the paragraph above as follows:

“64. One point which emerges clearly from what was said in that case, both by Jacob J and by the Court of Appeal, is that the “substantial number” of people who have been or would be misled by the Defendant's use of the mark, if the Claimant is to succeed, is not to be assessed in absolute numbers, nor is it applied to the public in general. It is a substantial number of the Claimant's actual or potential customers. If those customers, actual or potential, are small in number, because of the nature or extent of the Claimant's business, then the substantial number will also be proportionately small.”

47. OSR's goodwill is in relation to *'services for providing food and drink; restaurant services'*, while the 792 mark is registered in respect of *'restaurant services incorporating licensed bar facilities'*. The respective services are self-evidently identical. The 792 mark comprises the words 'FERNANDO'S EXPRESS' in a slightly stylised font below a device reminiscent of a rooster. It is considered that the word 'EXPRESS' is descriptive of a restaurant which serves food quickly, while the device is allusive of a restaurant which specialises in, or at least serves, chicken-based dishes. The word 'FERNANDO'S' is the most dominant and distinctive element of the mark. In respect of 'Fernando's Grill', the word 'Grill' is descriptive of a restaurant which serves grilled food. The word 'Fernando's' is the dominant and distinctive element of the sign. Overall, OSR's sign possesses a medium level of distinctive character. In my view, the resemblance between the 792 mark and 'Fernando's Grill' is, when taken in combination with the identity of the services and OSR's goodwill, sufficient to cause a substantial number of OSR's customers or potential customers to assume that Fernandos' services are OSR's or that there is an economic connection between the parties, i.e. that the 792 mark is a brand extension of 'Fernando's Grill' used in relation to an establishment focusing on serving food quickly. Consequently, I find that use of the 792 mark would have constituted a misrepresentation to the public at the relevant date. Given that the parties operate in precisely the same field of activity, this misrepresentation is liable to cause damage to OSR's business through the diversion of sales.

48. Despite the fact that the goodwill shown in evidence is less than national – being predominantly, if not exclusively, limited to the Worthing area – that does not prevent OSR’s claim succeeding; the 792 mark is a UK registration which may notionally be used in this same geographic area.¹⁹ In fact, there is evidence to suggest that Fernandos operates, or intends to operate, in close proximity to OSR’s establishment.

Conclusion

49. I conclude that use of the 792 mark at the relevant date would have been contrary to the law of passing off. Therefore, OSR’s application to invalidate the 792 mark succeeds.

OVERALL OUTCOME

50. OSR’s application to invalidate the 792 mark under section 5(4)(a) of the Act has been successful. In accordance with section 47(6) of the Act, Fernandos’ registration is deemed to have never been made.

51. Having been invalidated, Fernandos’ mark cannot be relied upon in its oppositions against OSR’s applications. As a consequence, the oppositions under section 5(2)(b) of the Act are dismissed. The 004 mark and the 000 mark will proceed to registration.

¹⁹ *Caspian Pizza Ltd v Shah* [2017] EWCA (Civ) 1874

COSTS

52. As OSR has been successful, it is entitled to a contribution towards its costs based upon the scale published in Tribunal Practice Notice 2/2016. In the circumstances, I award OSR the sum of £1,400 as a contribution towards the cost of the proceedings. The sum is calculated as follows:

Preparing a statement in the invalidation proceedings and preparing counterstatements in the opposition proceedings	£300
Preparing evidence and considering Fernandos' evidence	£600
Preparing written submissions	£300
Official fee for filing Form TM26(I)	£200
Total	£1,400

53. I therefore order Fernandos Express Ltd to pay Om Sai Ram Restaurants Limited the sum of £1,400. This sum should be paid within twenty-one days of the expiry of the appeal period or, if there is an appeal, within twenty-one days of the conclusion of the appeal proceedings (subject to any order of the appellate tribunal).

Dated this 22nd day of September 2021

James Hopkins
For the Registrar
The Comptroller-General