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TRADE MARKS ACT 1994

BL O/171/22

IN THE MATTER OF:

OPPOSITION No. 600000995

IN THE NAME OF VOODOO LEISURE LTD

TO TRADE MARK APPLICATION No. 3328262

IN THE NAME OF MR MIYAGI'S RESTAURANT LLC

AND IN THE MATTER OF:

APPLICATION No. 502486

IN THE NAME OF MR MIYAGI'S RESTAURANT LLC

TO INVALIDATE REGISTERED TRADE MARK No. 3315962

IN THE NAME OF VOODOO LEISURE LTD

DECISION

1. Voodoo Leisure Ltd ('VL') is the proprietor of the following trade mark registered under number 3315962 on 31 August 2018 with effect from 6 June 2018 for use in relation to "*Nightclub services*" in Class 41 and "*Public house services; Restaurant and bar services; Restaurant services for the provision of fast food; Restaurant services incorporating licensed bar facilities; Restaurant services provided by hotels; Restaurants; Restaurants (Self-service); Fast food restaurants*" in Class 43:



2. On 27 February 2019, Mr Miyagi's Restaurant LLC ('MMR') applied under number 502486 for a declaration to the effect that the registration of VL's trade mark was invalid under section 3(6) of the Trade Marks Act 1994 for having been obtained by means of an application made in bad faith.
3. In its Statement of Case, MMR alleged that the application for registration had been made in bad faith on the following basis:

The Registered Proprietor did not conceive the Registered Mark independently and in good faith. The Registered Proprietor was fully aware of the Applicant's activities under its MR MIYAGI'S mark at the time of filing its application to Register the Mark (for all of the Services in Classes 41 and 43).

The Registered Proprietor had knowledge of the Applicant's reputable business under the Mark MR MIYAGI'S in Dubai, UAE. With this knowledge, the Registered Proprietor obtained the Registered Mark only as a spoiling mechanism to gain a tactical advantage and for use as a negotiating tool, and without any legitimate interest in the Mark. Consequently, the Registered Proprietor acted dishonestly at the time of filing its application to register its Mark. This behaviour falls short of the standards of acceptable behaviour by reasonable and experienced practitioners in this field.

4. As too often happens in Registry proceedings involving allegations of bad faith filing, neither side attempted to test the reliability of the other side's account of events by way of cross-examination or by means of any application for disclosure.

5. The parties elected to proceed on the basis that the Registrar would determine MMR's claim for invalidity on the basis of the papers on file without recourse to a hearing. The written submissions they filed for consideration by the allocated Hearing Officer (Ms Stephanie Wilson) required her to assess the correctness of their respective positions in the light of the witness statements and exhibits they had provided.
6. That involved an acceptance on their part that the Hearing Officer was entitled to consider whether or how far the evidence presented on one side of the case had in significant respects been disproved or displaced or outweighed by evidence presented on the other side of the case: Williams v Canaries Seaschool SLU (CLUB SAIL Trade Marks) [2010] RPC 32; BL O/074/10; at paragraphs [37] to [41]).
7. In carrying out that task, the Hearing Officer was required to approach the evidence and materials before her on the basis that good faith should be presumed unless it was proved, on the balance of probabilities, that VL had filed the contested application for registration in bad faith as alleged: (ibid) at paragraphs [33] to [35].
8. The evidence in support of MMR's claim for bad faith filing consisted of a Witness Statement of Alex Bracken dated 30 July 2019 with 8 Exhibits numbered AB1 to AB8. Mr Bracken confirmed that MMR is part of the group of companies owned by Fore Front Facilities Management LLC of which he is (and has since 2013 been) the Chief Executive Officer.
9. His evidence established that MMR trades in the hospitality sector in the United Arab Emirates where it uses the brand name **Mr Miyagi's**. It opened its first branch of **Mr Miyagi's** in the Media One Hotel in Dubai in July 2017. The Media One Hotel is a four star boutique hotel. **Mr Miyagi's** operates as a restaurant and bar under and by reference to branding, which has been used online and on-location since July 2017, showing the name of the business written in stylised form:



10. On 31 July 2018, Mr Bracken instigated a Facebook Messenger conversation with Mr Ritchie, the sole director of VL, shortly after becoming aware of the contested application for registration. He referred to various aspects of the Facebook Messenger conversation (exhibited in full at Exhibit AB7). In that connection he said: ***“I made Mr Ritchie aware that I could not tolerate his use of Mr Miyagi’s in the UK. It was my impression that he had visited Dubai and saw my Company’s business and plagiarised its branding concept for his own gain in the UK.”***

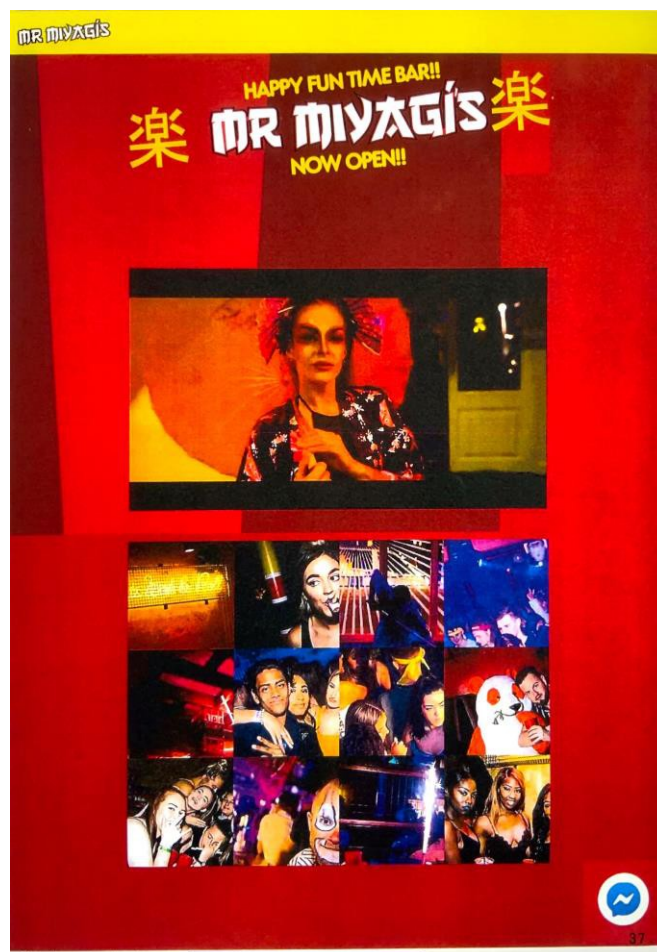
11. In paragraph 12, the final paragraph of his Witness Statement, he stated: ***“All of the above leads me to deduce that, at the time of making [the contested application for registration], the Proprietor had full knowledge of my Company’s business and its intention [was] to gain an upper hand on my Company should we ever wish to trade under our brand, or indeed register the brand as a trade mark in the UK.”***

12. Exhibit AB1 contained (at pp. 11 to 13) a copy of an ‘Esquire Middle East’ publication from 20 July 2017 headed and captioned ‘**Karate Kid themed bar opens in Dubai**’. The text refers to ***‘generations of people fondly reminiscing over memories of days gone by. With that in mind, the newly opened The Karate Kid – themed restaurant / bar, Mr Miyagi’s, looks set to take full advantage. ... Not only is the restaurant area named after the iconic martial arts sensei of the 1984 film, but the separate bar area of the venue is (rather cleverly) called Cobra Kai, in a nod to those nostalgic film fans’.***

13. Exhibit AB5 showed (p.36) use of the name **Mr Miyagi’s** on the landing page of MMR’s website in stylised form:



14. It also showed (p.37) use of the name **Mr Miyagi's** on the landing page of VL's website in stylised form:



15. The University of Portsmouth Students Union review at Exhibit AB6 showed (p.41) use of the name **Mr Miyagi's** in stylised form in relation to VL's refit of the Lyberry Bar in Portsmouth as of August 2018, with adjacent text: '*Did you know that Mr Miyagi was a fictional character from the original 1984 Karate Kid ?*':



16. Exhibit AB7 contained the Facebook Messenger exchanges between Alex Bracken of MMR and Alistair Ritchie of VL. This was the channel of communication opened up by Mr Bracken on 31 July 2018. For context:
- (i) that was the date on which MMR applied under number 3328262 to register **Mr Miyagi's** as a trade mark in the United Kingdom for '*restaurant and bar services*' in Class 43;
 - (ii) VL's application number 3315962 for registration of its **Mr Miyagi's** trade mark in Classes 41 and 43 had been filed just under eight weeks previously on 6 June 2018 and published just under 6 weeks previously on 21 June 2018;
 - (iii) VL opened its refitted Lyberry Bar in Portsmouth as **Mr Miyagi's** on 24 August 2018;

- (iv) VL's trade mark application proceeded to registration on 31 August 2018; and
 - (v) the substantive exchanges on Facebook Messenger commenced on 7 September 2018 (pp. 47 to 51 of Exhibit AB7).
17. The messaging shows that on 7 September 2018 (with the parties by then focused on the rights and wrongs of what VL had done) Mr Bracken directly confronted Mr Ritchie with the proposition "*I'm flattered that you think so highly of our brand that you would copy it to such a degree, you obviously like Mr Miyagi's so much that you copied it in such detail*" and forthrightly accused VL of "*pure plagiarism*". He nonetheless said that he wished "*to see if [VL] can be a potential partner for the UK Market*"; and added that he was anxious to ensure that what VL was doing "*doesn't disrupt the plans we have had in place for some time*".
18. Mr Ritchie did not attempt to refute the accusation of plagiarism. He began his response by saying "*Hello Alex, thanks for your kind words ... I would be happy to discuss UK opportunities with yourself*". He went on to confirm that "*I'm often in Dubai*" and anticipated that he would next be in Dubai "*in October, but only a few days to finalise an apartment*". He also asked Mr Bracken whether he was "*local to media one ?*" (referring to the Media One building in which MMR's **Mr Miyagi's** restaurant and bar was located).
19. There were further exchanges on 14 September 2018 (pp. 52 to 59 of Exhibit AB7). By that time VL's trade mark attorneys had written objecting to MMR's own application for registration of the name **Mr Miyagi's** filed under number 3328262 on 31 July 2018.
20. Mr Bracken insisted in his messages to Mr Ritchie that: "*Miyagi's Dubai came first before your imitation ... the law will follow its course and it will be proved that you copied the original ... I would much rather we sit down face to face and sort some kind of deal, where you don't object to my trademark and you become a first option exclusive partner for the south of England*".

21. Once again, Mr Ritchie did not attempt to refute the accusation of imitation. With reference to VL's application for registration filed on 6 June 2018, he stated: "***Ongoing I'm happy to discuss the use of the brand in the UK, but as no one was using it and it wasn't registered, it was wise of me to do that***". He went on to add: "***Alex, you're trading in a different territory. Because Dubai isn't England let alone Europe it's irrelevant. I can imagine you're frustrated. I'm happy to talk this through***".
22. Mr Bracken maintained that: "***We're planning to launch in the UK, we will be using the name Mr Miyagi's as it's ours to use, so I would appreciate you not blocking the name as it was not created by you. Besides it's also the right thing to do. It's not ok to steal my concept 100% and then act in this manner. ... If you do still refuse ... I would pursue you legally at whatever cost ...***".
23. The comments and observations made by Mr Ritchie in further exchanges with Mr Bracken towards the end of September 2018 (pp. 59 to 76 of Exhibit AB7) shed further light on VL's approach to the filing of its application for registration. The messaging shows (p. 52 of Exhibit AB7) that Mr Ritchie was fully aware of the application to register the name **Mr Miyagi's** which MMR had filed under number 3328262 on 31 July 2018 when he made the following statements in the course of those exchanges.
24. He commented: "***your threat is that you will pursue me legally, my legal standing on this is that we've registered the trademark correctly within the united kingdom and therefore have rights to trade under it (no one else can do so without our permission)***".
25. Mr Bracken stated: "***we already actually used the brand, but just didn't get around to registering it***". That led to Mr Ritchie asking: "***why didn't you do it ? if the mark wasn't available to us then we wouldn't be trading under it now***". To which Mr Bracken responded: "***That's not the point, you were warned off using it, by a mutual friend. He informed you of our plans and yet you still did it***". Mr Ritchie then stated: "***this has never happened, who's the mutual friend ?***" and Mr Bracken answered: "***Russell Quelch He's your partner's friend***". Whereupon Mr Ritchie's immediate response was: "***I heard that ex luminar managers were looking at the feasibility of launching the brand in the UK just after we instructed designers to put it together for***".

us, at that point we promptly applied for the mark". It is plain from the context that **"the brand"** he was referring to was **Mr Miyagi's** as adopted and commercialised by MMR in Dubai in 2017.

26. On the subject of copying, Mr Ritchie wrote: *"I get it all the time with people copying us, my saturday in my club is now being copied in the same town, at least i took inspiration from another continent"*. In reply to Mr Bracken's accusation: *"But you copied everything ..."*, Mr Ritchie stated: *"there's actually quite a few things that are different to your site, I hear what you're saying all the same"*.
27. His position was that MMR had itself to blame for not having previously registered the name **Mr Miyagi's** in the United Kingdom: *"you had the opportunity to stop this by registering the brand, you didn't, which some would say is bad business if your business model was to expand in the UK. It's not my fault you didn't do this, now we own an asset which you desire. ... I get that you're upset and on a personal level I can see why, but if I was in your shoes I would be kicking myself, upset with myself and questioning those in your office who's job it was to do this"*.
28. I should at this point say that when VL came to file evidence in answer to the invalidity application it was in much the same position as if it had written 'an open letter to the Registrar' saying what Mr Ritchie had said on its behalf about the contested application for registration in the September 2018 messaging which had been put in evidence at Exhibit AB7.
29. VL's evidence in answer to the claim for invalidity consisted of a Witness Statement of Alistair Ritchie dated 7 October 2019 with 6 Exhibits numbered AR1 to AR6. He confirmed that he was (and had since 2011 been) the director of VL and went on to state as follows:

3. Voodoo Leisure operated a bar called 'The Lyberry Bar' at the address 29-33 Guildhall Walk, Portsmouth from August 2011 until August 2018. The process of rebranding The Lyberry Bar started on 3 January 2017 when I instructed Fly Creative Design Co. to assist with the redesign project by developing a logo and marketing materials for our new brand. Attached at

Exhibit AR1 is an invoice addressed to Voodoo Leisure relating to this redesign project.

4. Our venue (formerly The Lyberry Bar, though now known as 'Mr. Miyagis') at 29-33 Guildhall Walk is situated beside a building which used to operate as The Palace Cinema (see Exhibit AR2). The cinema was redeveloped and became The Astoria nightclub. We wanted to conduct a refit of The Lyberry Bar and we discussed potential themes during a daytime meeting hosted in the VIP area of the nightclub early in the design stages, at the beginning of 2018. The tables in the VIP areas are covered in film posters and old VHS covers as a 'nod' to the venue's history (see Exhibit AR3). One of the tables includes a Karate Kid VHS cover and a former manager, in attendance at the meeting, pointed to the artwork and suggested we call the new bar 'Mr. Miyagis', like the character in the film. This developed into the bar we have today. Also included at Exhibit AR3 is a photograph showing the table bearing the Karate Kid artwork.

5. The film The Karate Kid was released in 1984. The story is set in California and the main character, a boy called Daniel, is bullied by a group of children who study karate. Daniel befriends Mr. Miyagi, a repairman who is also a martial arts master. Mr. Miyagi teaches Daniel karate so that he can compete in a tournament against his bullies. Attached at Exhibit AR4 is a print from Wikipedia with the synopsis of the film, as well as a print from the website www.amazon.co.uk showing a VHS of the Karate Kid for sale, bearing the same artwork as that presented at Exhibit AR3.

6. Attached as Exhibit AR5 is a list of establishments in the UK including 'MIYAGI' in their names. The venues listed at Exhibit AR5 include a sushi bar and other Japanese restaurants. In other words, the term MR. MIYAGI or MIYAGI can be seen as a form of cultural reference, i.e. one which provides a 'nod' to Japanese/Asian culture.

7. The redesign project took place over the course of a year and a half, during which time several developmental meetings took place. I worked with Derek Moseley from Design Venue Limited, the company responsible for refitting of the venue.

8. I first became aware of the Applicant's venue in Dubai in early 2018, after the meeting referenced at paragraph 4 above. However, I never had any knowledge of any intention of the Applicant to expand the business into the UK at the time of

developing my own brand and the Dubai venue looked to be a different product.

9. Attached at Exhibit AR6 is a print of email correspondence I had with Owen Baxter at Fly Creative Co. showing the various MR MIYAGIS logos his company had prepared for approval. As can be seen from the print, the logo files were created on 1 June 2018. Mr. Baxter was commissioned to create the logo using the name MR MIYAGI'S. The Japanese characters under the words MR MIYAGI'S read 'Miyagi san' which means MR MIYAGI.

10. As part of the rebrand, we filed a trade mark application for the new logo which was designed for the bar, and to protect our investment in the brand. This application was filed on 6 June 2018 and matured into the Registration, being registered on 31 2018.

11. In early August 2018, I was made aware of UK Trade Mark Application No. 3328262 Mr Miyagi's filed by the Applicant on 31 July 2018 ("the Application"). I then instructed representatives at D Young & Co LLP, and the Application was subsequently opposed (which, I am advised, is Opposition No. OP600000995).

12. The refitted bar opened under the MR MIYAGIS name on 24 August 2018. We have an extensive outside space, a focus on the dance floor, VIP experience and 'vertical drinking' (i.e. where people drink standing up). Our cocktails are served in noodle boxes; we hold musical bingo; we play contemporary music. I would describe the bar as a 'pan-Asian themed venue'.

13. Whilst I was aware of the Applicant's operations in Dubai, UAE, from early 2018, the adoption of the name MR MIYAGI'S and the development of the brand was done with a legitimate interest in conducting my company's business activities under the mark. The Registration was not obtained as a spoiling mechanism, with a view to gaining a tactical advantage, nor for use as a negotiating tool, as the Applicant claims.

14. As stated above, I had no knowledge of any intention of the Applicant to enter the UK market until the Applicant filed the subject Application, at which time my representatives at D Young LLP confirmed that the act of filing a trade mark application is an indication of an applicant's intention to use a trade mark.

15. Alex Bracken refers to our dialogue over Facebook Messenger in an exhibit to his witness statement. Whilst Mr. Bracken's initial message was sent to me on 31 July 2018, his message noting plans to expand his business into the UK was sent on 7 September 2018 (some time after we had filed the application which became the Registration).

16. Mr. Bracken claims that I was alerted to the Applicant's plans to enter the UK by a 'mutual friend' Russell Quelch. I do not know Russell Quelch. I did hear that ex-Luminar managers were considering the possibility of the UK for the MR MIYAGI'S brand but any such information was only received after the filing of my own brand and I was never alerted to any concrete plans.

30. Exhibit AR1 is an invoice dated 23 January 2017 from Fly Creative Design Ltd for the modest sum of **£126.00** inclusive of VAT for what was described as an “**Initial concept discussion for Lyberry Bar Rebrand**”.
31. The screenshots of the photos in Exhibit AR3 and the photos themselves are all undated. The download of the Wikipedia entry for ‘**The Karate Kid**’ in Exhibit AR4 is dated 21 September 2019. Exhibit AR5 contains an undated compilation of Trip Adviser listings for 5 venues with snippets of text dated 22 May 2016 (Bold Street, Liverpool), 25 November 2017 (Allerton Road, Liverpool), 10 April 2017 (Division Street, Sheffield), 9 January 2018 (Northgate, Canterbury) and 8 March 2018 (Derby Street, Ormskirk).
32. Exhibit AR6 contains an email from Fly Creative Design Co. headed “**Original Miyagis Logo design**” with attached “**Mr Miyagis logo proof – 01.jpg**” dated “**Friday, 1 June 2018**” showing 7 iterations of the mark which VL applied to register five days later in black-and-white under number 3315962 on 6 June 2018.
33. The images in the “**Mr Miyagis logo proof**” dated “**Friday, 1 June 2018**” were the end result of the design process. Paragraphs 3, 4 and 7 to 9 of Mr Ritchie's witness statement were expressed in general terms which raised more questions than they answered with regard to: what the design brief actually was; when it was formulated; who formulated it; who worked on the artistic implementation of it and when they

started work on it; what sources of artistic inspiration they drew upon; what logotype designs were developed and evolved for selection and approval along the way; and how long it actually took to do the graphic design work required to arrive at the final logotype design.

34. VL needed to (but did not) provide evidence in relation to these matters of sufficient probative value to rebut the inference of copying that stood to be drawn from: (i) the express acknowledgment in paragraphs 8 and 13 of Mr Ritchie's Witness Statement to the effect that "*I was aware of [MMR's] operations in Dubai, UAE, from early 2018*"; and (ii) the visual similarities between the stylised representation of the name **Mr Miyagi's** which VL adopted for commercialisation in 2018 and the stylised representation of the name **Mr Miyagi's** which MMR had adopted for commercialisation in 2017. In his evidence, just as in his messaging referred to above, Mr Ritchie failed to provide an innocent explanation for the presence of the visual similarities between them which Mr Bracken had made a point of emphasising in paragraph 15 of his Witness Statement ("*The stylistic elements are staggeringly similar*").
35. Mr Ritchie briefly mentioned the September 2018 messaging (Exhibit AB7) in paragraphs 15 and 16 of his Witness Statement. He did not address the highly relevant statements which he himself had made in the course of that messaging or attempt to explain them away by saying that they were mistaken, inaccurate, untrue or for any other reason incorrect or unreliable.
36. There was a material disparity between what Mr Ritchie said in paragraph 16 of his Witness Statement ("*I did hear that ex-Luminar managers were considering the possibility of the UK for the MR MIYAGI'S brand, but any such information was only received after the filing of my own brand and I was never alerted to any concrete plans*") and what he had previously said in writing on the same point in his messaging with Mr Bracken towards the end of September 2018 ("*I heard that ex-luminar managers were looking at the feasibility of launching the brand in the UK just after we instructed designers to put it together for us, at that point we promptly applied for the mark*").

37. Although Mr Bracken was explicit in the September 2018 messaging (“*you were warned off doing it, by a mutual friend. He informed you of our plans and yet you still did it ... Russell Quelch. He’s your partner’s friend ...*”) he gave no evidence about that in the body of his Witness Statement. Mr Ritchie stated in paragraph 16 of his Witness Statement: “*I do not know Russell Quelch*”.
38. It was not possible on the basis of the evidence and materials on file to know who Mr Quelch was or whether he was an “*ex-Luminar manager*” or to identify who Mr Ritchie was referring to in paragraph 16 of his Witness Statement as the “*ex-Luminar managers ... considering the possibility of the UK for the MR MIYAGI’S brand*”.
39. However, that did not detract from the significance of the fact that Mr Ritchie (who said in the messaging that he was “*often in Dubai*”) had been personally “*aware of [MMR’s] operations in Dubai ... from early 2018*” as confirmed in his Witness Statement, nor did it detract from the significance of the fact that a straightforward visual comparison indicated that the stylised representation of the name **Mr Miyagi’s** which VL applied to register on 6 June 2018 was an imitation of the stylised representation of the name **Mr Miyagi’s** used by MMR in connection with its business in Dubai.
40. Mr Ritchie more likely than not provided Mr Bracken with an accurate account of what had happened when he freely stated of his own accord in the September 2018 messaging (which directly concerned, and was taking place not long after, the 6 June 2018 filing) that “*we promptly applied for the mark*” when “*I heard that ex-luminar managers were looking at the feasibility of launching the brand in the UK just after we instructed designers to put it together for us*”. It was, as I have already said, plain from the context in which Mr Ritchie made that statement that “*the brand*” he was referring to was **Mr. Miyagi’s** as adopted and commercialised by MMR in Dubai in 2017. He thus confirmed that VL had applied “*promptly*” to register its imitation of MMR’s stylised representation of the name **Mr Miyagi’s** as a result of hearing that there were people looking at the feasibility of launching MMR’s “*brand*” in the UK.

41. It is evident from the messaging that ***“promptly”*** meant pre-emptively. His statements noted above showed that he regarded MMR’s mark (and by proxy VL’s imitation of it) as available for registration and use by VL in the United Kingdom where ***“no one was using it and it wasn’t registered”*** and ***“Because Dubai isn’t England let alone Europe it’s irrelevant”***. His position, in his own words, was that: ***“If the mark wasn’t available to us then we wouldn’t be using it now”***; ***“you had the opportunity to stop this by registering the brand ... It’s not my fault you didn’t do this, now we own an asset which you desire ...”***. He recognised, in his own words, that VL’s application to acquire the ***“asset which you desire”*** was antagonistic to MMR: ***“I can imagine you’re frustrated”*** ; ***“I get that you’re upset and on a personal level I can see why”***. The effect of hastening to file the contested application for registration was, as Mr Bracken maintained in his Witness Statement, ***“to gain an upper hand on [MMR] should we ever wish to trade under our brand, or indeed register the brand as a trade mark, in the UK”***. And no less so because the application was filed with the intention of using the trade mark for the refitted Lyberry Bar which VL would soon be opening in Portsmouth.
42. In the messaging at Exhibit AB7, it was Mr Bracken who wrote to Mr Ritchie on 7 September 2018 saying that he wished ***“to see if [VL] can be a potential partner for the UK Market”***. Mr Ritchie replied saying ***“I would be happy to discuss UK opportunities with yourself”***. Neither that nor any of the subsequent exchanges in Exhibit AB7 in which they addressed the possibility of setting up a collaborative commercial relationship or arrangement for the United Kingdom went so far as to demonstrate that VL had ***“obtained the Registered Mark only as a spoiling mechanism to gain a tactical advantage and for use as a negotiating tool”*** as asserted in support of MMR’s objection to registration under section 3(6) of the 1994 Act.
43. MMR’s objection to registration on the ground of bad faith filing was rejected for the reasons given by the Hearing Officer in her Decision issued on behalf of the Registrar of Trade Marks under reference BL O/116/20 on 25 February 2020.
44. With reference, in particular, to the Judgment of the CJEU in Case C-320/12 Malaysia Dairy Industries (below) and my decision in DAAWAT Trade Mark [2003] RPC 11;

BL O/265/02 (10 June 2002); she proceeded on the basis that: “ ... *registration of a mark in the UK, in knowledge of another party’s mark in another jurisdiction, may amount to bad faith where it is done in order to secure a commercial advantage in negotiations or to block expansion into the UK market or for other reasons that fall below the standards of acceptable commercial practice. However, knowledge of the use of a mark or sign in another jurisdiction, on its own, is not sufficient to amount to bad faith*” (paragraph [35]).

45. Her consideration of the evidence led her to conclude as follows in paragraph [38]: *“Taking all of this into account, to my mind the ‘high point’ of MMR’s case is that VL, through Mr Ritchie, was aware of its business in Dubai at the time of filing its application and that the business gave Mr Ritchie the idea for the rebrand and theme for his bar. However, even if that is the case, that is not sufficient on its own for a finding of bad faith. VL cannot have intended to block MMR’s expansion into the UK or to gain an upper hand in negotiations that might stem from that expansion if it had no knowledge of their plans to expand into the UK. I do not consider that the evidence demonstrates that it did have knowledge of any such expansion.”*
46. In paragraph [40] she determined that: *“there is no evidence to suggest that, at the relevant date, VL was acting in a commercially unacceptable or dishonest way by applying for the mark in issue. I do not consider that VL’s conduct amounted to bad faith.”*
47. MMR maintains on appeal before me under section 76 of the 1994 Act that the Hearing Officer was altogether too lenient in her treatment of VL’s behaviour. It contends in its Grounds of Appeal that she should have proceeded, with full regard for the messaging in Exhibit AB7, to find that VL “made a calculated decision, having experienced the identical mark and services of [MMR] in another jurisdiction, to replicate [MMR’s] business concept, associated branding and get-up in the UK” with this not only amounting to “more than simply drawing inspiration from a business witnessed outside of this territory”, but also including an “intention to prevent [MMR] exploiting its branding and business in the UK”.

48. VL maintains that MMR's claim for bad faith filing was rightly rejected by the Hearing Officer for the reasons she gave in her decision and that her decision should accordingly be upheld on this appeal.
49. The question whether the contested application for registration was filed in bad faith must be asked and answered in the context of the system established for obtaining and retaining trade mark protection by registration under the 1994 Act.
50. Section 2(1) of the Act provides that: "***A registered trade mark is a property right obtained by the registration of the trade mark under this Act ...***". This reinforces the point that the rules for obtaining and retaining protection by registration proceed on the basis that title to a protected trade mark arises solely by virtue of an entry in the register identifying the natural or legal person(s) to whom the original certificate of registration is issued on completion of a procedure initiated by a simple request for registration filed in the required manner. There is no legal or administrative requirement for a person requesting registration to make an *a priori* claim to proprietorship of the trade mark he is putting forward for protection. The present system factors nothing more than the concept of acquiring 'title by registration' into the application stage and leaves it to those who would wish to contend that title has not been validly acquired to object on grounds available for that purpose under the Act: Ennis v Lovell (THE SWINGING BLUE JEANS Trade Mark) [2014] RPC 32; BL O/148/14; paragraphs [9] and [10].
51. The territorial nature and independence of national trade mark rights must be taken into account. This aspect of the system for registration was considered by the Court of Justice in Case C-9/93 IHT Internationale Heiztechnik GmbH v Ideal-Standard EU:C:1994:261 at paragraphs [21] to [32]. The Court referred *inter alia* to Article 6(3) of the Paris Convention for the Protection of Industrial Property of 20 March 1883 (last revised in 1967 and amended in 1979) which specifies that: "***A mark duly registered in a country of the Union shall be regarded as independent of marks registered in the other countries of the Union, including the country of origin***". To which I would add the stipulation in Article 6(1) of the Convention that: "***The conditions for the filing and registration of trademarks shall be determined in each country of the Union by its domestic legislation.***"

52. It is necessary from that perspective for objections to registration within the scope of section 3 (absolute grounds for refusal of registration) and section 5 (relative grounds for refusal of registration) of the 1994 Act to be focused on the position in the United Kingdom. In order to explain my decision as to where that leads in cases such as the present — in which (as Mr Ritchie emphasised in the September 2018 messaging) the objector is not the proprietor of any relevant United Kingdom trade mark registration — I shall refer to two of the bases on which objections to registration can be raised on relative grounds under section 5 in the absence of such registration before turning to consider bad faith filing as an absolute ground for objecting to registration under section 3(6) in the absence of such registration.
53. An objection to registration on relative grounds under section 5 can be raised by the proprietor of an “earlier trade mark” of the kind defined in section 6(1)(c) of the Act: *“a trade mark which, at the date of application for the trade mark in question or (where appropriate) of the priority date claimed in respect of the application, was entitled to protection under the Paris Convention or the WTO agreement as a well-known trade mark”*. Section 56(1) confirms that this refers *“to a mark which is well-known in the United Kingdom as being the mark of a person who – (a) is a national of a Convention country, or (b) is domiciled in, or has a real and effective industrial or commercial establishment in, a Convention country, whether or not that person carries on business, or has any goodwill, in the United Kingdom. References to the proprietor of such a mark shall be construed accordingly.”*
54. In contradistinction to that, a person who has not carried on business in, or does not have any goodwill in, the United Kingdom cannot claim to be the proprietor of an “earlier right” capable of supporting an objection to registration on relative grounds under section 5(4)(a) of the Act *“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 ...”*. See the decision and reasoning of the Supreme Court in Starbucks (HK) Ltd v British Sky Broadcasting Group Plc [2015] FSR 29; [2015] UKSC 31; paragraphs [47] to [66].

55. This leaves what I will refer to as an ‘open zone’ in which it is possible for an applicant for registration in the United Kingdom to apply — beyond the reach of section 5 — to register a trade mark (or an imitation of a trade mark) which he knows another trader is using elsewhere in the world for identical or similar goods or services.
56. The inability to object on relative grounds under section 5 does not prevent the other trader from raising an objection to registration on absolute grounds under section 3(6). It, nonetheless, has a tendency to affect the orientation of the objection under section 3(6) by requiring the other trader to start from the position that the contested application for registration covers use of the trade mark in question for trading activities in the United Kingdom which it (the other trader) has no right to suppress.
57. I refer, simply by way of example, to one of the decisions cited to me in relation to this point on behalf of VL : PASTA GO Trade Mark BL O/134/20 (4 March 2020) where the Hearing Officer acting for the Registrar of Trade Marks proceeded on the basis that: ***“Ordinarily a foreign business with no goodwill in the UK, has no legal protection in the UK. I note Professor Ruth Annand, as the Appointed Person’s comments in Wright v Dell Enterprises Inc (HOGS AND HEIFERS) BL O/580/16. Professor Annand ruled that, given the territorial nature of Intellectual Property rights, the mere appropriation of a name registered / used abroad was not enough under UK law: there must be something else involved before this can justify a finding of bad faith.”***
58. It is permissible and correct, in my view, to adopt a more straightforward approach. Bad faith filing is a free standing basis of objection on absolute grounds under section 3(6). The objection is neither governed nor exhausted by the operation of the relative rights provisions of section 5. From that perspective, the ‘open zone’ beyond the reach of section 5 is not an area beyond the reach of section 3(6). It is therefore not an area in which there can legitimately be an application for registration which, when assessed with proper regard for the trade mark applicant’s motives and intentions, is objectively judged to be contrary to accepted principles of ethical behaviour or honest commercial and business practices. See further, paragraphs [65] to [72] below.

59. That approach is exemplified by the decision of the Maritime and Commercial Court, Copenhagen in Red Lobster V 26/98 [1999] Ugeskrift for Retsvaesen 1999 p.1621. The decision is noted in Kerly's Law of Trade Marks and Trade Names (16th Edn, 2018), paragraph 10-257 (fn357); Alexander Tsoutsanis Trade Mark Registrations In Bad Faith (Oxford, 2010), paragraphs 12-05, 12-06; and the Opinion of Advocate General Sharpston in Case C-529/07 Chocoladefabriken Lindt & Sprungli AG EU:C:2009:148, paragraph [58] (fn25). The trade mark applicant admitted in a published newspaper interview that he had been *“strongly inspired by the American chain of RED LOBSTER. The Americans do a tremendous job and as they have protected neither the concept nor the name in Scandinavia I do not see any obstacle to my inspiration.”* This led to a finding of bad faith filing.
60. There does not appear to me to be any real difference between the attitude and behaviour to which the trade mark applicant admitted in the RED LOBSTER case and the attitude and behaviour to which Mr Ritchie admitted in his September 2018 messaging on behalf of the trade mark applicant in the present case.
61. That does not, however, remove the need for me to direct myself in accordance with the legal principles which apply to the determination of the case that is before me.
62. The Court of Justice ruled in Case C-320/12 Malaysia Dairy Industries Pte Ltd v Ankenaevnet for Patenter og Varemaerker EU:C:2013:435 at paragraph [37] that the fact that an applicant for registration knows or should know that a third party is using a mark abroad at the time of filing his application which is liable to be confused with the mark whose registration has been applied for is not sufficient, **in itself**, to permit the conclusion that the applicant was acting in bad faith.
63. That clearly does not prevent an objector from relying on knowledge of the prior use of an identical or similar mark or sign by a third party outside the United Kingdom in support of a claim for invalidity on the basis of bad faith filing by an applicant for registration in the United Kingdom: Case T-853/19 Tehrani v EUIPO EU:T:2021:145, paragraphs [39], [40] citing Case T-273/19 Target Ventures Group Ltd v EUIPO

EU:T:2020:510 paragraph [47] citing Case C-104/18P Koton Magazacalik Textil Sanayi ve Ticaret v EUIPO EU:C:2019:724, paragraphs [51], [52] and [55].

64. The Judgment of the General Court in Joined Cases T-3/18 and T-4/18 Holzer y Cia, SA de CV v EUIPO (ANN TAYLOR and AT ANN TAYLOR) EU:T:2019:317 (permission to appeal to the Court of Justice in Case C-582/19P refused by Order dated 22 October 2019: EU:C:2019:891) is illustrative of that approach. In the course of upholding the intervener’s objection to registration, the Court accepted that: *“even assuming that the reputation of the intervener’s marks are relevant in the present case, it is not their reputation in the European Union but that in the US and Mexico which should be taken into account in the light of the circumstances relied on by the intervener”* (paragraph [61]) and went on to recognise that *“the Board of Appeal was entitled to take the view that the steps taken by the applicant ... reflected its intention to prevent the intervener from extending the use of its ANN TAYLOR mark to watches in the European Union, which could, if that extension was its intention, amount to a legitimate commercial strategy”* (paragraph [173]).
65. Whilst it is necessary to examine, in the context of the overall assessment of the relevant circumstances of the particular case, whether the contested application for registration was filed with knowledge of the use of an identical or similar mark or sign by a third party, that is only one relevant factor among others to be taken into consideration: Case T-167/20 Tornado Boats International ApS v EUIPO EU:T:2021:257, paragraph [50] citing Case C-104/18P Koton (above), paragraphs [55] and [56].
66. Importantly for present purposes, the assessments which are relevant in order to establish whether relative grounds of objection exist under section 5 are not necessarily applicable to a finding of the existence of bad faith: Joined Cases T-3/18 and T-4/18 Holzer y Cia, SA de CV (above), paragraph [55]. The absolute ground of objection under s.3(6) is *“fundamentally different”* from the relative grounds of objection: Case C-528/18P Outsource Professional Services Ltd v EUIPO EU:C:2010:961, paragraphs [71] and [72]. A claim for invalidity on the basis of bad faith filing can be brought by any natural or legal person and not only by holders of prior rights: Joined Cases T-3/18 and T-4/18 Holzer y Cia, SA de CV (above), paragraph [56]. There is *“no requirement*

whatsoever” for the claimant to be the proprietor of an identical or similar earlier mark or sign protected by registration or by virtue of use in the United Kingdom: Case C-528/18P Outsource Professional Services Ltd v EUIPO (above), paragraphs [71] and [72]; Case T-167/20 Tornado Boats (above), paragraphs [49] and [76] to [78]; Target Ventures (above), paragraph [30]; all citing Case C-104/18P Koton (above), paragraph [53].

67. It follows that the ‘open zone’ beyond the reach of the relative grounds of objection under section 5 is, in principle, within the reach of the absolute objection to registration on the basis of bad faith filing under section 3. That is subject to the limitation that registration of a trade mark cannot be prevented on the basis of bad faith filing **merely** by showing that it is identical or similar to a mark or sign which a third party has previously (and without corresponding protection by registration in the United Kingdom) used for identical or similar goods or services: Case T-678/19 Health Product Group sp z o.o. v EUIPO EU:T:2021:364, paragraph [31] citing Case T-335/14 Davo Lledo v OHIM EU:T:2016:39, paragraph [43]; Case T-167/20 Tornado Boats (above), paragraph [43] citing Case T-796/17 Mouldpro ApS v EUIPO EU:T:2019:88, paragraph [77].
68. The intention of the applicant for a trade mark is a subjective factor which must be determined objectively by the competent administrative or judicial authorities. Consequently, any claim of bad faith must be the subject of an overall assessment, taking into account all the factual circumstances relevant to the particular case, it is only in that manner that a claim of bad faith can be assessed objectively: Case C-104/18P Koton (above), paragraph [47] citing Case C-529/07 Chocoladefabriken Lindt & Sprungli AG EU:C:2009:361, paragraphs [37] and [42]; and see Sky Ltd v SkyKick UK Ltd [2021] EWCA Civ 1121, paragraph [67(9)].
69. The General Court has repeatedly pointed out that the concept of bad faith is not defined, delimited or even described in any way in the applicable legislation.
70. The Court of Justice has ruled that there must be objective, relevant and consistent indicia tending to show that, when the application for a trade mark was filed, the trade

mark applicant had the intention either of undermining, in a manner inconsistent with honest practices, the interests of third parties, or obtaining, without even targeting a specific third party, an exclusive right for purposes other than those falling within the functions of a trade mark: Case C-371/18 Sky Plc v SkyKick UK Ltd EU:C:2020:45, paragraphs [75], [77] citing Case C-104/18P Koton (above), paragraph [46].

71. The General Court speaks of the need for a subjective motivation on the part of the trade mark applicant, namely a dishonest intention or other sinister motive involving conduct which departs from accepted principles of ethical behaviour or honest commercial and business practices: for example, Case T-663/19 Hasbro Inc. v EUIPO EU:T: 2021:211, paragraph [41] (permission to appeal to the Court of Justice in Case C-373/21P refused by Order dated 1 December 2021: EU:C:2021:983); and see Sky Ltd v SkyKick UK Ltd [2021] EWCA Civ 1121, paragraph [67(4)].
72. The required determination is, on any view of the matter, fact sensitive and case specific. It falls to be made with due regard for the fact that the proprietor of the trade mark at issue is best placed to provide the decision taker with information as to his or her intention at the time of the application for registration: Case T-663/19 Hasbro Inc. (above), paragraph [44]; Case T-592/20 Univers Agro EOOO v EUIPO EU:T:2021:633, paragraph [33] citing Joined Cases T-3/18 and T-4/18 Holzer y Cia, SA de CV (above) paragraph [37].
73. When I came to prepare this decision, I found that I could not adequately and fairly deal with MMR's contentions on appeal (paragraph [46] above) by saying that it was open to the Hearing Officer on the evidence and materials before her to come to the conclusions she did for the reasons she gave in the decision under appeal. The more I considered the position, the more clearly it appeared to me that her decision ought to have gone further and deeper than it did into the evidence on file and the legal principles applicable to the objection which MMR had raised in relation to VL's registration on the ground of bad faith filing under section 3(6). This is why I have examined and tested MMR's contentions in the way that I have above.

74. My conclusion having done so is that the appeal is well-founded in point of fact and in point of law. Even without having applied for the contested registration “*for use as a negotiating tool*” (paragraph [41] above), VL crossed the dividing line between legitimate self-interest and bad faith filing. It imitated and then hastened to register its imitation of the stylised representation of the name **Mr Miyagi’s** which MMR had been using in Dubai since 2017 when Mr Ritchie heard that the feasibility of launching MMR’s **Mr Miyagi’s** brand in the United Kingdom was being looked into. Viewed objectively, the contested application for registration targeted MMR’s stylised representation of the name **Mr Miyagi’s** with the aim of appropriating it (by imitation) for registration in the name of VL and preventing extension of MMR’s business use of its **Mr Miyagi’s** brand to the United Kingdom. Even if Mr Ritchie saw nothing wrong in acting in that way, the filing of the contested application for registration would still be objectionable under section 3(6): Red Bull GmbH v Sun Mark Ltd [2013] ETMR 53; [2012] EWHC 1929 (Ch) at paragraph [137]; Paper Stacked Ltd v CK Holdings NV (ALEXANDER Trade Mark) BL O/036/18 (18 December 2017) at paragraph [24]. I am satisfied that the Hearing Officer should and would have found on examining the evidence on file (and, in particular, Exhibit AB7) in accordance with the legal principles I have identified that the contested application for registration was filed in bad faith.
75. The parties are agreed that VL’s Opposition No. 600000995 (dated 19 November 2018) to MMR’s Trade Mark Application No. 3328262 (dated 31 July 2018) stands to be rejected if (as I have decided) VL’s Trade Mark No. 3315962 was invalidly registered.
76. My determination is as follows:
- (i) MMR’s appeal is allowed.
 - (ii) The Hearing Officer’s decision and her order as to costs are set aside.
 - (iii) MMR’s Invalidity Application No. 502486 and VL’s Opposition No. 600000995 are remitted to the Registrar of Trade Marks for further processing in accordance with the decision on this appeal.

77. I approach the question of costs in the manner indicated in paragraphs [12] to [14] of my decision in AMARO GAYO Trade Mark BL O/257/18 (25 April 2018). Having regard to what I consider to be the amount of effort and expenditure that is likely to have been reasonably and productively incurred by MMR in the conduct of its Invalidity Application No. 502486 to date and its defence to VL's Opposition No. 600000995 to date, I consider that it would be reasonable to order VL to pay a total of £3,500. to MMR as a contribution to its overall costs of the proceedings at first instance and on appeal.

78. That sum is to be paid within 21 days of the date of this decision.

Geoffrey Hobbs QC

02 March 2022

MMR was represented by Mr Mark Caddle of Withers & Rogers LLP

VL was represented by Ms Flora Cook of D.Young & Co LLP