

O-075-14

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION Nos. 2615669, 2622907 & 2622913
BY TOKYO AKAFUDAYA LTD T/A EAT TOKYO
TO REGISTER THREE TRADE MARKS
IN CLASSES 41 & 43
AND**

**IN THE MATTER OF CONSOLIDATED OPPOSITIONS
THERE TO UNDER No. 104019, 104248 & 104249 BY
TOKYO INDUSTRIES LIMITED**

BACKGROUND

1) On 27 March 2012 (2615669) and 29 May 2012 (2622907 & 2622913) Tokyo Akafudaya Ltd t/a Eat Tokyo (hereinafter the applicant) applied to register the following trade marks.

Number	Mark	Class	Specification
2615669	 <i>Fresh on your table</i>	41	Education; providing of training; entertainment; sporting and cultural activities.
		43	Services for providing food and drink; restaurant, bar and catering services; booking and reservation services for restaurants.
2622907	EAT TOKYO	41	Education and training all in relation to cooking, catering and restaurant services.
		43	Services for providing food and drink; restaurant, bar and catering services.
2622913	 eat TOKYO	41	Education and training all in relation to cooking, catering and restaurant services.
		43	Services for providing food and drink; restaurant, bar and catering services.

2) The applications were examined and accepted, and subsequently published for opposition purposes on 27 July 2012 (2615669) and 21 September 2012 (2622907 & 2622913) in Trade Marks Journal Nos.6950 and 6958 respectively.

3) On 30 October 2012 (2615669) and 21 December 2012 (2622907 & 2622913) Tokyo Industries Limited (hereinafter the opponent) filed notices of opposition. The grounds of the oppositions are in summary:

a) The opponent is the proprietor of the following trade mark:

Mark	Number	Date of application / registration	Class	Specification relied upon
TOKYO	2361608A	22.04.04 25.03.05	41	Nightclub services; information, advisory and consultancy services relating to all the aforesaid services.
			43	Bar, restaurant and catering services; nightclub services included in this Class; public house services; information, advisory and consultancy services relating to the aforesaid services.
TOKYO PROJECT	2361608B	22.04.04	41	Nightclub services; information, advisory and consultancy services relating to all the aforesaid

TOKYO PROJECT A series of two marks		01.04.05		services.
			43	Bar, restaurant and catering services; nightclub services included in this Class; public house services; information, advisory and consultancy services relating to the aforesaid services.
TOKYO INDUSTRIES	2361608C	22.04.04 03.12.04	41	Nightclub services; information, advisory and consultancy services relating to all the aforesaid services.
			43	Bar, restaurant and catering services; nightclub services included in this Class; public house services; information, advisory and consultancy services relating to the aforesaid services.
TOKYO PROJECT	2402177	22.09.05 24.03.06	41	Entertainment services; nightclub services; production, distribution and promotion services in the field of musical recordings and entertainments; music publishing services; artist management services; recording studio services; information, advisory and consultancy services relating to the aforesaid services.

b) The opponent contends that the marks in suit are confusingly similar to its registered trade marks as they all contain the distinctive and dominant element TOKYO, and that the services are similar. The marks in suit therefore offend against Section 5(2)(b) of the Act.

c) The opponent also contends that it has used the mark TOKYO in relation to “Nightclub services; bar; restaurant and catering services; nightclub services included in this class; public house services; information, advisory and consultancy services relating to all the aforesaid services” in the UK since 1997. The opponent claims to have acquired reputation and goodwill under the trade mark TOKYO. The applicant’s marks all contain the distinctive and dominant element TOKYO and so use of the marks in suit would amount to passing off and as such the marks in suit offend against Section 5(4)(a) of the Act.

4) On 18 January 2013 (2615669) and 12 March 2013 (2622907 & 2622913) the applicant filed a counterstatement denying all the grounds. They put the opponent to strict proof of use of its mark, and also its reputation and goodwill in its marks. The applicant also contended that confusion will not occur as:

- the word “TOKYO” is not the distinctive or dominant element of its marks or indeed of the opponent’s marks;
- the word “TOKYO” is of low distinctive character in relation to the marks applied for as a whole particularly when considered in relation to the services applied for;
- the applicant has used its marks on a chain of Japanese restaurants in London for a number of years without any confusion occurring

5) Both sides filed evidence. Both parties seek an award of costs in their favour. The matter came to be heard on 23 January 2014 when the opponent was represented by Mr Freeman of Messrs Novagraaf UK; the applicant was represented by Mr Houlihan of Messrs Cleveland.

OPPONENT’S EVIDENCE

6) The opponent filed a witness statement, dated 17 May 2013 by Aaron Matthew Mellor the Managing Director of the opponent company, a position he has held for sixteen years. He states that his company operates a number of licensed nightclubs in the UK, six of which are under the TOKYO brand. The locations and dates of opening are as follows: Oldham 1997, Newcastle 2003, Huddersfield 2005, Bradford 2008, York 2010 and Lincoln 2011. He states that there are plans for additional venues. He states that typically each venue offers a nightclub, bar, restaurant (for food and snacks), music/sound rooms and spaces for live performances. In addition to various types of music and alcohol he states:

“Food is also available for purchase by patrons for consumption in the venue, from soups, salads and sandwiches to main dishes such as sirloin steak, beef stir fry, stuffed peppers.”

7) He also provides the following figures which relate to TOKYO venues in the UK:

Year	Number of venues	Gross Turnover £million	Promotion £
2007	3	7.6	356,996
2008	4	8.6	341,288
2009	4	11.3	628,613
2010	5	15.4	687,751
2011	6	16.6	642,447

8) Mr Mellor states that the opponent has mostly used the Tokyo mark in the following formats.



9) Mr Mellor also provides exhibit AMM which consists of ninety pages. Most are undated and most simply refer to the provision of nightclubs, the bars and drinks they serve, the sound systems used and music played within the nightclubs. There is very little mention of any catering on offer. The only instances are set out below:

- Page 30: This would appear to come from a website called the “Lincolnista”. It is dated 17 June 2011 and refers to plans to turn an old building in Lincoln into a “restaurant, bar and club”. It states that the Tokyo Industries website refers to a ground floor restaurant. It does mention that the plans depend on obtaining “grant finance” and does not provide even an estimate of when the venue might open.
- Page 36: This would appear to be a Mintel report dated January 2012 into UK nightclubs. It provides a broad overview of the industry but also gives a brief view of particular players within the industry. In its comments about Tokyo Industries, it also mentions the Lincoln site and states that there are plans to refurbish an old building into a nightclub, which include a restaurant.
- Page 39: This appears to still be from the Mintel report dated January 2012. The report into Tokyo Industries/Tokyo Group states that Tokyo operate under a number of different brands such as Digital, Tokyo, Tup Tup Palace, Fibbers, Bulletproof etc. It goes on: “A typical Tokyo late-night venue format comprises a nightclub, a bar, a restaurant (for food and snacks), music/sound rooms and spaces for live performances.” Also: “Many of the Tokyo-branded sites and other sites (such as Tup Tup Palace, Bulletproof and Vampire Bradford) are Grade II listed buildings with large event hosting spaces, VIP lounges/rooms and themed or style bars/clubs and restaurants.”
- Page 45: An undated menu card from the Tokyo Huddersfield which shows items of food such as salads, sandwiches, burgers and meals (sausage and mash; steak and chips etc) on offer. The menu has the white part flower emblem above the word TOKYO.
- Page 64: Undated, this could be a photocopy of two beer mats in the shape of a slice of bread which offers free toast with toppings after 1am at TOKYO York.

APPLICANT’S EVIDENCE

10) The applicant filed two witness statements. The first, dated 22 July 2013, is by Hiroshi Takayama the Managing Director of the applicant company, a position he has held since 2004. He explains his considerable experience in the restaurant industry. He states that he opened his first restaurant in Golders Green, London in 2006 under the EAT TOKYO and flower device. This offered authentic Japanese food and also a takeaway service. He states that a friend operated a magazine under this title and so he adopted the words for his restaurant and added the crest, which he describes as a white coloured five-petal bellflower within a black circle surrounded by a larger detached red circle. He states that he opened the following additional restaurants; Soho 2008 (this closed in January 2012), Notting Hill Gate 2010, Trafalgar Square 2011 and Holborn August 2012. He states that the restaurants are run by highly trained Japanese chefs who have years of experience in preparing authentic Japanese food. In addition the restaurants offer a selection of Japanese beverages both alcoholic and non-alcoholic.

11) Mr Takayama states that mark 2622913 has been used on all the restaurant signage including menus, wine lists etc since the first restaurant opened in 2006. Since 2011 it is also used on the company vans, plates and dishes used in the restaurants, bags and staff uniforms/badges. Mark 2615669 has been used since 2011 on business cards. Mark 2622907 is used on flags flying outside the premises and on till receipts. The company also has the domain name www.eattokyo.co.uk registered. He provides the following turnover and promotional figures for the restaurant chain in the UK for the financial years ending 31 March.

Year	Turnover £	Promotion £
2007	265,000	3,100
2008	225,000	1,955
2009	380,000	1,045
2010	470,000	1,385
2011	435,000	6,625

12) The promotional expenditure has been used on advertisements in magazines such as “Eat Japan” and “Japan Updates” which have combined annual circulations of approximately 140,000. He states that he is not aware of any confusion between the two parties. He also provides the following exhibits:

- HT1: Various documents which show that the restaurant in Golders Green was opened in 2006, under the 2622913 mark.
- HT5: Samples of use of the three marks. These show that the dates of first use are correct although a number of instances are after the application date and have not been taken into account.
- HT7: examples of magazine advertisements.

13) The second witness statement, dated 22 July 2013, is by Xiaohui Xu the Office Manager of the applicant company, a position he has held since May 2010. He states that he has access to the records of the applicant and has also used his own knowledge. He states that the company has five restaurants around London and that the clientele is made up of approximately 33% Japanese, 33% Chinese with the balance being European. Quite how he came to these figures, or how he differentiates between nationalities is not stated. He states that the applicant advertises in “Japan Updates” a newspaper distributed to the Japanese public in London as well as on local maps and in libraries. In addition it has given out a number of promotional items such as T-shirts key rings etc. He states that the restaurants have received a number of reviews on Tripadvisor and other such sites. He also provides the following exhibits:

- XX5: A list of ten other trade marks on the UK Register which have the word “TOKYO” as part of the mark and are registered for restaurant services in Class 43.

- XX6: This consists of an internet search conducted on 27 April 2012 which along with images from Google Streetview, appears to show that there are nine restaurants actually trading in the UK which have the word TOKYO as part of their name. These are: TOKYO SEASON; TOKYO JOE; TOKYO JOE YORK; TOKYO JOES; TOKYO CITY RESTAURANT; LITTLE TOKYO JAPANESE RESTAURANT; TOKYOU; TOKYOU NOODLE BAR and TOKYO DINNER. There is no evidence of turnover of any of these establishments, nor is it clear if they are in any way related to either of the two parties in the instant case, or have a form of licence with either party.

14) That concludes my summary of the evidence filed, insofar as I consider it necessary.

DECISION

15) The first ground of opposition based on section 5(2)(b) of the Act which reads:

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

- (a)
- (b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

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

16) An “earlier trade mark” is defined in section 6, the relevant part of which states:

“6.-(1) In this Act an “earlier trade mark” means -

- (a) a registered trade mark, international trade mark (UK) or Community trade mark which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks.”

17) The opponent is relying upon its trade marks listed in paragraph 3 above which are clearly earlier trade marks. The applicant requested that the opponent provide proof of use. Given the interplay between the date that the opponent’s mark was registered and the date that the applicant’s mark was published it is entitled to request such proof as per The Trade Marks (Proof of Use, etc) Regulations 2004, paragraph six of which states:

“6A Raising of relative grounds in opposition proceedings in cases of non-use.

(1) This section applies where-

- (a) an application for registration of a trade mark has been published,
- (b) there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and
- (c) the registration procedure for the earlier trade mark was completed before the start of the period of five years ending with the date of publication.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if-

- (a) within the period of five years ending with the date of publication of the application the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or
- (b) the earlier trade mark has not been so used, but there are proper reasons for non-use.

(4) For these purposes-

- (a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and
- (b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(5) In relation to a Community trade mark, any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Community.

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.

(7) Nothing in this section affects –

(a) the refusal of registration on the grounds mentioned in section 3 (absolute grounds for refusal) or section 5(4) (relative grounds of refusal on the basis of an earlier right), or

(b) the making of an application for a declaration of invalidity under section 47(2) (application on relative grounds where no consent to registration).”

18) I must first consider whether the opponent has fulfilled the requirement to show that genuine use of the mark has been made. In the instant case the publication date of the applications were 27 July 2012 and 21 September 2012, therefore the relevant periods for the proof of use are 28 July 2007 – 27 July 2012 (in respect of 2615669), and 22 September 2007 – 21 September 2012 (in respect of 2622907 and 2622913). When considering whether genuine use has been shown, I bear in mind the leading authorities on the principles to be applied, namely: the judgments of the CJEU in *Ansul BV v Ajax Brandbeveiliging BV* [2003] R.P.C. 40 (“*Ansul*”) and *Laboratoire de la Mer Trade Marks C-259/02* (“*La Mer*”). In *Stichting BDO and others v BDO Unibank, Inc and others* [2013] EWHC 418 (Ch), Arnold J commented on the case-law of the CJEU in relation to genuine use of a trade mark:

“In *SANT AMBROEUS Trade Mark* [2010] RPC 28 at [42] Anna Carboni sitting as the Appointed Person set out the following helpful summary of the jurisprudence of the CJEU in Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, Case C-259/02 *La Mer Technology Inc v Laboratories Goemar SA* [2004] ECR I-1159 and Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759 (to which I have added references to Case C-416/04 P *Sunrider v OHIM* [2006] ECR I-4237):

"(1) Genuine use means actual use of the mark by the proprietor or a third party with authority to use the mark: *Ansul*, [35] and [37].

(2) The use must be more than merely 'token', which means in this context that it must not serve solely to preserve the rights conferred by the registration: *Ansul*, [36].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end-user by enabling him, without any possibility of confusion, to distinguish the goods or services from others which have another origin: *Ansul*, [36]; *Sunrider*, [70]; *Silberquelle*, [17].

(4) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, i.e. exploitation that is aimed at maintaining or creating an outlet for the goods or services or a share in that market: *Ansul*, [37]-[38]; *Silberquelle*, [18].

(a) Example that meets this criterion: preparations to put goods or services on the market, such as advertising campaigns: *Ansul*, [37].

(b) Examples that do not meet this criterion: (i) internal use by the proprietor: *Ansul*, [37]; (ii) the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle*, [20]-[21].

(5) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including in particular, the nature of the goods or services at issue, the characteristics of the market concerned, the scale and frequency of use of the mark, whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them, and the evidence that the proprietor is able to provide: *Ansul*, [38] and [39]; *La Mer*, [22]-[23]; *Sunrider*, [70]-[71].

(6) Use of the mark need not always be quantitatively significant for it to be deemed genuine. There is no *de minimis* rule. Even minimal use may qualify as genuine use if it is the sort of use that is appropriate in the economic sector concerned for preserving or creating market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor: *Ansul*, [39]; *La Mer*, [21], [24] and [25]; *Sunrider*, [72]”

19) I must now consider the evidence filed and determine a fair specification for use in the comparison test. In determining a fair specification I take into account the approach set out by Mr Richard Arnold QC (as he was then) acting as the Appointed Person in O/262/06 (*NIRVANA*) where he said:

“58. I derive the following propositions from the case law reviewed above:

(1) The tribunal’s first task is to find as a fact what goods or services there has been genuine use of the trade mark in relation to during the relevant period: *Decon v Fred Baker* at [24]; *Thomson v Norwegian* at [30].

(2) Next the tribunal must arrive at a fair specification having regard to the use made: *Decon v Fred Baker* at [23]; *Thomson v Norwegian* at [31].

(3) In arriving at a fair specification, the tribunal is not constrained by the existing wording of the specification of goods or services, and in particular is not constrained to adopt a blue-pencil approach to that wording: *MINERVA* at 738; *Decon v Fred Baker* at [21]; *Thomson v Norwegian* at [29].

(4) In arriving at a fair specification, the tribunal should strike a balance between the respective interests of the proprietor, other traders and the public having

regard to the protection afforded by a registered trade mark: *Decon v Fred Baker* at [24]; *Thomson v Norwegian* at [29]; *ANIMAL* at [20].

(5) In order to decide what is a fair specification, the tribunal should inform itself about the relevant trade and then decide how the average consumer would fairly describe the goods or services in relation to which the trade mark has been used: *Thomson v Norwegian* at [31]; *West v Fuller* at [53].

(6) In deciding what is a fair description, the average consumer must be taken to know the purpose of the description: *ANIMAL* at [20].

(7) What is a fair description will depend on the nature of the goods, the circumstances of the trade and the breadth of use proved: *West v Fuller* at [58]; *ANIMAL* at [20].

(8) The exercise of framing a fair specification is a value judgment: *ANIMAL* at [20].”

20) The marks are registered for, inter alia, the following goods (note: the opponent, in its statement of grounds, only seeks to rely upon the class 41 services in respect of 2402177 even though it is also registered for class 43 services).

Mark	Number	specification
TOKYO	2361608A	In Class 41: Nightclub services; information, advisory and consultancy services relating to all the aforesaid services. In Class 43: Bar, restaurant and catering services; nightclub services included in this Class; public house services; information, advisory and consultancy services relating to the aforesaid services.
TOKYO PROJECT TOKYO PROJECT A series of two marks	2361608B	In Class 41: Nightclub services; information, advisory and consultancy services relating to all the aforesaid services. In Class 43: Bar, restaurant and catering services; nightclub services included in this Class; public house services; information, advisory and consultancy services relating to the aforesaid services.
TOKYO INDUSTRIES	2361608C	In Class 41: Nightclub services; information, advisory and consultancy services relating to all the aforesaid services. In Class 43: Bar, restaurant and catering services;

		nightclub services included in this Class; public house services; information, advisory and consultancy services relating to the aforesaid services.
TOKYO PROJECT	2402177	In Class 41: Entertainment services; nightclub services; production, distribution and promotion services in the field of musical recordings and entertainments; music publishing services; artist management services; recording studio services; information, advisory and consultancy services relating to the aforesaid services.

21) The applicant in its skeleton argument states:

“In respect of “nightclub services”, the applicant accepts that a number of nightclub venues have been operated by the opponent under the trade mark TOKYO and flower device. It is accepted that TOKYO and flower device does not differ in distinctive characteristics from TOKYO (word per se) (i.e. the mark the subject of registration no. 2361608A) and, as such, proof of use of TOKYO and flower device is satisfactory use of the word TOKYO per se. Nonetheless, our criticism of the opponent’s evidence is that it does not have anything like sufficient detail to satisfy an opponent’s burden in proving use of the trade marks TOKYO PROJECT or TOKYO INDUSTRIES and, critically to the opposition, in proving use of any of the trade marks (including TOKYO per se) in respect of restaurant and/or catering services.”

22) At the hearing Mr Houlihan also conceded that the opponent had shown use of the mark TOKYO and flower device in respect of “bar services”. I believe that such concessions are reasonable and show a correct reading of the evidence filed by the opponent. I concur that the opponent has provided no evidence of use of trade marks 2361608B (TOKYO PROJECT); 2361608C (TOKYO INDUSTRIES) or 2402177 (TOKYO PROJECT). I do not consider the use of the word TOKYO with the flower device can be said to be use of these three marks. However, I do not believe that this finding actually disadvantages the opponent as it seems clear to me that its best case clearly rests in its mark number 2361608A TOKYO. As the applicant has already accepted that the evidence of use is enough for “nightclub services” in Class 41 and “bar services” in Class 43 to be retained I must consider the remaining specification. There is no evidence that the opponent has provided any information, advisory or consultancy services in relation to nightclubs to other parties and so these services in Class 41 cannot be considered as part of the specification which will form part of the comparison test. I now turn to consider the remaining services in Class 43 which are: “In Class 43: Restaurant and catering services; nightclub services included in this Class; public house services; information, advisory and consultancy services relating to the aforesaid services.

23) I note that “nightclub services” in Class 41 do not encompass the provision of food and drink, whilst those same services in Class 43 do include the provision of food and drink. There is absolutely no evidence that any advice or consultancy services have been offered. Nor do I accept that “public house services” have been offered. There is a considerable difference between going into a public house for a drink and entering a nightclub and obtaining a drink at a bar. Public houses do not usually charge entrance fees whereas the average nightclub makes a charge simply to enter the premises. The nature of drinks offered, whilst mainly alcoholic, will also differ as will the clientele. This leaves the issue of whether food has been offered for sale under the TOKYO trade mark. Mr Mellor makes a categorical statement that food is offered in his nightclubs, but he does not specify that it is offered in those under the TOKYO trade mark. No turnover figures for food purchases have been provided, which would surely be available as most operations with a number of discreet operations under the same roof usually keep a close track on whether they are all profitable. Nor has any evidence been supplied regarding the purchase of food for the nightclubs to serve. A statement from a supplier or even invoices showing the purchase of the raw ingredients was surely within the opponent’s purview. There are mentions of plans to build a new facility in Lincolnshire which would include a restaurant, however, even though this facility appears to have been built no details of its restaurant, such as menus, staff employed, costs of the set up, etc have been provided. A menu card for the Huddersfield venue has been provided, but this is not referred to in Mr Mellor’s statement and it is not dated. Similarly, what I take to be beer mats offer toast at the York Tokyo venue but are again undated and not mentioned by Mr Mellor. Lastly, I look to the item which appears to be part of a Mintel report dated January 2012. Because of the way in which the exhibits have been filed it is not possible to be certain on this, but for the purposes here I will assume that this is the correct date. It refers to the operations of Tokyo Industries and states that it operates nightclubs under a variety of brands. Amongst other things it states that a “typical Tokyo late night venue format comprises a nightclub, a bar, a restaurant ...”. Given that the same report included the story of the forthcoming Lincoln venue, it is not clear if this was slightly anticipatory in that this was what the opponent had informed Mintel was their goal. It is certainly not enough to convince me that the opponent has overcome the burden upon it to prove use of its mark in relation to “nightclub services” or “Restaurant and catering services” in class 43. In forming this view I take into account that nightclub services in Class 43 include the provision of food and drink and the opponent has not shown use in regard of the provision of food. I believe that a reasonable specification would be “nightclub services in Class 41 and “bar services” in Class 43. It is this reduced specification that I shall use in the comparison test.

24) When considering the issues under Section 5(2) and the likelihood of confusion, I take into account the guidance from the settled case law provided by the CJEU in *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v Adidas AG & Adidas Benelux BV* [2000] E.T.M.R. 723, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH* C-120/04 and *Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM) C-334/05 P (*LIMONCELLO*). In *La Chemise Lacoste SA v*

Baker Street Clothing Ltd [ALLIGATOR O/333/10) Mr Hobbs QC acting as the Appointed Person set out the test shown below which was endorsed by Arnold J. in *Och-Ziff Management Europe Ltd and Oz Management Lp v Och Capital LLP; Union Investment Management Ltd & Ochocki*, [2010] EWCH 2599 (Ch).

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

(e) and beyond the usual case, where the overall impression created by a mark depends heavily on the dominant features of the mark, it is quite possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element in that mark;

(f) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa;

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

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

(i) 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;

(j) if the association between the marks causes the public to wrongly believe that the respective goods or services come from the same or economically linked undertakings, there is a likelihood of confusion.

25) I have limited the opponent's specification to Nightclub and bar services in Classes 41 and 43 respectively. Subsequent to the hearing the applicant sought to amend its specification for its mark 2622913 as follows:

Originally applied for	New specification
Education and training all in relation to cooking, catering and restaurant services.	Education and training all in relation to cooking, catering and restaurant services. Education and training all in relation to Japanese cooking, Japanese catering and Japanese restaurant services.
Services for providing food and drink; restaurant, bar and catering services.	Services for providing food and drink; restaurant, bar and catering services. Services for providing Japanese food and Japanese beverages; Japanese restaurant services; Japanese bar services; restaurant, bar and catering services in respect of Japanese cuisine.

26) As I explained to Mr Houlihan at the hearing the new specification does not limit the original in any fashion. I therefore reject the request to amend the specification. I will therefore consider the following specifications for both parties in determining the matter.

Applicant's specification	Opponent's specification
In Class 41: Education and training all in relation to cooking, catering and restaurant services.	In Class 41: Nightclub services
In Class 43: Services for providing food and drink; restaurant, bar and catering services.	In Class 43: Bar services

The average consumer and the nature of the purchasing process

27) I must now determine the average consumer for the services of the parties. To my mind the services of both parties would be aimed at the general public which would include businesses. Clearly, if one is looking for training in catering type services then I would expect that the prospective trainee be they an individual or business would research training providers in the subject matter before making a carefully considered choice. By contrast whilst a visit to a nightclubs, bars or restaurants will often be a considered event, organised before the actual date of the visit and possibly researched by use of computer sites such as Tripadvisor, they can also be chosen on the spur of the moment and with little forethought, simply being conveniently located at the time of need. The selection, whether made online or in person at the location via signage, is likely to be by eye. Whilst aural considerations must not be overlooked, word of mouth recommendations etc, it is the visual aspect of the competing trade marks that will dominate the selection process.

Comparison of services

28) The specifications of both parties are shown at paragraph 26 above. The accepted test for comparing goods is that set out by Jacob J. in *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 28 TREAT, which was effectively endorsed by the Advocate General in *Canon*; ETMR 1. The factors to be taken into account are:

- a) The respective uses of the respective goods;
- b) The respective users of the respective goods;
- c) The physical nature of the goods;
- d) The respective trade channels through which the goods reach the market;
- e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be found on the same or different shelves;
- f) The extent to which the respective goods are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods in the same or different sectors.

29) I was referred to the case number O-093-10 (TAO ASIAN BISTRO) and the subsequent appeal under number O-004-11; and also case number O-428-12 (ROCK RENAISSANCE. I note that in case O-428-12 the restaurant services in class 42 were in relation to hotels and that neither party made specific representation in regard to the similarity between “Services relating to hotels, restaurants, bars, cocktail bars...” in Class 42 and “discotheque, night club services and cabaret services” in class 41. I therefore do not consider the finding that they were dissimilar to be either binding or illuminating on the instant case. However, the TAO case is completely on all fours with the instant case as this comparison was considered at length. Mr Houlihan was quite correct when he reminded me that I am not bound by the decision of the Appointed Person at the TAO appeal. In decision O-093-10 the Hearing Officer stated:

“74) In relation to *nightclub services* it is necessary to ascertain what this term means. The term covers services that will offer various activities. Below are listed three dictionary definitions of nightclub:

Chambers 21st Century Dictionary: “entertainment, etc. Derivatives nightclubber noun a patron of a nightclub. nightclubbing noun dancing, drinking and sometimes dining at a nightclub.”

The Penguin English Dictionary: “...noun a place of entertainment open at night that usually has a disco and a bar floor show, provides music and space for dancing, and usually serves drinks and food; nightclubber noun; nightclubbing noun.”

Merriam-Webster's Collegiate(R) Dictionary: “...noun (1894) : a place of entertainment open at night usually serving food and liquor and providing music and space for dancing and often having a floor show.”

75) One may need to be wary of dictionary definitions at times but in this case all three dictionaries concur that food may be served at nightclubs. The dictionary definitions conform to my own experience. There are nightclubs that primarily provide loud music, dancing and beverages. Other types of establishment will have music and beverages but also either integrated or discrete dining areas. The dividing line between some nightclubs and bars of various sorts is very fine and exists more in the word chosen than the services provided. All three types of undertakings could supply beverages, food and musical entertainment, whether that be live, recorded or in the form of karaoke. Asia's evidence at KC5 shows that the restaurant and nightclub flow into each other, as do the pages from Asia's website exhibited at HKY12. This is United States usage and so not necessarily indicative of the position in the United Kingdom. Included in the latter exhibit are pages from the websites of Loc Locos, Sugar Reef, Storm, Zoo and Café de Paris which show that there is no clear demarcation between restaurant services and nightclub services. The printouts exhibited at HKY12 were downloaded on 19 March 2009, I doubt that between 18 January 2008 and 19 March 2009 the pattern of trade suddenly changed.

76) However, this is an issue of similarity of services within the context of the classification system. It is necessary to consider not what night club services encompass generally but what they encompass in the specific parameters of a specification in class 41.

77) The comparison is to be made between *nightclub services* and *Chinese restaurant services but not including any such services relating to alcoholic beverages*, not restaurant services at large. It is necessary to take into account in which class the services are (as per *Altecnic*) and to avoid being misled by the norms of the trade. The *nightclub services* in class 41 do not encompass **any** services for providing food and drink, which are in class 43. The services in class 41 only encompass the entertainment part of the *nightclub services*. The basis of Mr Yam's case is that nightclubs provide meals but the services the subject of the application do not encompass the provision of any food or drink. Consequently, one has an entertainment service furnished in a nightclub against *Chinese restaurant services but not including any such services relating to alcoholic beverages*. As per *Avnet Incorporated v Isoact Ltd* a wide construction should not be given to the term. Taking into account the class in which the services are and the restriction that this applies to them, whatever the norms of the trade, within the parameters of the case law the only possible area in which the respective services could coincide is in relation to complementarity, as the provision of food is out of the equation owing to the class.

78) The concept of the complementary nature of goods and/or services has been dealt with by the GC on a number of occasions. In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM) Case T-325/06 the GC stated:

“82 It is true that goods are complementary if there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking (see, to that effect, Case T-169/03 *Sergio Rossi v OHIM – Sissi Rossi (SISSI ROSSI)* [2005] ECR II-685, paragraph 60, upheld on appeal in Case C-214/05 P *Rossi v OHIM* [2006] ECR I-7057; Case T-364/05 *Saint-Gobain Pam v OHIM – Propamsa (PAM PLUVIAL)* [2007] ECR II-757, paragraph 94; and Case T-443/05 *El Corte Inglés v OHIM – Bolaños Sabri (Pira PiraÑAM diseño original Juan Bolaños)* [2007] ECR I-0000, paragraph 48).”

Chinese restaurant services but not including any such services relating to alcoholic beverages are not indispensable or important for the provision of nightclub services. They are not complementary.

79) If Asia’s trade mark is registered in class 41 it is not gaining any rights in relation to the supply of food and/or beverages. This divide might appear artificial but it is born of the nature of the classification system and is a real divide. It is not possible to make a comparison with services that are not encompassed by the class.

80) The nature of the *nightclub services* encompassed by class 41 means that such services are not similar to the services of the earlier registration.”

30) At the subsequent appeal, Professor Annand acting as the Appointed Person said:

“48. The Hearing Officer undertook his assessment of the likelihood of confusion under section 5(2)(b) on the basis of the specification in the Application as a whole (para. 57–60). He identified a single reasonably well informed and reasonably circumspect and observant consumer because in his view all of the services would ultimately be purchased by the public at large. He reminded himself that in construing the specification he should take account of how, as a practical matter, the services were regarded in trade. He considered that all of the services could be bought on impulse increasing the possibility of imperfect recollection. Further, since the common identification of the services (nightclubs, restaurants) was by signage visual use of the trade marks in suit was more important than the oral use. His comparison of the marks was likewise conducted in relation to the totality of the services (paras. 61–66).

49. Given that collective approach, it was then not open to the Hearing Officer to compare the Class 41 services on a different basis and disregard: (a) apposite dictionary definitions; (b) his own experiences as a member of the general public; and (c) trade practices, all of which would each have given shape and form to the perceptions of the average consumer (Case C-239/05 *BVBA Management, Training en Consultancy v. Benelux-Merkenbureau* [2007] ECR I-1455, paras. 30 –

38, and see the comments of Mr. Geoffrey Hobbs QC sitting as the Appointed Person in *SEPARODE Trade Mark*, BL O/399/10).

50. The sole justification the Hearing Officer gave for excluding factors other than complementarity from his comparison between nightclub services and the services of the earlier registration was that the provision of food and drink lay outside Class 41. As mentioned above, if the supply of food and drink had been covered by Class 41, there would have been identity. Instead, the task before the Hearing Officer was to assess the services' similarity.

51. Further, he proffered no explanation beyond the observation that the Application in Class 41 gave no rights in relation to the supply of food and/or beverages for his determination that the services were non-complementary, which appeared to be contrary to *inter alia* Asia Five Eight's own evidence. There is a suggestion that the supply of *Chinese* food might have been influential but that was neither explored nor made explicit in the decision. It was not only an unlikely pivot but one which failed to take account of Chinese/Chinatown nightclubs.

52. In my judgment, the Hearing Officer used classification to find that the services were dissimilar. In so doing, he elided the two separate questions of: (a) what services were within the Class 41 Application; and (b) what degree of similarity was there between the Class 41 services and the services in the earlier registration. Whilst classification was relevant to first question (*Altechnic*), it was irrelevant to the second question (*Canon*, art. 9 TLT). That was a material error of principle, which entitles me to reconsider the matter afresh.

Section 5(2)(b) – nightclub services in Class 41

53. Based on the evidence on file, the dictionary definitions and my own experience which mirrors that of the Hearing Officer (see paras. 40 – 41 above), I find that there some similarity between Chinese restaurant services but not including any such services relating to alcoholic beverages and nightclub services in Class 41. I accept Mr. Edenborough's contention that the supply of food and drink (albeit non-alcoholic) is important to the provision of the entertainment aspects of nightclub services, for example, dancing, in such a way that customers might think the responsibility for those services lies with the same undertaking. The services might not unusually be provided contemporaneously and through the same supply channels. In my judgment, the type of food or drink served is irrelevant."

31) To my mind these comments are totally on point with the instant case. Even though I have found that the opponent has not shown use of its mark in relation to the provision of food in its nightclubs, nonetheless there is a degree of similarity between the applicant's "Services for providing food and drink; restaurant, bar and catering services" in class 43 and the opponent's nightclub services in Class 41. Clearly there is identity between the "bar services" in Class 43 which appears in each specification.

However, when comparing the “Education and training all in relation to cooking, catering and restaurant services” in Class 41 applied for it is clear that these services seek different users i.e. those who require culinary training, to the users of a bar or nightclub. In all other respects they differ and they are not complementary.

Comparison of trade marks

32) The trade marks to be compared are as follows:

	Applicant’s marks	Opponent’s mark
2615669	 <p><i>Fresh on your table</i></p>	TOKYO
2622907	EAT TOKYO	
2622913		

33) It is well established that the average consumer is considered to be reasonably well informed, circumspect and observant but perceives trade marks as wholes and does not pause to analyse their various details. In addition, he rarely has the chance to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them he has kept in his mind. In reaching a conclusion on similarity, I must identify what I consider to be the distinctive and dominant elements of the respective trade marks and, with that conclusion in mind, I must go on and compare the respective trade marks from the visual, aural and conceptual perspectives.

Distinctiveness of earlier marks and dominant components of both parties marks

34) The applicant contends:

“20. The Applicant’s submission is that TOKYO is of relatively low distinctive character (although clearly of sufficient distinctiveness to justify registration) in respect of nightclub and/or restaurant services. The Applicant has set out in its evidence (see witness statement of Mr Xu and exhibits XX5 and 6) use and registration of TOKYO in third party trade marks in respect of restaurant and bar services and similar.

21. In recent cases, the Registry has shown some reluctance to accept evidence of this type as indicating a relatively low distinctive character or an effect on the scope of protection of an Opponent’s earlier trade mark. A reference has sometimes been made to the THOMSON LIFE case (C-120/04) and the Nude Brands case ([2009] EWHC 2154 Ch). In relation to THOMSON LIFE, the Applicant accepts that an Applicant is not entitled simply to take the registered trade mark of an earlier proprietor merely by adding other matter, avoid any likelihood of confusion. In this case, however, the overall impression of the

combination (bearing in mind that TOKYO is of relatively low distinctiveness) is to create a different overall, conceptual impression. THOMSON LIFE does not apply.

22. Similarly, in the Stella Nude case, the courts reluctance to accept a defence along these lines was based on the fact that examples of, in essence, other third party infringements of the registration cannot support a conclusion that rights could not be asserted in a registration. That is an entirely different argument from evidence of the state of the Register (supported by evidence of use of the marks revealed on the register) indicating that an element is **common** to third party marks in respect of those services.”

35) The opponent has provided evidence, see paragraph 7 above, of use of its mark in the UK in relation to nightclub and bar services. Although the figures have not been put into context of the total UK market for such services, the numbers are not insubstantial as are the promotional figures. However, I do not regard the use as sufficient for the opponent to benefit from an enhanced reputation. In respect of inherent distinctiveness the applicant filed exhibits XX5 and XX6 which it contends show that the opponent’s registered mark is not particularly distinctive and referred me to what is usually termed state of the register evidence. In *British Sugar plc v James Robertson & Sons Ltd* [1996] RPC 28 Jacob J. said:

“It has long been held under the old Act that comparison with other marks on the register is in principle irrelevant when considering a particular mark tendered for registration, see e.g. *MADAME* Trade Mark [1966] RPC 541 and the same must be true under the 1994 Act.”

36) In *Digipos Store Solutions v Digit International* [2008] RPC 24 Mr Alexander Q.C acting as a Deputy Judge of the High Court commented:

“63 That was said in the context of a case where absolute grounds were relied on as the basis for refusing registration. However, in the present case, this material is not relied on in support of an argument that a mark which shares characteristics with those already registered should, for that reason, also be registered: the register is not relied on for its precedent value, in my judgment, rightly so. The register is not in this case deployed to show actual use of the marks recorded there either: for that purpose too, it would be of limited, if any, evidential value. Instead, the register is relied upon to show that, as a matter of fact, a significant number of traders have expressed the intention of using (and *may* be using) the prefix DIGI- as part of a mark in relation to class 9 goods which (one is invited to infer, in the absence of detailed specifications) involve a digital or computer-related element. It does not seem to me to be illegitimate, as a matter of principle, to deploy material of this kind for that limited purpose and, for that purpose, it is of some value as part of a larger body of material.”

37) However, in *GfK AG v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM) Case T-135/04 the General Court (GC) stated:

“68. As regards the search of the Cedex database, the mere fact that a number of trade marks relating to Class 35 contain the word ‘bus’ is not enough to establish that the distinctive character of that element has been weakened because of its frequent use in the field concerned. Firstly, the search in question does not provide any information on the trade marks actually used in relation to the services concerned. Secondly, it includes a number of trade marks in which the word ‘bus’ is used descriptively by public transport businesses.”

38) This was a view re-iterated by the GC in *Zero Industry Srl v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-400/06.* In *Digipos* Mr Alexander was not referred to the judgment of the GC in *GfK AG*. I also note that in his judgment Mr Alexander referred to the *Madame* case being an absolute grounds case and appeared to consider this of some significance. The GC cases referred to above are relative grounds cases; clearly the GC considered that the principle of not giving weight to state-of-the-register evidence also applies in cases involving relative grounds issues. I accept that unlike the *GfK* case mentioned above, the applicant has provided limited evidence that the marks are in use, although the level of that use, when it began, and the exact nature of goods and services offered under each mark is not determined. There is also no detail as to whether any of the businesses mentioned are in any way connected to the parties in this case.

39) At exhibit XX6 the applicant showed that as at 27 April 2012 there would appear to have been seven restaurants using the name TOKYO as part of their name in the UK. In this number I am ignoring the two TOKYOU restaurants as to my mind this is a completely different word even though it obviously includes the letters of the word TOKYO. In order for the use of the seven restaurants to affect distinctiveness it must be established that it has caused the average consumer to give no trade mark significance to the sign TOKYO in relation to restaurant services or nightclub services, there is no evidence of this. As the applicant points out a similar argument was run before Floyd J in *Nude Brands Limited v Stella McCartney Limited and others* [2009] EWHC 2154 (Ch). He commented:

“29. Whilst the use by other traders of the brand name NUDE in relation to perfume may give those traders relative rights to invalidate the mark, it does not give those rights to any defendant. I am not at this stage persuaded that this evidence has a bearing on any absolute ground of invalidity. It certainly does not go as far as establishing ground 7(1)(d) - customary indication in trade. Ground 7(1)(b) is concerned with the inherent character of the mark, not with what other traders have done with it. The traders in question are plainly using the mark as a brand name: so I do not see how this use can help to establish that the mark consists exclusively of signs or indications which may serve to indicate the kind or quality or other characteristics of the goods, and thus support an attack under 7(1)(c).”

40) Clearly, most UK consumers will be aware that TOKYO is the capital of Japan. However, whilst it might suggest a Japanese theme to a restaurant or nightclub it is not descriptive of these services. There is certainly Japanese cuisine but, as far as I am aware,

not a particular TOKYO style of cuisine. I consider that the trade marks of both parties will fulfil their roles as defined by the GC in *Rewe Zentral AG v OHIM (LITE)*. Both sides marks have a good degree of inherent distinctiveness.

41) Even if I am wrong regarding the claim that the term TOKYO is not distinctive for restaurant or nightclub services this would not affect the outcome in relation to likelihood of confusion. In *Zero Industry Srl v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-400/06* the GC said:

“71 In addition, the weak distinctive character of an element of a compound mark does not necessarily imply that that element cannot constitute a dominant element since – because, in particular, of its position in the sign or its size – it may make an impression on consumers and be remembered by them (judgment of 16 May 2007 in Case T-491/04 *Merant v OHIM – Focus Magazine Verlag (FOCUS)*, not published in the ECR, paragraph 49). It should be added that, as regards the earlier marks, in so far as they comprise a single verbal element, the argument that that word has become common is not relevant for the purposes of the comparison of the signs at issue (see, to that effect, *Limoncello della Costiera Amalfitana shaker*, cited in paragraph 44 above, paragraph 37).

74 Third, as regards the applicant’s claim that the earlier marks have weak distinctive character, it should be held that accepting that the earlier mark has a weak distinctive character does not prevent the finding in the present case that there is a likelihood of confusion. Although the distinctive character of the earlier mark must be taken into account when assessing the likelihood of confusion (see, by analogy, *Canon*, cited in paragraph 32 above, paragraph 24), it is only one factor among others involved in that assessment. Thus, even in a case involving an earlier mark of weak distinctive character, there may be a likelihood of confusion on account, in particular, of a similarity between the signs and between the goods or services covered (see judgment of 12 November 2008 in Case T-210/05 *Nalocebar v OHIM – Limiñana y Botella (Limoncello di Capri)*, not published in the ECR, paragraph 51 and the case-law cited).

75 In addition, granting excessive importance to the fact that the earlier mark has only a weak distinctive character would have the effect that the factor of the similarity of the marks would be disregarded in favour of the factor based on the distinctive character of the earlier mark, which would then be given undue importance. The result would be that where the earlier mark is only of weak distinctive character a likelihood of confusion would exist only where there was a complete reproduction of that mark by the mark applied for, whatever the degree of similarity between the signs at issue. Such a result would not, however, be consistent with the very nature of the global assessment which the competent authorities are required to undertake by virtue of Article 8(1)(b) of Regulation No 40/94 (see *Limoncello di Capri*, cited in paragraph 74 above, paragraph 52 and the case-law cited).”

42) The opponent’s mark consists of a single word and its distinctiveness lies in its totality, especially as it is a well known word amongst UK consumers. With regard to the applicant’s marks to my mind the distinctive and dominant element in all of them is the

word TOKYO. In all three marks the first word is EAT. When used in respect of restaurant services I do not believe that that it will be seen as anything other than an invitation to partake of the fare on offer or as a description of the services proffered. The floral device element in 2615669 and 2622913 will be viewed as mere decoration with no trade mark significance. Similarly, the slogan or strapline “Fresh on your table” which is in much smaller print underneath the first line of the mark, will simply be taken as an endorsement that the food served is fresh, an indication of quality not a mark of origin.

Visual / Aural and Conceptual similarity

43) Clearly all three marks applied for contain in full the opponent’s mark. Whilst they also have other elements that cannot be ignored, those additional elements are not particularly distinctive or dominant. There are obvious visual and aural similarities although I accept that the first part of the three marks applied for alters the visual and aural perceptions slightly. Conceptually they both invoke an image of the city of Tokyo and of Japan. Overall, the respective marks share a reasonable level of visual, aural and conceptual similarity.

Likelihood of confusion

44) I must now take all the above into account and consider the matter globally taking into account the interdependency principle- a lesser degree of similarity between trade marks may be offset by a greater degree of similarity between goods and vice versa. The evidence does not show that the opponent has an enhanced reputation for nightclub services but the mark is inherently very distinctive. The whole of the opponent’s mark is within the marks in suit as the distinctive and dominant element. There is a degree of similarity between the applicant’s “Services for providing food and drink; restaurant, bar and catering services” in class 43 and the opponent’s nightclub services in Class 41 and as such there is a likelihood of consumers being confused into believing that the services provided by the applicant are those of the opponent or provided by some undertaking linked to them.

45) Moving onto the “bar services” in Class 43 which appears in the specifications of all the trade marks each specification, there is a likelihood of consumers being confused into believing that the services provided by the applicant are those of the opponent or provided by some undertaking linked to them. However, when considering the “Education and training all in relation to cooking, catering and restaurant services” in Class 41 applied for these are dissimilar to the nightclub services of the opponent such that there is no likelihood of consumers being confused into believing that the goods provided by the applicant are those of the opponent or provided by some undertaking linked to them.

46) The opposition under Section 5(2) (b) therefore succeeds in relation to “Services for providing food and drink; restaurant, bar and catering services” in class 43 and “bar services” in Class 43 but fails in relation to “Education and training all in relation to cooking, catering and restaurant services” in Class 41.

47) I now turn to consider the ground of opposition under Section 5(4)(a) which reads:

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

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

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.”

48) In deciding whether the marks in question offend against this section, I intend to adopt the guidance given by the Appointed Person, Mr Geoffrey Hobbs QC, in the *WILD CHILD* case [1998] RPC 455. In that decision Mr Hobbs stated that:

“The question raised by the grounds of opposition is whether normal and fair use of the designation WILD CHILD for the purposes of distinguishing the goods of interest to the applicant from those of other undertakings (see section 1(1) of the Act) was liable to be prevented at the date of the application for registration (see Article 4(4)(b) of the Directive and section 40 of the Act) by enforcement of rights which the opponent could then have asserted against the applicant in accordance with the law of passing off.

A helpful summary of the elements of an action for passing off can be found in Halsbury’s Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165. The guidance given with reference to the speeches in the House of Lords in *Reckitt & Colman Products Ltd v. Borden Inc.* [1990] R.P.C. 341 and *Erven Warnink BV v. J. Townend & Sons (Hull) Ltd* [1979] AC 731 is (with footnotes omitted) as follows:

‘The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

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

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

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

49) First I must determine the date at which the opponent’s claim is to be assessed; this is known as the material date. In this regard, I note the judgment of the General Court

(GC) in *Last Minute Network Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Joined Cases T-114/07 and T-115/07*. In that judgment the GC said:

“50 First, there was goodwill or reputation attached to the services offered by LMN in the mind of the relevant public by association with their get-up. In an action for passing off, that reputation must be established at the date on which the defendant began to offer his goods or services (*Cadbury Schweppes v Pub Squash* (1981) R.P.C. 429).

51 However, according to Article 8(4) of Regulation No 40/94 the relevant date is not that date, but the date on which the application for a Community trade mark was filed, since it requires that an applicant seeking a declaration of invalidity has acquired rights over its non registered national mark before the date of filing, in this case 11 March 2000.”

50) The filing dates of the applications are, therefore, the material dates. However, if the applicant has used their trade marks prior to this then this use must also be taken into account. It could, for example, establish that the applicant is the senior user, or that there had been common law acquiescence, or that the status quo should not be disturbed; any of which could mean that the applicant’s use would not be liable to be prevented by the law of passing-off – the comments in *Croom’s Trade Mark Application* [2005] RPC 2 and *Daimlerchrysler AG v Javid Alavi (T/A Merc)* [2001] RPC 42 refer.”

51) The opponent states that it opened its first nightclub under its TOKYO mark in Oldham in 1997 with two other nightclubs under the same mark being opened by the end of 2005. In its evidence the applicant claims that it first used its trade mark 2622907 in 2006 and provided evidence to support this claim. I shall therefore regard the relevant date as 2006. It is clear from the evidence that the opponent has goodwill in respect of nightclub services at the relevant date and so overcomes the first obstacle.

52) It is well established that it is not necessary for the parties to a passing-off action to be in the same area of trade or even a related area of trade. The point can be supported by reference to the following passage from Millet L.J.’s judgment in *Harrods Ltd v Harrodian School Ltd* [1996] RPC 697:

“There is no requirement that the defendant should be carrying on a business which competes with that of the plaintiff or which would compete with any natural extension of the plaintiff’s business. The expression “common field of activity” was coined by Wynn-Parry J. in *McCulloch v May* [1948] 65 RPC 58 when he dismissed the plaintiff’s claim for want of this factor. This was contrary to numerous previous authorities (see, for example, *Eastman Photographic Materials Co. Ltd v John Griffiths Cycle Corporation Ltd* (1898) 15 RPC 105 (cameras and bicycles); *Walter v Ashton* (1902) 2 Ch. 282 (The Times Newspaper and bicycles) and is now discredited. In the *Advocaat* case Lord Diplock expressly recognised that an action for passing-off would lie although “the plaintiff and the defendant were not competing traders in the same line of business”. In the *Lego* case

Falconer J. acted on evidence that the public had been deceived into thinking that the plaintiffs, who were manufacturers of plastic toy construction kits, had diversified into the manufacture of plastic irrigation equipment for the domestic garden. What the plaintiff in an action for passing-off must prove is not the existence of a common field of activity but likely confusion among the common customers of the parties.

The absence of a common field of activity, therefore is not fatal; but it is not irrelevant either. In deciding whether there is a likelihood of confusion, it is an important and highly relevant consideration.”

53) Also:

“It is not in my opinion sufficient to demonstrate that there must be a connection of some kind between the defendant and the plaintiff, if it is not a connection which would lead the public to suppose that the plaintiff has made himself responsible for the quality of the defendant’s goods or services.”

54) And:

“Passing off is a wrongful invasion of a right of property vested in the plaintiff, but the property which is protected in an action for passing off is not the plaintiff’s proprietary right in the name or get-up which the defendant has misappropriated but the goodwill and reputation of the business which is likely to be harmed by the defendant’s misrepresentations.”

55) The opponent has goodwill for nightclub services whilst the applicant’s remaining specification is “Education and training all in relation to cooking, catering and restaurant services” in Class 41. Earlier in this decision I found that the marks of the two parties overall share a reasonable level of visual, aural and conceptual similarity. I also found that the whole of the opponent’s mark is within the marks in suit as the distinctive and dominant element. However, despite all the above I do not believe that the average consumer will be deceived into believing that the opponent has diversified into the educational and training services which the applicant seeks to register. The opposition under Section 5(4)(a) of the Act therefore fails.

CONCLUSION

56) The opponent has been successful in its opposition under Section 5(2)(b) in respect of “Services for providing food and drink; restaurant, bar and catering services” in class 43 and “bar services” in Class 43. However, it fails under Section 5(2)(b) and 5(4)(a) in relation to “Education and training all in relation to cooking, catering and restaurant services” in Class 41.

COSTS

57) As both sides have achieved a measure of success I do not propose to favour either side with an award of costs.

Dated 11th February 2014

**George W Salthouse
For the Registrar,
the Comptroller-General**