

O/295/12

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO 2541942

BY

BABYLON BARS

TO REGISTER THE TRADE MARK:

High Tea(se)

IN CLASS 43

AND

THE OPPOSITION THERETO

UNDER NO 100931

BY

CASTLIST LIMITED

1) On 16 March 2010 Babylon Bars applied to register the trade mark **High Tea(se)** (the trade mark). Babylon Bars is not a legal entity. The evidence furnished for Babylon Bars shows that the legal entity is Babylon Bars Ltd; the applicant will be treated as being Babylon Bars Ltd (Babylon). The application was originally for:

education; providing of entertainment; entertainment; sporting and cultural activities;

services for providing food and drink; temporary accommodation; restaurant, bar and catering services; booking and reservation services for restaurants.

The above services are in classes 41 and 43 respectively of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

2) At the examination stage Babylon was notified of an earlier right which it was considered conflicted with its application in relation to class 41 services; registration no 2531099. Babylon was advised that if it continued with the application in relation to class 41 services the proprietor of registration no 2531099 would be notified of its application. Babylon requested that the class 41 services be deleted. Subsequently, the trade mark was published in the *Trade Marks Journal*, for opposition purposes, on 25 June 2010 for the class 43 services only.

3) A notice of opposition was received on 8 September 2010. This was in the name of Kirsty Allan c/o Castlist Ltd (Castlist). Ms Allan is a director of Castlist which is the owner of the earlier rights relied upon in the opposition. The opponent has been amended to Castlist at the request of Ms Allan.

4) Castlist relies upon sections 3(6), 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (the Act). Section 3(6) of the Act states:

—~~A~~rade mark shall not be registered if or to the extent that the application is made in bad faith.”

Section 5(2)(b) of the Act states:

—~~2)~~ A trade mark shall not be registered if because -
.....

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

Section 5(3) of the Act states:

~~3~~) A trade mark which –

(a) is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a Community trade mark or international trade mark (EC) in the European Community) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.”

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

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

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

The principles of the law of passing-off were summarised by Lord Oliver in *Reckitt & Colman Products Ltd v. Borden Inc* [1990] RPC 341 at page 406:

~~5~~) The law of passing off can be summarised in one short, general proposition: no man may pass off his goods as those of another. More specifically, it may be expressed in terms of the elements which the plaintiff in such an action has to prove in order to succeed. These are three in number. First he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying 'get-up' (whether it consists simply of a brand name or trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff's goods or services. Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff. ... Thirdly he must demonstrate that he suffers, or in a *quia timet* action that he is likely to suffer, damage by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff.”

5) Castlist states that it has been producing a ~~—burlesque/cabaret event”~~ called High Tease for nearly 5 years. It states that it is a ~~—diner show”~~ and ~~—appears”~~

nationally on a regular basis. It claims that it is well-known in the burlesque/cabaret world. Castlist describes the applicant for the trade mark as Mr Paul Kohler. Castlist claims that Mr Kohler applied for the trade mark registration in full knowledge of Castlist's existing trade mark and production history. It states that Mr Kohler has received electronic mailshots from Castlist about its High Tease show since 2006. It claims that many direct links to High Tease pages have been opened and visited. Castlist states that Mr Kohler was originally using High Tease without the brackets at the end. It states that Mr Kohler uses the brackets inconsistently. This matter was brought to Mr Kohler's attention. Castlist states that the reaction of Mr Kohler was to try and register the trade mark and to invalidate Castlist's trade mark. Castlist states that following the raising of its trade mark against Babylon's application, he dropped the "relevant category for entertainment". Castlist states that Mr Kohler is still using the trade mark in relation to a burlesque/cabaret show. Castlist states that it believes that Mr Kohler intends to use the trade mark, if registered, to circumvent its trade mark protection —by the citation of a tangential class. For example, advertising High Tease/High Tea(se) as 'tea and sandwiches' which happens to include a burlesque/cabaret show". Castlist states that its clients and customers are still being misled by Mr Kohler's use of the trade mark.

6) In relation to section 5(2)(b) of the Act, Castlist relies upon United Kingdom registration no 2531099 of the trade mark **High Tease**. The application for registration was filed on 9 November 2009 and the registration procedure was completed on 12 March 2010. The trade mark is registered for:

photographic, cinematographic, transmission or reproduction of sound or images; magnetic data carriers, recording discs; recorded media, computer hardware and firmware; computer software; software downloadable from the Internet; downloadable electronic publications; compact discs; digital music; computer games equipment adapted for use with an external display screen or monitor; mouse mats; mobile phone accessories;

clothing, footwear, headgear;

education; providing of training; entertainment; sporting and cultural activities.

The above goods and services are in classes 9, 25 and 41 respectively of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

7) Castlist claims that all of the goods and services of its earlier registration are similar or identical to the services of the application.

8) Castlist relies upon the same trade mark registration in respect of section 5(3) of the Act. It claims that it has a reputation for all of the goods and services of its registration, however, it describes its business in the following terms:

–High Tease is a burlesque show with dinner, cocktails, champagne etc. It is a nationwide operation with significant accolades and reputation. High Tease appears in theatres and specialised venues with professional production values. We have appeared nationally and internationally: London, Bath, Brighton, Manchester, Birmingham, Glasgow, Edinburgh, Cardiff, Oxford, Nottingham, Bournemouth, Cannes, Amsterdam winning 5 stars and critical acclaim.”

Castlist claims that Mr Kohler’s High Tease/High Tea(se) often use less experienced acts, is held in a bar and is subject to bad reviews. This comes out in Internet searches, misleading potential customers and sponsors. Castlist claims that clients have assumed that there is a licence agreement between Castlist and Mr Kohler or that they are the same organisation. Castlist believes that Mr Kohler is unfairly benefiting from association with its brand and also gaining Internet traffic from those searching for High Tease

9) In relation to section 5(4)(a) of the Act, Castlist claims that it first used the sign HIGH TEASE in spring 2006 in London. It claims to have used the sign in relation to dinner shows and burlesque/cabaret entertainment.

10) Mr Kohler filed a counterstatement for Babylon. Babylon states that Castlist’s opposition is misconceived as it is trying to enforce rights in class 43 when it only has a registration in class 41. It states that ~~–his~~ entirely misunderstands both the purpose of the trademark system and the reason why different categories exist”.

11) Babylon denies that High Tease is a dinner show. It states that even when food is provided it is not an integral part of the event and there is no reference to it apart from under the ticket price. It states that high tea is an integral part of Babylon’s events with the provision of finger sandwiches, tea, cakes and ~~–bbles~~”.

12) Babylon ~~–do~~bt[s]” that Castlist was using the sign High Tease before it. It denies the claim that it has copied Castlist or was aware of its product. It states that it has no desire to be associated with Ministry of Burlesque.

13) Babylon states that in the spirit of compromise with Castlist it advertises its events as High Tea(se) & Burlesque.

14) Babylon deny that High Tease and High Tea(se) are confusingly similar. It states that in its newsletter it makes it clear that it has no association with the Ministry of Burlesque.

15) Babylon claims that it is attempting to simply protect the high tea element of its event.

16) Both sides filed evidence. Castlist filed written submissions.

Evidence for Castlist

17) This consists of a witness statement by Kirsty Allan. Ms Allan is a director of Castlist.

18) She states that Castlist first used the trade mark High Tease in May 2006 in London at Lost Society. Exhibited at KA1 is a flyer for the event which shows the event as taking place on 1 June 2006. The event is presented by Ministry of Burlesque (MOB). It is described as —ADeliciously Decadent Evening of Stripping, Quipping & Sipping”.

19) Ms Allan states that Castlist has made continuous use of High Tease in connection with the provision of a burlesque/cabaret throughout the United Kingdom, including London, Bath, Brighton, Manchester, Birmingham, Glasgow, Edinburgh, Cardiff, Nottingham, Bournemouth, Reading and Scunthorpe. She exhibits at KA2 a list of performances:

London

Volupte 2006-2007

Lost Society 2007-2008

The Met Bar 2007-2008

Croydon Clocktower 2008-2009

British Library 2009

Brighton

The Hanbury Club 2006-2008

Komedia 2009-2010

Nottingham

The Geisha Bar 2007-2007

The Glee Club 2010

Glasgow

Britannia Panoptician 2006-2007

The Classic Grand 2007-2008

The Old Fruitmarket 2009

Edinburgh

Oran Mor 2007

The Voodoo Rooms 2008-2009

Birmingham
The Glee Club 2009-2010

Cardiff
The Glee Club 2010

Bath
Komedia 2009

Manchester
The Lowry Theatre 2009

Portsmouth
The Kings Theatre 2010

Bournemouth
Rubyz 2010

Scunthorpe
Plowright Theatre 2011

Reading
Hexagon Theatre 2011

(There is no indication as to when the events in 2010 took place and so it is not known if they occurred prior to the date of the filing of the application for registration, consequently, they cannot be taken into consideration.)

20) Ms Allan states that the entertainment that is offered is marketed as an event that typically offers dinner, cocktails and champagne. The food and drink are provided by the venues, not by Castlist. Exhibited at KA3 are examples of marketing materials. Page 8 and 9 each has a reference to Castlist. The events are promoted as being presented by Ministry of Burlesque. Page 17 includes a description of the event from a programme from Komedia Bath:

—Amproarious revue of razor-wit and frisky burlesque featuring the daring antics of scantily clad showgirls, the sultriest of sirens and the edgiest of comic-cabaret masters. So dig out your frock & finery and get ready for high camp comedy, risqué song and Victorian villainy.”

Tickets for the show can be bought to include a three course meal. The ball park cost of entry for the shows, without a meal, is between £12.50 and £15.00.

21) Approximate turnover for the services is;

2006 £14,000

2007 £40,000
2008 £40,000
2009 £40,000
2010 £50,000

The approximate advertising and production expenditure was:

2006 £15,000
2007 £35,000
2008 £30,000
2009 £20,000
2010 £30,000

The 2010 figures relate to 21 May to 31 December and were traded through a second company, Castlist Productions Ltd, which has been dissolved. Trading resumed through Castlist.

22) Exhibit KA4 consists of editorial/advertising for High Tease in 2006. The material relates to events in London and Brighton. In an article from *Mayfair* a Kittie Klaw (presumably a stage name) is asked about the High Tease show and responds:

–High Tease is all about bawdy cabaret. Think Morecambe and Wise meets Noel Coward at a debauched party of Victorian theatre darlings, hosted by Oscar Wilde. Throw in a ukulele, powdered wigs, a Dickensian villain and flaming nipple tassels and you're pretty much there. High Tease is promoted monthly in London, Glasgow and Brighton. In fact our Brighton venue is the newly refurbished Hanbury Club. The place where the legendary Kroon Kat Lounge started off.”

(Most of the article relates to the MOB.)

23) Exhibit KA5 consists of:

- An extract from *The List Glasgow and Edinburgh Events Guide* for 12-26 April 2007. This advertises a High Tease show at the Classic Grand in Glasgow on 22 April. An article without provenance also refers to this event. An article from *The Big Pick* also refers to the event.
- Advertisements for High Tease events in Glasgow (March 2007, February 2007, April 2007, September 2007, December 2009), Bath (October 2009, July, August and September 2010, February, March and April 2011), Manchester (October 2010, July 2010, January 2011), Birmingham, Cardiff, Nottingham and Oxford (September and October 2010), Brighton (May 2010, February 2010), Scunthorpe (October 2011)

The years have been calculated by tallying the date of the month with the day of the week. In some material there is no day of the week and so it is not possible to calculate the year. This material has not been included in the summary as it is not possible to ascertain if it relates to events after the date of application for registration.

24) Exhibit KA6 consists of a printout from the Internet relating to a High Tease workshop that was run in Croydon on 25 February 2009.

25) Exhibit KA7 reproduces the article referred to in paragraph 22.

26) Exhibit KA8 reproduces an article from *Time Out London* in relation to burlesque DJs in 2006. There is a one sentence reference to High Tease:

—A favourite was performing at the Ministry of Burlesque’s charming High Tease night at Lost Society.”

27) Exhibits KA9, KA10, KA11, KA12, KA13, KA14 and KA15 duplicate material exhibited elsewhere.

28) Exhibit KA16 includes:

- A review of High Tease from EdinburghGuide.com, posted on 14 August 2009.
- An article from *The List* posted on 10 April 2007 and updated on 20 September 2007. It is an article about burlesque and there are 4 references to High Tease.
- Printout from the website of STV. It gives information about High Tease performing in Edinburgh in August 2009.

29) Exhibited at KA17 are details of visits to the ministryofburlesque.com website from July 2011 to November 2011. This relates to events after the date of application for registration and there is no direct link to High Tease. Consequently, this exhibit is not pertinent to the proceedings.

30) Ms Allan states that hightease.info was registered in May 2007 as a domain name.

31) Ms Allan states that it is not uncommon for entertainment to be offered and advertised with food and drinks. Exhibited at KA18 is material that Ms Allan states relates to Babylon. Page 95 refers to a —tea and tease event”. Page 96 refers to an —Afternoon of High Teas” which includes a burlesque show and afternoon tea. Page 97 relates to High Tea(se) and burlesque, which includes afternoon tea. Page 98 refers to —Saturday Afternoon High Tea(se) which took place on 26 September 2009. The other pages refer to the same types of

events. All the events appear to take place at the Cellar Door Club. The earliest reference to events under the name High Tease is 17 July 2009 (page 103).

Evidence for Babylon

32) This consists of a witness statement made by Mr Kohler. Mr Kohler is a director of Babylon Bars Ltd.

33) Mr Kohler exhibits at PK1 material relating to Castlist's High Tease events which he notes make no reference to food or drink. He states that Castlist's own evidence shown that its events are not dinner shows; it not furnishing food or drink. He states that where food is mentioned it is —always as an incidental aspect of the High Tease show”.

34) Mr Kohler states that exhibit PK2 includes —critical reviews of High Tease and the accusation, as is well known in this industry, that the online review mechanism is manipulated”. Pages 7 and 8 from a burlesque forum contain accusations and counter-accusations in relation to online reviews of the High Tease shows. The exhibit includes a review of High Tease at the Lowry Theatre in Salford. The review relates to a performance on 17 July 2010. It is not a particularly glowing review. The public review rating, of 7 people, is 3.1 out of 5. Mr Kohler states that Babylon publicly declares its approach to fake reviews. This is exhibited at page 13 where, Mr Kohler presumably, declares that —w never plant reviews”. Exhibited at page 16 is a review from Tripadvisor which relates to Babylon's —ShangHai Tea version of High Tea(se)”. Mr Kohler states that page 97 of Ms Allan's evidence is incorrect as the screenshot is from Babylon's website and not that of Red Seven. He states that Babylon has no connection with Red Seven.

35) Mr Kohler states that Castlist has produced no evidence to substantiate its claim that people have bought tickets for Babylon's events in the belief that they were coming from MOB. He comments that Castlist have produced no evidence to refute Babylon's claim that the former's —reputation is so poor in London that they are unable to mount a show in the capital”. He states that this is implicitly confirmed in Castlist's evidence as it shows it has not mounted any shows in London for a number of years.

36) Mr Kohler submits that High Tea(se) and High Tease are not confusingly similar because both products are sold via written forms either over the Internet or with traditional flyers and posters. He submits that the aural identity is not relevant as the High Tea(se) pun is visual and not oral. He states that Castlist could not stop Babylon advertising burlesque and High Teas.

Findings of fact

37) In relation to section 5(3) of the Act, Castlist must establish that its trade mark was known by a significant part of the public concerned by the products and services coveredⁱ. The Court of Justice of the European Union (CJEU) in *General Motors Corporation v Yplon SA* Case C-375/97 stated how a party would establish this reputation:

—27In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.”

There is not a shred of evidence in relation to the class 9 goods, the class 25 goods and most of the class 41 services; despite the claim to a reputation in respect of all of them.

38) Castlist’s business relates to what may be defined as burlesque entertainment. Castlist gives no indication of market share in relation to this sector of the market. Parts of its evidence conflate the High Tease business with that of the MOB business at large. At an absolute level the turnover appears small. Even if customers were only paying £10 a ticket, this would leave 4,000 customers for each of 2007, 2008 and 2009 and 1,400 for 2006. The promotion is limited; mainly appearing to be made up of fliers and a few reviews. No figures are actually given for promotion; the figures for promotion being combined with the figures for production.

39) Castlist’s evidence does not satisfy the *General Motors Corporation v Yplon SA* criteria. Its claim under section 5(3) of the Act is dismissed.

40) A similar provision to section 5(4)(a) of the Act is to be found in Article 8(4) of Council Regulation 40/94 of December 20, 1993. This was the subject of consideration 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 which the General Court (GC) stated:

—50First, 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.”

41) The reasoning of the GC, *mutatis mutandis*, is followed in relation to the Act. Castlist must establish that at the date of application for the trade mark it had protectable goodwill by reference to the sign High Tease in relation to the provision of dinner shows and burlesque/cabaret entertainment.

42) Goodwill is the attractive force which brings in customⁱⁱ. How goodwill is to be established has been dealt with in several judgmentsⁱⁱⁱ. *Phones 4u Ltd v Phone4u.co.uk. Internet Ltd* [2007] RPC 5 establishes that one cannot just follow a formula or demand certain predetermined requirements to be met. Castlist admits that it does not supply food and drink; these are supplied by the venue. Any attractive force in relation to food and drink comes from the venue. **Castlist has established use of HIGH TEASE in relation to burlesque entertainment from 1 June 2006, when the first event took place. There has been regular if not enormous use since then. The goodwill relates solely to burlesque entertainment.**

43) Both parties agree that Babylon has used its trade mark prior to the date of application. Consequently, consideration has to be given to the position at the date that the behaviour complained of commenced^{iv}. The earliest use shown of High Tea(se) (as opposed to High Tease) relates to an event that took place on 26 September 2009. It can be assumed that use of the sign took place prior to this in order to publicise the event. The events organised under this sign are burlesque shows with high tea. Mr Geoffrey Hobbs QC, sitting as the appointed person, in *Lee Alexander McQueen v Nicholas Steven Croom* BL O-120-04 held:

—45I understand the correct approach to be as follows. When rival claims are raised with regard to the right to use a trade mark, the rights of the rival claimants fall to be resolved on the basis that within the area of conflict:

- (a) the senior user prevails over the junior user;
- (b) the junior user cannot deny the senior user’s rights;
- (c) the senior user can challenge the junior user unless and until it is inequitable for him to do so.”

Castlist is the senior user. Castlist has objected to the use of High Tease and High Tea(se) for some time; there is no issue of acquiescence. Pumfrey J in *Daimlerchrysler AG v Javid Alavi* (T/A Merc) [2001] RPC 42 stated:

—This is consistent with what was said by Lord Scarman, giving the opinion of the Board in *Cadbury-Schweppes Pty Ltd v. The Pub Squash Co. Pty Ltd* [1981] R.P.C. 429 at 494: the relevant date in law is the date of the

commencement of the conduct complained of. I should just add that there must come a time after which the court would not interfere with a continued course of trading which might have involved passing off at its inception but no longer did so: logically, this point would come six years after it could safely be said that there was no deception and independent goodwill had been established in the market by the protagonists. There must also be doubt as to the availability of injunctive relief if there is no passing-off at the date the action is commenced.”

The six year period referred to by Pumfrey J relates, it is assumed, to the provisions of the Limitation Act 1980. Six years not having passed since the first act complained of and there having been no acquiescence by Castlist, Babylon’s use of HIGH TEA(SE), or even HIGH TEASE, cannot act as a defence for it. **Both at the date of the application for registration and as of September 2009, Castlist had goodwill in burlesque entertainment by reference to the sign High Tease.**

Section 3(6) of the Act

44) Castlist claims that Babylon knew of its High Tease events when Babylon first began to use High Tease. It claims that it sent e-mails to Babylon re this. Babylon denies knowledge of Castlist’s use of High Tease prior to its own use of this term. Castlist returns to this claim in its submissions. However, it has put in no evidence to substantiate the claim of prior knowledge on the part of Babylon in relation to when the latter first used the term. There is no reason that two undertakings should not come up with the same play upon words in relation to the businesses which they are promoting. In the absence of evidence, the claim of prior knowledge of Babylon, when it first used High Tease, is dismissed. The evidence of Castlist’s use is such that it cannot be inferred that there would be general knowledge in the economic sector concerned of such use, and that knowledge can be inferred, inter alia, from the duration of such use^v. It is clear, however, that at the date of application that Babylon knew of Castlist’s use of High Tease; its knowledge led to the addition of the brackets.

45) In *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch) Arnold J considered the nature of a claim to bad faith:

—13. A number of general principles concerning bad faith for the purposes of section 3(6) of the 1994 Act/Article 3(2)(d) of the Directive/Article 52(1)(b) of the Regulation are now fairly well established. (For a helpful discussion of many of these points, see N.M. Dawson, "Bad faith in European trade mark law" [2011] IPQ 229.)

131. First, the relevant date for assessing whether an application to register a trade mark was made in bad faith is the application date: see

Case C-529/07 *Chocoladenfabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH* [2009] ECR I-4893 at [35].

132. Secondly, although the relevant date is the application date, later evidence is relevant if it casts light backwards on the position as at the application date: see *Hotel Cipriani Srl v Cipriani (Grosvenor Street) Ltd* [2008] EWHC 3032 (Ch), [2009] RPC 9 at [167] and cf. Case C-259/02 *La Mer Technology Inc v Laboratoires Goemar SA* [2004] ECR I-1159 at [31] and Case C-192/03 *Alcon Inc v OHIM* [2004] ECR I-8993 at [41].

133. Thirdly, a person is presumed to have acted in good faith unless the contrary is proved. An allegation of bad faith is a serious allegation which must be distinctly proved. The standard of proof is on the balance of probabilities but cogent evidence is required due to the seriousness of the allegation. It is not enough to prove facts which are also consistent with good faith: see *BRUTT Trade Marks* [2007] RPC 19 at [29], *von Rossum v Heinrich Mack Nachf. GmbH & Co KG* (Case R 336/207-2, OHIM Second Board of Appeal, 13 November 2007) at [22] and *Funke Kunststoffe GmbH v Astral Property Pty Ltd* (Case R 1621/2006-4, OHIM Fourth Board of Appeal, 21 December 2009) at [22].

134. Fourthly, bad faith includes not only dishonesty, but also "some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined": see *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367 at 379 and *DAAWAT Trade Mark* (Case C000659037/1, OHIM Cancellation Division, 28 June 2004) at [8].

135. Fifthly, section 3(6) of the 1994 Act, Article 3(2)(d) of the Directive and Article 52(1)(b) of the Regulation are intended to prevent abuse of the trade mark system: see *Melly's Trade Mark Application* [2008] RPC 20 at [51] and *CHOOSI Trade Mark* (Case R 633/2007-2, OHIM Second Board of Appeal, 29 February 2008) at [21]. As the case law makes clear, there are two main classes of abuse. The first concerns abuse vis-à-vis the relevant office, for example where the applicant knowingly supplies untrue or misleading information in support of his application; and the second concerns abuse vis-à-vis third parties: see *Cipriani* at [185].

136. Sixthly, in order to determine whether the applicant acted in bad faith, the tribunal must make an overall assessment, taking into account all the factors relevant to the particular case: see *Lindt v Hauswirth* at [37].

137. Seventhly, the tribunal must first ascertain what the defendant knew about the matters in question and then decide whether, in the light of that knowledge, the defendant's conduct is dishonest (or otherwise falls short

of the standards of acceptable commercial behaviour) judged by ordinary standards of honest people. The applicant's own standards of honesty (or acceptable commercial behaviour) are irrelevant to the enquiry: see *AJIT WEEKLY Trade Mark* [2006] RPC 25 at [35]-[41], *GERSON Trade Mark* (Case R 916/2004-1, OHIM First Board of Appeal, 4 June 2009) at [53] and *Campbell v Hughes* [2011] RPC 21 at [36].

138. Eighthly, consideration must be given to the applicant's intention. As the CJEU stated in *Lindt v Hauswirth*:

"41. ... in order to determine whether there was bad faith, consideration must also be given to the applicant's intention at the time when he files the application for registration.

42. It must be observed in that regard that, as the Advocate General states in point 58 of her Opinion, the applicant's intention at the relevant time is a subjective factor which must be determined by reference to the objective circumstances of the particular case.

43. Accordingly, the intention to prevent a third party from marketing a product may, in certain circumstances, be an element of bad faith on the part of the applicant.

44. That is in particular the case when it becomes apparent, subsequently, that the applicant applied for registration of a sign as a Community trade mark without intending to use it, his sole objective being to prevent a third party from entering the market.

45. In such a case, the mark does not fulfil its essential function, namely that of ensuring that the consumer or end-user can identify the origin of the product or service concerned by allowing him to distinguish that product or service from those of different origin, without any confusion (see, inter alia, Joined Cases C-456/01 P and C-457/01 P *Henkel v OHIM* [2004] ECR I-5089, paragraph 48)."

46) In *Chocoladefabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH* Case C-529/07 the CJEU stated:

—40However, the fact that the applicant knows or must know that a third party has long been using, in at least one Member State, an identical or similar sign for an identical or similar product capable of being confused with the sign for which registration is sought is not sufficient, in itself, to permit the conclusion that the applicant was acting in bad faith.....

.....46 Equally, the fact that a third party has long used a sign for an identical or similar product capable of being confused with the mark

applied for and that that sign enjoys some degree of legal protection is one of the factors relevant to the determination of whether the applicant was acting in bad faith.

47 In such a case, the applicant's sole aim in taking advantage of the rights conferred by the Community trade mark might be to compete unfairly with a competitor who is using a sign which, because of characteristics of its own, has by that time obtained some degree of legal protection.

48 That said, it cannot however be excluded that even in such circumstances, and in particular when several producers were using, on the market, identical or similar signs for identical or similar products capable of being confused with the sign for which registration is sought, the applicant's registration of the sign may be in pursuit of a legitimate objective."

47) In the absence of any evidence that Babylon knew of Castlist's use of High Tease when the former first used the term, and Babylon's own use of the term; Babylon's application was in the pursuit of a legitimate interest. Castlist characterises the presence of class 43 services as a ploy to circumvent its rights. The evidence shows that as part of its entertainment Babylon provides food and drink. Consequently, it was appropriate for it apply in classes 41 and 43. The issue of bad faith has to be assessed at the date of application.

48) The claim under section 3(6) of the Act is dismissed.

Likelihood of confusion – section 5(2)(b) of the Act

49) The current, or past, marketing undertaken by the parties is not relevant to the issues to be determined, as the GC stated in *NHL Enterprises BV v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-414/05*:

—71The Court considers, first, that that assessment by the Board of Appeal is not called in question by the particular conditions in which the applicant's goods are marketed, since only the objective marketing conditions of the goods in question are to be taken into account when determining the respective importance to be given to visual, phonetic or conceptual aspects of the marks at issue. Since the particular circumstances in which the goods covered by the marks at issue are marketed may vary in time and depending on the wishes of the proprietors of those marks, the prospective analysis of the likelihood of confusion between two marks, which pursues an aim in the general interest, namely that the relevant public may not be exposed to the risk of being misled as to the commercial origin of the goods in question, cannot be dependent on

the commercial intentions of the trade mark proprietors – whether carried out or not – which are naturally subjective (see, to that effect, *NLSPORT*, *NLJEANS*, *NLACTIVE* and *NLCollection*, cited at paragraph 61 above, paragraph 49, and Case T-147/03 *Devinlec v OHIM – TIME ART (QUANTUM)* [2006] ECR II-11, paragraphs 103 to 105, upheld on appeal by the Court by judgment of 15 March 2007 in Case C-171/06 P *TIME ART v OHIM*, not published in the ECR, paragraph 59).”

The same reasoning can be seen in *Phildar SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-99/06, *Oakley, Inc v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-116/06, *Devinlec Développement Innovation Leclerc SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-147/03, *Sadas SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-346/04 and *Daimlerchrysler AG v Office for Harmonization in the Internal Market (Trade Marks and Designs) Case T-358/00*.

Average consumer and the purchasing process

50) The services of the application will be purchased by the public, with the exception of *booking and reservation services for restaurants* which will be purchased by restaurants; the public might use the service but they are not the purchasers of the service. *Booking and reservation services for restaurants* are likely to be purchased with care as if they are not robust and efficient they could have an adverse effect upon the restaurant. Taken into account the nature of the services and the purchasers, the effect of imperfect recollection will be lessened.

51) *Temporary accommodation* will normally be purchased with some care. The potential purchaser is likely to investigate such things as location and the facilities available at the accommodation. The effect of imperfect recollection will be lessened.

52) The other services of the application may all be purchased on the spur of the moment; they may be purchased simply because of propinquity or the nature of the cuisine. The effect of imperfect recollection will be increased.

53) In its submissions and in its evidence, Castlist relies upon entertainment services, or services that fall within this category. These services cover a vast spectrum of activities. They could be purchased on impulse, eg popping into a public house to see a band. The consideration of likelihood of confusion must take into account such purchases. Owing to the general nature of the services there is no reason that they will be purchased with care; the effect of imperfect recollection will be increased.

54) In *New Look Ltd v Office for the Harmonization in the Internal Market (Trade Marks and Designs)* Joined Cases T-117/03 to T-119/03 and T-171/03 the GC stated:

—49However, it should be noted that in the global assessment of the likelihood of confusion, the visual, aural or conceptual aspects of the opposing signs do not always have the same weight. It is appropriate to examine the objective conditions under which the marks may be present on the market (*BUDMEN*, paragraph 57). The extent of the similarity or difference between the signs may depend, in particular, on the inherent qualities of the signs or the conditions under which the goods or services covered by the opposing signs are marketed. If the goods covered by the mark in question are usually sold in self-service stores where consumer choose the product themselves and must therefore rely primarily on the image of the trade mark applied to the product, the visual similarity between the signs will as a general rule be more important. If on the other hand the product covered is primarily sold orally, greater weight will usually be attributed to any aural similarity between the signs.”

55) The respective services are likely to be encountered by signage, visual advertising or on the Internet. Consequently, visual similarity is of greater significance than aural similarity.

Comparison of trade marks

56) The trade marks to be compared are High Tease and High Tea(se).

57) In its submissions Castlist refers to the trade marks as being identical. It has not pleaded that they are identical. The grounds it has pleaded are under section 5(2)(b) of the Act and not 5(2)(a) of the Act.

58) The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details^{vi}. The visual, aural and conceptual similarities of the marks must, therefore, be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components^{vii}. Consequently, there cannot be an artificial dissection of the trade marks, although it is necessary to take into account any distinctive and dominant components. The average consumer rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he/she has kept in his/her mind and he/she is deemed to be reasonably well informed and reasonably circumspect and observant^{viii}. The assessment of the similarity of the trade marks must be made by reference to the perception of the relevant public^{ix}.

59) The average consumer will see each of the trade marks as the words High Tease, brackets or no brackets. The trade marks will both be perceived, visually,

as a play on the term high tea. Consequent upon this perception, the components of the trade marks —~~had~~ “tag together” and there is no single or dominant component within them.

60) Aurally the trade marks are identical. Visually they differ in the presence of brackets in Babylon’s trade mark. This is a very minor difference to the trade mark of Castlist. The trade marks are visually highly similar. In oral use the trade marks are both likely to be perceived as High Teas. In visual use they will both be seen as forming a pun in relation to the term High Teas and something that teases. The trade marks are conceptually identical.

61) The trade marks are highly similar.

Comparison of goods and services

62) In —~~con~~struing a word used in a trade mark specification, one is concerned with how the product is, as a practical matter, regarded for the purposes of trade^{xv}. Words should be given their natural meaning within the context in which they are used, they cannot be given an unnaturally narrow meaning^{xi}. Consideration should be given as to how the average consumer would view the goods and/or services^{xii}. The class of the goods and/or services in which they are placed may be relevant in determining the nature of the goods and/or services^{xiii}. In assessing the similarity of goods and/or services it is necessary to take into account, inter alia, their nature, their intended purpose, their method of use and whether they are in competition with each other or are complementary^{xiv}. In *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281, Jacob J also gave guidance as to how similarity should be assessed^{xv}.

63) In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T- 325/06 the GC explained when goods are complementary:

—82t 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 (PiraÑAM diseño original Juan Bolaños)* [2007] ECR I-0000, paragraph 48).”

64) Jacob J in *Avnet Incorporated v Isoact Ltd* [1998] FSR 16 stated:

—In my view, specifications for services should be scrutinised carefully and they should not be given a wide construction covering a vast range of activities. They should be confined to the substance, as it were, the core of the possible meanings attributable to the rather general phrase.”

65) In its submissions and in its evidence, Castlist has only relied upon the services of its registration in relation to claims of similarity. It is not possible to see how the goods of the earlier registration are similar, within the parameters of the case law, to the services of the application. In its submissions, Castlist concentrates on the entertainment element of its earlier registration.

66) *Booking and reservation services for restaurants* are, as noted above, services supplied to restaurants. A customer may use them but he or she is not the customer of the service, the restaurant is the customer. The diner is the customer of the restaurant, not the booking service. The service may be supplied by a specialist undertaking such as Toptable or a travel agent. By applying for the trade mark in relation to these services, Babylon has undertaken that it intends to use the trade mark for such services; implicit in this is that it intends to maintain or create a market for such services, services that are separate from restaurant services. These are services outwith restaurant services although linked to such services. Taking into account the Avnet principle, it is not considered that the aforesaid services coincide with any of the services of the earlier trade mark within the parameters of the case law. ***Booking and reservation services for restaurants are not similar to the services of the earlier registration.***

67) Castlist submits that *temporary accommodation* is similar to the services of its registration as some establishments provide *entertainment* services which are ancillary to the provision of accommodation. It submits that well-known providers of accommodation and entertainment include Butlins and Pontins. The respective services are not fungible, they are not in competition. The respective services do not have a close connection, 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 the respective services lies with the same undertaking. They are not complementary. The purpose of one set of services is to entertain, the purpose of the other is to give accommodation; they do not have the same purpose. The only point of coincidence is that in certain circumstances the respective services could be supplied in the same location eg a hotel giving entertainment. In this context they could have the same users. It is not unusual, for instance, for hotels to organise murder weekends, for holiday camps to have musical weekends. (It is also common practice for hotels to promote their services by organising sporting activities, eg golf vacations, and the earlier registration covers sporting activities.) ***There is a low degree of similarity between temporary accommodation and entertainment; and also sporting activities.***

68) In BL 0-004-11, Professor Annand, sitting as the appointed person held:

-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."

Entertainment includes nightclub services; the decision of Professor Annand, mutatis mutandis, must lead to a finding that service for providing food and drink and restaurant, bar and catering services are similar, to some degree to entertainment.

Conclusion

69) For there to be a likelihood of confusion the services must be similar. Consequently, in relation to *booking and reservation services for restaurants* there cannot be a likelihood of confusion.

70) In considering whether there is a likelihood of confusion various factors have to be taken into account. There is the interdependency principle – a lesser degree of similarity between trade marks may be offset by a greater degree of similarity between services, and vice versa^{xvi}. In this case the respective trade marks are highly similar. The degree of similarity of the services is limited. It is necessary to consider the distinctive character of the earlier trade mark; the more distinctive the earlier trade mark the greater the likelihood of confusion^{xvii}. The distinctive character of a trade mark can be appraised only, first, by reference to the services in respect of which registration is sought and, secondly, by reference to the way it is perceived by the relevant public^{xviii}. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, it is necessary to make an overall assessment of the greater or lesser capacity of the mark to identify the services for which it has been registered as coming from a particular undertaking, and thus to distinguish those services from those of other undertakings^{xix}. High Tease is not generally allusive to *entertainment* nor *sporting activities*. It enjoys a good deal of inherent distinctiveness for these services; these terms cover far more than just burlesque services, where the trade mark has some allusive quality. (The extent of use does not increase its distinctiveness.)

71) In respect of services for providing food and drink; temporary accommodation; restaurant, bar and catering services there is a likelihood of confusion and the application is to be refused.

Section 5(4)(a) of the Act – passing-off

72) The goodwill that Castlist enjoys is far more limited than the breadth of the specification of its earlier registration. Consequently, its position is weaker in relation to section 5(4)(a) of the Act than in relation to section 5(2)(b) of the Act and so it is not necessary to give a decision in relation to this ground. Its position in relation to *booking and reservation services for restaurants* is no better under this ground owing to the limited nature of the goodwill.

73) The application may proceed to registration for *booking and reservation services for restaurants*.

Costs

74) For the most part Castlist has been successful and so is entitled to a contribution towards its costs. Costs are awarded upon the following basis:

Opposition fee:	£200
Preparing a statement and considering the statement of Babylon	£300
Preparing evidence and considering evidence of Babylon:	£750
Written submissions:	£250
Total:	£1,500

Babylon Bars Ltd is ordered to pay Castlist Ltd the sum of £1,500. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated 2nd of August 2012

**David Landau
For the Registrar
the Comptroller-General**

ⁱ *General Motors Corporation v Yplon SA* Case C-375/97.

ⁱⁱ *IRC v Muller & Co's Margarine Ltd* [1901] AC 217.

ⁱⁱⁱ *South Cone Inc v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19, *Loaded BL O/191/02, Phones 4u Ltd v Phone4u.co.uk. Internet Ltd* [2007] RPC 5 and *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat).

^{iv} *Cadbury Schweppes Pty Ltd v Pub Squash Co Pty Ltd* [1981] RPC 429 and *Inter Lotto (UK) Ltd v Camelot Group PLC* [2004] RPC 8 and 9.

^v See *Chocoladefabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH* Case C-529/07 at paragraph 39.

^{vi} *Sabel BV v Puma AG* Case C-251/95.

^{vii} *Sabel BV v Puma AG* Case C-251/95.

^{viii} *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* Case C-342/97.

^{ix} *Succession Picasso v OHIM - DaimlerChrysler (PICARO)* Case T-185/02.

^x *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281.

^{xi} *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another* [2000] FSR 267.

^{xii} *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32 dealt with a non-use issue but are still pertinent to the consideration of the meaning and effect of specifications:

–In my view that task should be carried out so as to limit the specification so that it reflects the circumstances of the particular trade and the way that the public would perceive the use. The court, when deciding whether there is confusion under section 10(2), adopts the attitude of the average reasonably informed consumer of the products. If the test of infringement is to be applied by the court having adopted the attitude of such a person, then I believe it appropriate that the court should do the same when deciding what is the fair way to describe the use that a proprietor has made of his mark. Thus, the court should inform itself of the nature of trade and then decide how the notional consumer would describe such use”

^{xiii} *Altecnic Ltd's Trade Mark Application* [2002] RPC 34.

^{xiv} *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* Case C-39/97.

^{xv} He considered that the following should be taken into account when assessing the similarity of goods and/or services:

- (a) The respective uses of the respective goods or services;
- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or acts of service;
- (d) The respective trade channels through which the goods or services 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 or services 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 or services in the same or different sectors.”

^{xvi} *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* Case C-39/97.

^{xvii} *Sabel BV v Puma AG* Case C-251/95.

^{xviii} *Rewe Zentral AG v OHIM (LITE)* Case T-79/00.

^{xix} *Windsurfing Chiemsee v Huber and Attenberger* Joined Cases C-108/97 and C-109/97.