

**O-343-20**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATIONS NOS 3292175 AND 3353445 IN THE NAME  
OF ZAFER SAYGILIER IN RESPECT OF THE FOLLOWING TWO TRADE MARKS**



**AND SOHO ROOMS**

**AND OPPOSITIONS  
UNDER NOS 412869 AND 415750 BY SOHO HOUSE LIMITED**

**AND**

**IN THE MATTER OF APPLICATION NO 3386308  
FOR THE TRADE MARK**

**SOHO BEDROOMS**

**IN THE NAME OF SOHO HOUSE LIMITED  
AND THE CONSOLIDATED OPPOSITION THERETO  
UNDER NO 416588  
BY ZAFER SAYGILIER**

## Background and pleadings

1) Zafer Saygilier ("Party B") applied to register trade marks 3292175 and 3353445. The relevant details of both these applications are provided below:

3292175



Filing date: 23 February 2018

Publication date: 23 March 2018

**Class 35:** *Advertising; marketing; sales promotions; business information; online ordering services; consultancy, information and advisory services to all the aforesaid services.*

**Class 38:** *Telecommunications; broadcasting services; electronic exchange of data, video, audio, text via computer and telecommunication networks; providing online forums; communication by online blogs; chat room services; consultancy, information and advisory services to all the aforesaid services.*

**Class 41:** *Entertainment; music and night club services; discotheque services; consultancy, information and advisory services relating to all the aforesaid services.*

**Class 43:** *Provision of food and drink; hotel services; restaurant, cafe and bar services; catering services; sandwich and snack bar services; preparation and serving of food and beverages; information and advisory services to all the aforesaid services.*

3353445

SOHO ROOMS

Filing date: 14 November 2018

Publication date: 14 December 2018

**Class 43:** *Provision of food and drink; hotel services; restaurant, cafe and bar services; catering services; sandwich and snack bar services; preparation and serving of food and beverages; information and advisory services to all the aforesaid services.*

2) On 22 June 2018 and 12 March 2019 respectively, Soho House Limited (“Party A”) opposed the applications. In respect of opposition 412869 against Party B’s SOHO ROOMS and device mark, it relies upon the following two registrations:

European Union Trade Mark (“EUTM”) 12214251

SOHO HOUSE

Filing date: 10 October 2013

Date of entry in register: 23 May 2014

**Class 41:** *Education; Providing of training; Entertainment; Sporting and cultural activities; Academies [education]; Amusement parks; Amusements; Animal training; Arranging and conducting of colloquiums; Arranging and conducting of concerts; Arranging and conducting of conferences; Arranging and conducting of congresses; Arranging and conducting of seminars; Arranging and conducting of symposiums; Arranging and conducting of workshops [training]; Arranging of beauty contests; Boarding schools; Booking of seats for shows; Bookmobile services; Calligraphy services; Cinema presentations; Circuses; Club services [entertainment or education]; Coaching [training]; Conducting fitness classes; Correspondence courses; Disc jockey services; Discotheque services; Dubbing; Education information; Educational examination; Electronic desktop publishing; Entertainer services; Entertainment information; Film production, other than advertising films; Gambling; Game services provided on-line from a computer network; Games equipment rental; Gymnastic instruction; Health club services [health and fitness training]; Holiday camp services [entertainment]; Language interpreter services; Layout services, other than for advertising purposes; Lending libraries; Microfilming; Modelling for artists; Movie studios; Music*

*composition services; Music-halls; News reporters services; Night clubs; Nursery schools; Operating lotteries; Orchestra services; Organization of balls; Organization of competitions [education or entertainment]; Organization of exhibitions for cultural or educational purposes; Organization of fashion shows for entertainment purposes; Organization of shows [impresario services]; Organization of sports competitions; Party planning [entertainment]; Personal trainer services [fitness training]; Photographic reporting; Photography; Physical education; Practical training [demonstration]; Presentation of live performances; Production of music; Production of radio and television programmes; Production of shows; Providing amusement arcade services; Providing casino facilities [gambling]; Providing golf facilities; Providing karaoke services; Providing museum facilities [presentation, exhibitions]; Providing on-line electronic publications, not downloadable; Providing recreation facilities; Providing sports facilities; Publication of books; Publication of electronic books and journals on-line; Publication of texts, other than publicity texts; Radio entertainment; Recording studio services; Recreation information; Religious education; Rental of audio equipment; Rental of camcorders; Rental of cine-films; Rental of lighting apparatus for theatrical sets or television studios; Rental of movie projectors and accessories; Rental of radio and television sets; Rental of show scenery; Rental of skin diving equipment; Rental of sound recordings; Rental of sports equipment, except vehicles; Rental of sports grounds; Rental of stadium facilities; Rental of stage scenery; Rental of tennis courts; Rental of video cassette recorders; Rental of videotapes; Scriptwriting services; Services of schools [education]; Sign language interpretation; Sport camp services; Subtitling; Television entertainment; Theatre productions; Ticket agency services [entertainment]; Timing of sports events; Toy rental; Translation; Tuition; Videotape editing; Videotape film production; Videotaping; Vocational guidance [education or training advice]; Vocational retraining; Writing of texts, other than publicity texts; Zoological garden services.*

**Class 43:** *Services for providing food and drink; Temporary accommodation Services for providing food and drink; temporary accommodation; catering services including mobile catering services and catering services provided online from a computer database or from the Internet; restaurant services; self-service restaurant services; banqueting services; bar, public house, snack bar, wine bar, wine club services, sandwich bar, cafeteria, canteen and café services; cocktail lounge services; take away services; fast-food restaurant services; hotel services; bed and breakfast services; provision of guesthouse accommodation; reservation services and bookings services for hotels and temporary accommodation; reservation services for booking meals; rental of meeting, conference and reception rooms; providing facilities for conducting conferences, meetings, banquets, seminars, receptions, parties, and shows; rental of chairs, tables, table linen, and glassware; advisory and information services relating to the selection, preparation and serving of food and beverages; providing information and exchange of information in relation to foods, alcoholic beverages and non-alcoholic beverages including by way of the Internet; club dining services; information and advisory*

*services in relation to all the aforesaid services, including those provided online from a computer database or from the Internet.*

EUTM 14698328

SOHO WORKS

Filing date: 20 October 2015

Date of entry in register: 25 May 2016

**Class 35:** *Business services; business management; business and office administration; office functions; business office support services; provision of business advice and business information; office management services; computerised office management; management of serviced and managed offices; management of business offices for others; business administration for managed offices; provision of office facilities and business bureau facilities; office support services namely, typing and word processing services and filing and photocopying for others; secretarial, receptionist and clerical services; accountancy services; telephone answering services; mail handling services; diary-keeping services; transcription of communications (office functions); data processing; document reproduction and shredding services; business administration support; rental of office machines and equipment; office equipment and machinery hiring and leasing services; office supplies procurement; personnel recruitment and placing services; employment agency services; arranging business introductions; hosting, managing, organising and providing business events, exhibitions, fairs, shows; hosting, managing, organising and providing business networking events, exhibitions, fairs, shows; promotional, marketing and advertising services; hosting, managing, organising and providing commercial, marketing and promotional events, exhibitions, fairs, shows; information, advisory and consultancy services relating to all the aforesaid.*

**Class 36:** *Real estate affairs; real estate management; real estate agency services; real estate brokerage; rental of real estate; rental of property; leasing and letting services; letting agency services; management, brokerage, leasing and appraisal of real estate; rental, brokerage, leasing and management of commercial property, offices, office space, work space, shared work space and desk space; arranging leases for the rental of property; rental and leasing of offices, office space, work space, shared work space, desk space, meeting rooms, conference space, and exhibition space; letting of office accommodation; provision and real estate management of office accommodation; provision of serviced and managed offices; information, advisory and consultancy services relating to all the aforesaid.*

**Class 41:** *Hosting, managing, organising and providing business seminars, lectures, classes, courses and workshops; hosting, managing, organising and providing business networking seminars, lectures, classes, courses and workshops; hosting, managing, organising and*

*providing commercial, marketing seminars, lectures, classes, courses and workshops for others.*

**Class 43:** *Temporary accommodation; booking and rental of temporary accommodation; booking and rental of meeting rooms; provision of temporary office accommodation; provision of facilities for meetings, conferences, seminars and exhibitions; accommodation services for meetings; room hire services; provision of office premises; provision of meeting rooms and part time offices; virtual office services namely, rental of meeting rooms; rental of furniture; rental and leasing of office furniture; catering services; provision of catering; provision of kitchen facilities; provision of refreshment facilities; services for providing food and drink; bar services; restaurant and café services; information, advisory and consultancy services relating to all the aforesaid.*

3) These registrations have filing dates that predate the filing date of the contested mark and, therefore, qualify as earlier marks under section 6 of the Act.

4) Section 6A of the Act, sets out the proof of use provisions. Opposition 412869 was filed before 19 January 2019 (when the proof of use provisions in section 6A were amended). Before that date an earlier mark is caught by the provision if it was registered more than five years before the publication date of the contested mark. The EUTMs relied on in Opposition 412869 to Party B's SOHO ROOMS and device mark were filed less than 5 years before the date of publication of the contested mark. Therefore, they are not subject to the proof of use provisions.

5) The opposition is directed against all of Party B's services. Party A's grounds are based upon section 5(2)(b) and section 5(3) on the basis that:

- (i) Party B's mark is similar to both SOHO HOUSE and SOHO WORKS and there exists identity and/or similarity between the respective services. The device element of Party B's mark is a non-distinctive heraldic element. Additionally, the earlier SOHO HOUSE mark has high distinctiveness because of its significant reputation. Consequently, there is a likelihood of confusion on the part of the relevant public and the application should be refused pursuant to section 5(2)(b) of the Act;

- (ii) Party A's SOHO HOUSE mark enjoys an extensive reputation and the marks are similar to a degree necessary to establish a link between them and that use of Party B's mark will lead to:
- a. detriment to distinctive character because it would tarnish and weaken Party A's distinctive brand. Further the earlier mark's ability to function as an indicator of origin would be compromised;
  - b. detriment to reputation because the reputation of Party A mark would be diluted by the presence of another similar mark in respect of services that are likely to be connected to Party A, and;
  - c. unfair advantage being taken of both the distinctive character and reputation of Party B's SOHO HOUSE mark. Party A claims that Party B is a night club and social venue where food and drink is served and that, therefore, it is active in an identical commercial field to itself, namely entertainment, club, accommodation, hospitality and restaurant services. The appearance of the words SOHO ROOMS in Party B's mark will enable it to target Party A's customers and exploit its marketing efforts and to ride on the coat tails of the reputation of Party B's mark. Finally, Party A asserts that use of Party B's mark would take advantage of, and risk damaging, the advertising and promotional functions of its mark.

Therefore, use of Party B's mark is without due cause and the application should be refused pursuant to section 5(3) of the Act.

6) In addition, Party A also asserts that Party B's mark should be refused because it is contrary to section 3(5) on the basis that it is contrary to section 4(1)(a) of the Act. It asserts that Party B's mark, when taken as a whole gives the overall impression of being similar to the Royal Arms, two of which are shown below:



Party B asserts that because of the similarity of the coat of arms in Party B's mark to these Royal arms, the average consumer is likely to mistake the mark as the Royal arms.

7) In respect of opposition no. 415750 to Party B's SOHO ROOMS word mark, Party A relies only upon Section 5(2)(b) and earlier mark EU 12214251 SOHO HOUSE. In addition to asserting similarity between the marks, it claims that Party B's services are identical to comparable terms in its Class 43 specification. It asserts that the respective marks are similar to a high degree and that there exists a likelihood of confusion. This opposition was filed after 19 January 2019 when the proof of use provisions in section 6A were amended so that the earlier mark is caught if it was registered more than five years before the filing date of the contested mark. It was not. Therefore, the earlier mark is not subject to the proof of use provisions and the consequence of this is that the opponent may rely upon the full list of services covered by the earlier marks.

8) Party B filed counterstatements denying the claims made and asserting that the word SOHO is of low distinctive character because it is a geographical location and identifies that there are "hundreds of registrations in the UK and EU that are for, or include, the element SOHO. In respect of the section 3(5) grounds (opposition 412869 only), it points out that no such objection was taken at the Registry's examination of the application. Further, it asserts that the coat of arms present in its mark is not identical, nor is it similar to a conventional representation of a coat of arms notified by the Lord Chamberlain's Office or any other in use, or those representations included in Party A's statement. It further identifies the words SR SOHO ROOMS IN LOVE WE TRUST as being incorporated into its coat of arms.

9) Subsequently, Party A applied to register the following mark:

3386308

SOHO BEDROOMS

Filing date: 25 March 2019

Publication date: 19 April 2019

**Class 43:** *Temporary accommodation; booking and rental of temporary accommodation; booking and rental of meeting rooms; provision of temporary office accommodation; provision of facilities for meetings, conferences, seminars, reception rooms and exhibitions; accommodation services for meetings; room hire services; provision of office premises; provision of meeting rooms and part time offices; virtual office services namely, rental of meeting rooms; rental of furniture; rental and leasing of office furniture; catering services; provision of catering; provision of kitchen facilities; provision of refreshment facilities; services for providing food and drink; hotel, restaurant, café, cafeterias, canteens, snack-bars and bar services; arranging and booking hotels and accommodation services; accommodation reservation services; day nurseries and crèche facilities; child minding services; reservation services for booking accommodation and meals; hospitality services [accommodation and food and drink]; catering services including mobile catering services and catering services provided online from a computer database or from the Internet; restaurant services; self-service restaurant services; banqueting services; bar, public house, snack bar, wine bar, wine club services, sandwich bar, cafeteria, canteen and café services; wine tasting services (provision of beverages); cocktail lounge services; take away services; fast-food restaurant services; hotel services; bed and breakfast services; provision of guesthouse accommodation; reservation services and bookings services for hotels and temporary accommodation; reservation services for booking meals; providing facilities for conducting conferences, meetings, banquets, seminars, receptions, parties, and shows; rental of chairs, tables, table linen, and glassware; advisory and information services relating to the selection, preparation and serving of food and beverages; providing information and exchange of information in relation to foods, alcoholic beverages and non-alcoholic beverages including by way of the Internet; club dining services; making hotel reservations for others; making reservations and bookings for restaurants and meals; travel agency services for making hotel reservations; arrangement, booking, operation, management, provision, rental and reservation of holiday homes, tourist homes and apartments, hotels, hotel rooms, motels, temporary accommodation, meals, nurseries and childcare facilities, restaurant, bar and catering services; tourism services being the provision of information about accommodation and places to eat and drink and including booking services relating thereto; club membership information relating to all the aforementioned services; information, advisory and consultancy*

*services in relation to all the aforesaid services, including those provided online from a computer database or from the Internet.*

10) Party B filed an opposition against this application. The grounds of this opposition are founded upon sections 5(2)(b), 5(3), 5(4)(a) and section 3(6). It asserts that:

- (i) In respect of section 5(2)(b), the application should be refused in its entirety because of a likelihood of confusion with the two marks the subject of Party A's oppositions. It asserts that the respective services are identical or similar and that the respective marks are "almost identical". It asserts that the differences arising from the presence of the coat of arms device of one of its marks has a limited impact because of the importance or aural considerations in respect of the respective services;
- (ii) Additionally, or alternatively, because its marks have a reputation in the UK, use of the contested mark without due cause will result in:
  - a. dilution of its mark;
  - b. blurring as the distinctiveness of its marks will be eroded and its exclusivity damaged because it has no control over the use of the contested mark, and;
  - c. the consumer being likely to believe that the contested mark is from the same stable as Party B's marks (riding on the coat tails).

As a result, use of the contested mark offends under section 5(3) of the Act;

- (iii) Additionally, or alternatively, use of the contested mark would offend under section 5(4)(a) of the Act because it would result in misrepresentation and damage to Party B's substantial reputation and goodwill resulting from use in Newcastle since in 2013 in respect of the following services:

~~Provision of food and drink; hotel services; restaurant, cafe and bar services; catering services; sandwich and snack bar services; preparation and serving of food and beverages; information and advisory services to all the aforesaid services.~~

- (iv) Party A's application offends under section 3(6) of the Act because it was aware that Party B is the proprietor of SOHO ROOMS marks and has been using them for several years. Further, it asserts that the contested

mark was filed in an attempt to disrupt Party B's business and as leverage on the ongoing opposition proceedings between the parties.

11) Party A filed a counterstatement denying the claims made and putting Party B to proof to support its assertions.

12) All three proceedings were subsequently consolidated.

13) The parties both filed evidence in these proceedings. This will be summarised to the extent that it is considered necessary. They also both filed written submissions. A Hearing took place on 21 May 2020, with Party B represented by Georgina Messenger of Counsel, instructed by Trademark Eagle Limited. Party A did not attend but filed additional written submissions. The submissions made during the Hearing and in writing have been fully considered in reaching this decision and will be referred to as and when appropriate.

## **Evidence**

14) Party B provided evidence in the form of two witness statements, the first by Rosario Valdez Knight, a qualified solicitor with Party B's representative Trademark Eagle Limited. This evidence consisting of print-outs from Companies House showing several active companies running restaurants and bars using SOHO as part of their name, print-outs from online directories showing restaurants and bars incorporating the word SOHO in their name, and print-outs of the trade mark register showing registered marks in the relevant classes that include SOHO.

15) The second witness statement is by Party B, sole proprietor of the pub/bar called the SOHO ROOMS in Newcastle and of the SOHO ROOMS marks. His evidence is intended to show use on social media platforms and provides marketing spend and turnover.

16) Party A's evidence takes the form of three witness statements, two by Peter McPhee, director and Global Chief Financial Officer of Party A and one by Caroline Pigott, trade mark attorney at Ancient Hume, Party A's representative in these

proceedings. Mr McPhee's evidence deals with the size and scope of the reputation attached to Soho House in the UK in respect of its club services. I will provide more detail at the relevant parts of this decision.

17) Ms Pigott's evidence relates to Party A's section 3(5) grounds and illustrates that Party B or "Soho Rooms" do not appear on the Members' directory of the Royal Warrant Holders Association nor are they listed on the Charities and Patronages database as having a member of the Royal Family associated with them.

### **Approach**

18) The two marks relied upon by Party B in its opposition are, themselves, subject to oppositions by Party A. In order to qualify as earlier marks under section 6 of the Act, these marks must be registered. Therefore, the outcome of Party B's section 5(2)(b) and section 5(3) grounds is dependent upon the outcome of Party A's oppositions and whether, and to what extent, they proceed to registration. Consequently, I will firstly consider this opposition.

### **Party A's opposition to Party B's SOHO ROOMS word mark and SOHO ROOMS and device mark**

#### **Section 5(2)(b)**

19) Section 5(2)(b) of the Act reads as follows:

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

(a)...

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

there exists a likelihood of confusion on the part of the public, which includes

the likelihood of association with the earlier trade mark.”

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

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

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

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

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

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

(f) however, it is also possible that in a particular case an element

corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

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

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

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

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

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

### **Comparison of services**

21) In the judgment of the CJEU in *Canon*, Case C-39/97, the court stated at paragraph 23 that:

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary”.

22) The relevant factors identified by Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, for assessing similarity were:

- (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.

23) In *Gérard Meric v Office for Harmonization in the Internal Market*, Case T-133/05, the General Court (“GC”) stated that:

“29. In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 *Institut für Lernsysteme v OHIM – Educational Services* (ELS) [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark.”

24) In *Kurt Hesse v OHIM*, Case C-50/15 P, the CJEU stated that complementarity is an autonomous criterion capable of being the sole basis for the existence of similarity between goods. In *Boston Scientific Ltd v Office for Harmonization in the*

*Internal Market (Trade Marks and Designs) (OHIM)*, Case T-325/06, the General Court stated that “complementary” means:

“...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”.

25) In respect of opposition 412869, the services of the contested device mark and their similarity to Party A’s services are discussed below:

**Class 35:** *Advertising; marketing; sales promotions; business information; online ordering services; consultancy, information and advisory services to all the aforesaid services.*

26) With the exception of *online ordering services*, the services listed are all obviously identical to the services listed the Class 35 specification of Party A’s SOHO WORKS registration. Slightly different language is used in the respective specifications e.g. *business services v. business information*, however, the former incorporates the latter and, when applying the *MERIC* principle, they are identical. At the hearing Ms Messenger agreed with this analysis.

27) In respect of *online ordering services*, in its first written submissions (dated 3 May 2019), Party A claimed that these services are identical to its *office supplies procurement* and *office functions*. I agree that *online ordering services* may be a subset of *office supplies procurement* and when applying the guidance from *MERIC*, they are identical.

28) In respect of the similarity with Party A’s Class 41 and Class 43 services of its SOHO HOUSE mark, it is not clear that there is any similarity. The services listed in Party B’s Class 35 specification are all fundamentally different in nature, purpose and methods of use to Party A’s various services that I paraphrase as being accommodation services, provision of food and drink, nursery and creche services

and information and reservation services relating to the same. Further, they are not likely to share trade channels, they are not in competition and there is nothing before me to suggest that there may be a complementary relationship of the kind identified in *BOSTON SCIENTIFIC*. I conclude that the respective services are dissimilar.

**Class 38:** *Telecommunications; broadcasting services; electronic exchange of data, video, audio, text via computer and telecommunication networks; providing online forums; communication by online blogs; chat room services; consultancy, information and advisory services to all the aforesaid services.*

29) In its first written submissions, Party A claims these are identical to various of the Class 35 services of its SOHO WORKS registration. Ms Messenger submitted that this is simply not the case because there is no overlap in intended nature or purpose and that there is no competitive relationship. I agree. Class 38 services are technical in nature, whereas Party A's services are all services of running a business. In addition to the reasons provided by Ms Messenger, there does not appear to be a complementary relationship between the services of the kind referred to by the General Court in *Boston Scientific*. I find that there is no similarity.

**Class 41:** *Entertainment; music and night club services; discotheque services; consultancy, information and advisory services relating to all the aforesaid services.*

30) The terms *entertainment; music and night club services; discotheque services* are self-evidently identical to the terms *entertainment, music-halls, night clubs* and *discotheque services* present in Party A's SOHO HOUSE registration.

31) In its first written submissions, Party A argued that Party B's *consultancy, information and advisory services relating to all the aforesaid services* are identical to its *entertainment information*. I agree that Party B's *information* insofar as it relates to entertainment is identical. In respect of its *consultancy* and *advisory services*, even where they relate to entertainment, they are not identical to *information*. That said they are still very similar because whilst consultancy and advice is offering something more than mere information, their nature and intended purpose is similar

as can be their methods of use where, for example a business seeks information and/or advice. This was accepted by Ms Messenger at the hearing.

**Class 43:** *Provision of food and drink; hotel services; restaurant, cafe and bar services; catering services; sandwich and snack bar services; preparation and serving of food and beverages; information and advisory services to all the aforesaid services.*

32) At the hearing, Ms Messenger accepted that these services are similar to Party A's SOHO HOUSE registration's Class 43 services. I go further and find that they are self-evidently identical to the following: *services for providing food and drink; temporary accommodation; catering services including mobile catering services; restaurant services; self-service restaurant services; bar, snack bar, sandwich bar and café services; hotel services; information and advisory services in relation to all the aforesaid services,*

33) In respect of opposition 415750, the contested SOHO ROOMS mark is in respect only of Class 43 services that are identical to the Class 43 specification of Party B's mark discussed in the previous paragraph. I found that such services are all identical to the Class 43 services present in Party A's SOHO HOUSE registration. Therefore, the finding of identity extends to Party B's services here.

### **The average consumer and the nature of the purchasing act**

34) It is necessary for me to determine who the average consumer is for the respective parties' services. I must then determine the manner in which these services are likely to be selected by the average consumer. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

“60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the

relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median.”

35) The range of services in the parties’ various applications/registrations is broad and includes business-to-business services such as *marketing* and various *consultancy* services and those generally targeted at the general public, such as *restaurant, café and bar services*. Consequently, there is a range of average consumers that I must keep in mind. Similarly, the level of care and attention during the purchasing process will vary. Purchases such as café services will be quite casual in nature and the level of care and intention will be no more than average. In respect of business-to-business services such as marketing, the purchasing process is likely to involve a higher degree of care and attention, but this is still likely to be average or perhaps a little higher. In all cases, the purchasing process is likely to be visual in nature with the consumer being exposed to advertisements or seeing the frontage of a café or restaurant, for example. However, I recognise that aural considerations may play a part where services are procured over the telephone.

### **Comparison of the respective marks**

36) It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a trade mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the trade marks must be assessed by reference to the overall impressions created by the trade marks, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

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

that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

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

38) Firstly, I will consider the similarity between Party A’s two earlier marks and Party B’s SOHO ROOMS and device mark. The respective marks are shown below:

Party A’s mark	Party B’s mark
SOHO HOUSE  SOHO WORKS	

39) Party A’s marks both consist of two words with the first word being SOHO. The second word is HOUSE and WORKS respectively. In both cases the words form a unit so that the overall impression is created by the combination of the words. The word SOHO is likely to be recognised as a place name and the words HOUSE and WORKS are common words with readily understood meanings. No one word dominates the marks. Party B’s mark consists of a coat of arms and the words SOHO ROOMS, both presented in white against a dark background. The coat of arms and the words share roughly equal dominance in the mark and, as with Party A’s marks, the SOHO ROOMS element consists of what is likely to be perceived as a geographical name together with a readily understood word that, when combined, form a unit.

40) Visually, the marks share some similarity because of the common occurrence of the word SOHO and because in all three cases the word SOHO is followed by a

common, readily understood word. In all other respects, the marks are different. Factoring in the relative proportions of the elements of Party B's mark, I conclude that the respective marks share a low degree of visual similarity.

41) Aurally, the coat of arms is unlikely to play a part. Whilst it does incorporate the words "IN LOVE WE TRUST", they appear in very small font and are very unlikely to form part of the aural identity of Party B's mark. With this in mind, Party B's mark is likely to consist of the three syllables SO-HO-ROOMS. Party A's marks both also consist of three syllables, namely, SO-HO-HOUSE and SO-HO-WORKS respectively. Taking all of this into account, I conclude that the respective parties' marks share a medium level of aural similarity.

42) Conceptually, Party A's first mark (SOHO HOUSE) is likely to be perceived as indicating a dwelling in a geographical place named Soho. Party B's mark contains a coat-of-arms that carries with it some allusion to nobility or royalty. In addition, it includes the element SOHO ROOMS that has the concept of multiple divided spaces in a building in a geographical area called SOHO. The meaning of HOUSE and ROOMS are distinct but both having meanings that relate to buildings and rooms are found inside houses. Taking all of this together, I conclude that they share a conceptual similarity somewhere between low and medium.

43) The word WORKS present in Party A's second mark, when combined with SOHO (that has geographical significance) is likely to be perceived as a reference to premises in which an industrial or manufacturing process are carried out. The word WORKS creates a different impression than the singular version of the word (i.e. WORK) relied upon by Party A when making the submission that WORK and ROOMS are conceptually similar as the former describes a place of work and the latter describes a particular place such as an office. As submitted by Ms Messenger, the word WORKS and the word ROOMS share no obvious similarity. Further, any concept created by the coat of arms in Party B's mark is absent in Party A's mark. Taking all of this into account, the only conceptual similarity between the marks resides in the common occurrence of the word SOHO. I conclude that Party B's mark shares a low level of conceptual similarity to Party A's SOHO WORKS mark.

44) I also consider the similarity between the only earlier mark relied upon by Party A and Party B's 3353445 mark. The respective marks are:

<b>Party A's mark</b>	<b>Party B's mark</b>
SOHO HOUSE	SOHO ROOMS

45) My considerations differ in respect of this analysis in that Party B's mark consists only of the words SOHO ROOMS that, as I have already commented, form a unit to create a distinctive whole. The word SOHO and the word ROOMS are endowed with only a low level of distinctive character. In respect of Party A's mark, I have also already found that this consists of the words that form a unit and that, individually, are only endowed with a low level of distinctive character.

46) Visually, the first word SOHO is identical, the second word is different but does include the same number of letters so that the respective lengths of the marks are the same. I conclude that the marks share a medium level of visual similarity.

47) Aurally, the position is identical to that discussed in paragraph 39, above, and I conclude that they share a medium level of similarity.

48) Conceptually, as I have already found, Party A's mark is likely to be perceived as indicating a dwelling in a geographical place named Soho. Party B's mark consists of the words SOHO ROOMS that has the concept of multiple divided spaces in a building in a geographical area called SOHO. I have already found that the meaning of HOUSE and ROOMS are distinct but have a link. Taking all of this together, I conclude the marks share a level of conceptual similarity that is medium or slightly higher.

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

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

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-2779, paragraph 49).

23. In making that assessment, account should be taken of, in particular, the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

50) Registered trade marks possess varying degrees of inherent distinctive character ranging from the very low, because they are suggestive or allusive of a characteristic of the goods or services, to those with high inherent distinctive character, such as invented words which have no allusive qualities.

51) In respect of Party A's SOHO WORKS mark, no enhanced distinctive character has been claimed and I only need consider the level of inherent distinctive character. As I have already noted earlier, the word SOHO is likely to be recognised as a place name and the word WORKS is a readily understood word. The two words combine

to form a unit that indicates premises in a specific geographical location in which an industrial or manufacturing process are carried out or had been carried out in the past. The mark is, therefore, endowed with a low degree of inherent distinctive character.

52) The level of inherent distinctive character is the same in respect of Party A's SOHO HOUSE mark.

53) Party A also claims that this mark has a reputation in respect of *entertainment, arranging and conducting of concerts, club services (entertainment and education), entertainment information* and all the listed Class 43 services. Therefore, I consider the impact of this claim upon the distinctive character of the mark. Keeping in mind that the relevant consumer for these considerations is the UK consumer, the relevant evidence in respect of this reputation can be briefly summarised as:

- Party A was incorporated in 1996 as the legal vehicle for Nick Jones' private members' club enterprise that began in 1995<sup>1</sup> when the first club was opened in Soho, London<sup>2</sup>;
- In May 2019, there were 23 clubs worldwide, 9 of which are in the UK and a further 5 in Europe<sup>3</sup>. Only two of the houses in the UK appear to have the name "Soho House" (a third is called "Soho Farmhouse", but the remaining names do not reference "Soho") but members have access to all houses<sup>4</sup>;
- Confidential turnover figures are provided<sup>5</sup> and show substantial revenue for the UK clubs between 2012 and 2017. No breakdown of the figures is provided in respect of the services in which a reputation is claimed, However Mr McPhee provides evidence in respect of the following groups of services:

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<sup>1</sup> Peter McPhee's first witness statement (PMcP1), para 1

<sup>2</sup> Exhibit PM2

<sup>3</sup> PMcP1, para 2 and Exhibit PM2

<sup>4</sup> Ditto, para 15

<sup>5</sup> See Peter McPhee's confidential witness statement, para 2

### *Club services*

- Mr McPhee describes the clubs as providing a home-from-home environment where members can work, socialise, eat, sleep and relax<sup>6</sup>;
- A large proportion of the membership of these clubs is made up of celebrities and others within the creative industries<sup>7</sup>;
- In 2016, global membership stood at around 56,000 with a further 33,000 on the waiting list and has continued to increase since then<sup>8</sup> but it is not possible to ascertain how many of these relate to the UK clubs.

### *Entertainment and event services*

- Since October 2014, Party A has an ongoing partnership with BMW across 12 sites in Europe whereby the car maker makes some of its vehicles available for driving experiences for members and guests of party A's clubs<sup>9</sup>;
- Party a has jointly hosted The BRITS awards after party every year since 2012<sup>10</sup>;
- The Soho House name has been associated with its house festival, an event that has taken place in London since 2006. Recent performers have included Eurasia, Rag'N'Bone Man, Craig David, Dua Lipa, Rita Ora and Manic Street Preachers<sup>11</sup>.

### *Bar and restaurant services*

- Each of Party A's clubs has full-service bars and lounge areas with restaurants in or near the clubs;
- The "stand-alone" restaurants serve the members and the general public<sup>12</sup>;

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<sup>6</sup> PMcP1, para 11

<sup>7</sup> Ditto, para 12 and Exhibit PM4

<sup>8</sup> Ditto and Exhibit PM5

<sup>9</sup> Ditto, para 17 and Exhibit PM11

<sup>10</sup> Ditto, para 18 and Exhibits PM12 and PM13

<sup>11</sup> Ditto, para 19 and Exhibit PM14

<sup>12</sup> Ditto, para 22

- Facts and figures for 2015 record that over 4.1 million meals were served by Party A<sup>13</sup> but it is not clear how many of these relate to its UK operations;
- In respect of the BRITS awards after party the SOHO HOUSE mark was highly visible with its staff offering sliders, hot dogs and cheese boards to the guests of the event<sup>14</sup>.

#### *Hotel services*

- Party A operates 5 properties that have rooms, cabins and/or apartments. It is unclear how many of these are in the UK<sup>15</sup>;
- An article dated 13 April 2015 appeared on the website telegraph.co.uk and describes Party A's properties as being a "members'-club-and-hotel-hybrid"<sup>16</sup>. However, the article refers to locations across the world and it is unclear whether this characterisation applies to Party A's properties in the UK.

54) Ms Messenger did not dispute that Party A's mark has a reputation in respect of *private members' clubs*, but denies it has a reputation in respect of the services relied upon. My colleague, Ms Wilson, in her decision BL O-196-19 made the following comments on what appears to be essentially the same evidence from Party A:

"56. I have not been provided with up to date membership figures. However, in 2016 the Financial Times reported that the opponent had 56,000 members, with 33,000 on the waiting list. The opponent also operates some standalone restaurants which are open to the general public, but these are few in number. Despite the opponent's significant revenue figures, even assuming that membership figures have increased since 2016, when considering the size of the market for the services in respect of which the earlier mark is registered,

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<sup>13</sup> See Financial Times article of 1st April 2016 at Exhibit PN4

<sup>14</sup> See extracts from Party A's own website at Exhibit PM12 and extracts from the website tatler.com at Exhibit PM13

<sup>15</sup> PMcP1, para 26

<sup>16</sup> See Exhibit PM15

this is a relatively low number of customers. The opponent's business is, by its nature targeted at a limited group of consumers (it being an exclusive private members' club). The revenue must be considered alongside the opponent's membership figures. Private members' club services are a small sub group of some of the broader terms for which the earlier mark is registered. Whilst I recognise that use of its services is broader than its members (and those on the waiting list to be members) because it does open some of its restaurants to the general public, in my view, this is not sufficient to demonstrate enhanced distinctiveness in anything more than private members' club services. I recognise that the opponent provides other services such as restaurant and accommodation services, but this is mainly within the context of its private members' clubs. I consider that in respect of private members' club services, the distinctiveness of the opponent's mark has been enhanced to a higher than average degree."

55) Whilst the relevant date in those proceedings was different to that in the current proceedings, there is nothing in the evidence before me that suggests that I should depart from these findings. Keeping this in mind, I reach the same conclusion as Ms Wilson and applying this outcome to the services of Party A's SOHO HOUSE mark, I find that the mark benefits from a higher than average degree of distinctive character in respect of the following services:

**Class 41: *private members' club services (entertainment and education)***

### **Likelihood of confusion**

56) Confusion can be direct or indirect. Direct confusion involves the average consumer mistaking one mark for the other, while indirect confusion is where the average consumer realises the marks are not the same but puts the similarity that exists between the marks and the goods and services down to the responsible undertakings being the same or related. There is no scientific formula to apply in determining whether there is a likelihood of confusion; rather, it is a global assessment where a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective

trade marks may be offset by a greater degree of similarity between the respective goods and services and vice versa. As I mentioned above, it is necessary that I keep in mind the distinctive character of the opponent's trade mark, the average consumer for the services and the nature of the purchasing process. In doing so, I must be alive to the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them that he has retained in his mind.

57) In reaching my decision, I bear in mind the decision of Iain Purvis Q.C., sitting as the Appointed Person, in *L.A. Sugar Limited v By Back Beat Inc*, Case BL-O/375/10, in which he described direct and indirect confusion as follows:

“16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognised that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: “The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.”

*Likelihood of confusion in respect of Party B's SOHO ROOMS word mark*

58) In its final written submissions Party A reminded me that I must consider the issue of likelihood of confusion based on notional and fair use. It submitted that the actual use which has been made by Party B to date is not relevant. I concur. I must consider use of the respective marks based upon the full range of services listed in their respective specifications. In that respect, I have found that all of Party B's services are identical to the services listed in the same class of Party A's SOHO HOUSE registration.

59) Ms Messenger accepted the identity between the respective services but submitted that this is outweighed by the fact that Party B's SOHO ROOMS word mark is similar only to a low degree to Party A's SOHO HOUSE mark. However, I have actually found that they share a medium level of visual and aural similarity and a medium or slightly higher level of conceptual similarity.

60) In addition, I keep in mind that I have found that there is a range of average consumers from businesses to the general public and where an average or in respect of some services a higher degree of care and attention. Further, I also found that Party A's SOHO HOUSE mark is endowed with a low level of inherent distinctive character that has been enhanced to more than an average degree in respect of *private members' club services* in Class 41.

61) Taking all of this into account and keeping in mind the notion of imperfect recollection and the interdependency principle, I find that in respect of all its listed services there is a likelihood of direct confusion between Party B's SOHO ROOMS word mark and Party A's SOHO HOUSE mark. The marks both form a unit that creates a different but similar concept, namely, the same geographical name and a building or internal parts of a building. If I am wrong and the consumer is not directly confused, I find it likely that the visual and aural similarity between the marks combined with the similar concepts will lead the consumer to believe that the respective services originate from the same or linked undertaking.

62) In summary, the section 5(2)(b) ground, insofar as it is based upon Party A's SOHO HOUSE mark, succeeds in its totality in respect of Party B's SOHO ROOMS word mark.

*Likelihood of confusion in respect of Party B's SOHO ROOMS and device mark*

63) In respect of Party B's SOHO ROOMS device mark, the considerations are more finely balanced because of the presence of the coat of arms device that creates a further visual difference to Party A's SOHO HOUSE mark. Whilst the presence of the device is sufficient to prevent a likelihood of direct confusion, I find that it is

insufficient to dispel the impact of the SOHO ROOMS element in respect of indirect confusion. Therefore, I find that there is a likelihood of indirect confusion in respect of the services that are very similar or identical to Party A's services, namely:

**Class 41:** *Entertainment; music and night club services; discotheque services; consultancy, information and advisory services relating to all the aforesaid services.*

**Class 43:** *Provision of food and drink; hotel services; restaurant, cafe and bar services; catering services; sandwich and snack bar services; preparation and serving of food and beverages; information and advisory services to all the aforesaid services.*

64) I have found that the Class 35 and Class 38 services of Party B's word and device mark are not similar to any of Party A's services. Some similarity between respective goods and services is required<sup>17</sup> before a finding of likelihood of confusion can exist. Therefore, in the absence of any such similarity, Party A's opposition must fail in respect of these services.

65) In summary, the opposition based upon the SOHO HOUSE word mark fails against the SOHO ROOMS and device mark in respect of its Class 35 and Class 38 services.

66) Party A also relies upon its SOHO WORKS mark. Here, it can rely on Party B's Class 35 and Class 41 services being mostly identical to those of its own and, therefore, this is a factor, absent in my previous considerations. This factor leans towards a finding of likelihood of confusion in respect of such services. However, the differences between the marks are greater than in my previous considerations. Here, the word WORKS creating an impression, in the mind of the average consumer, of premises where an industrial or manufacturing process is carried out and, therefore, has less of a connection with the ROOMS element of Party B's mark. The concept of

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<sup>17</sup> *Waterford Wedgwood plc v OHIM – C-398/07 P (CJEU) and eSure Insurance v Direct Line Insurance*, [2008] ETMR 77 CA

“rooms” is not as readily associated with a “works” as it is to a “house” and, consequently, the connection between SOHO WORKS and SOHO ROOMS (and the device of a coat of arms) is lessened. When factoring this into the global analysis, I find that the identity of the respective Class 35 services is insufficient to offset the differences between the marks. As before, I find that the presence of the coat of arms device in Party B’s mark is sufficient for there to be no likelihood of direct confusion. However, I also find that the differences between the marks are also sufficient to prevent a likelihood of indirect confusion.

67) Therefore, I agree with Ms Messenger’s submission that the identity or similarity between the respective services is outweighed by the lesser degree of similarity between the respective marks.

68) In conclusion, in respect of the case based upon Party A’s SOHO WORKS mark, whilst I recognise that most of the Class 35 and Class 41 services of Party B’s SOHO ROOMS and device mark are identical to the corresponding services of the SOHO WORKS mark, I find that the differences created between the respective ROOMS and WORKS elements and the presence of the coat of arms device in Party B’s mark is sufficient that there will be no likelihood of confusion. The word WORKS has a concept that is further distanced from the concept of HOUSE than the word ROOMS.

69) In summary, the section 5(2)(b) ground succeeds in its entirety against Party B’s SOHO HOUSE word mark and in respect of all the Class 41 and Class 43 services of the SOHO HOUSE and device mark but fails in respect of its Class 35 and Class 38 services.

### **Section 5(3) (Only against Party B’s 3292175 mark)**

70) Section 5(3) of the Act states:

“5(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 European Union trade mark or international trade mark (EC), in the European Union) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or repute of the earlier trade mark.”

71) The conditions of section 5(3) are cumulative. Firstly, the opponent must show that the earlier mark has achieved a level of knowledge/reputation amongst a significant part of the public. Secondly, it must be established that the level of reputation and the similarities between the marks will cause the public to make a link between them, in the sense of the earlier mark being brought to mind by the later mark. Thirdly, assuming that the first and second conditions have been met, section 5(3) requires that one or more of the types of damage claimed will occur and/or that the relevant public will believe that the marks are used by the same undertaking or that there is an economic connection between the users. It is unnecessary for the purposes of section 5(3) that the services be similar, although the relative distance between them is one of the factors which must be assessed in deciding whether the public will make a link between the marks. The relevant date for the assessment under section 5(3) is the date of application, namely, 23 February 2018.

### *Reputation*

72) In *General Motors*, Case C-375/97, the CJEU stated:

“25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.

26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.

27. In 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.

28. Territorially, the condition is fulfilled when, in the terms of Article 5(2) of the Directive, the trade mark has a reputation 'in the Member State'. In the absence of any definition of the Community provision in this respect, a trade mark cannot be required to have a reputation 'throughout the territory of the Member State. It is sufficient for it to exist in a substantial part of it.'"

73) For the purposes of this ground of opposition, Party A relies upon its earlier SOHO HOUSE mark and a claim that this benefits from a reputation in respect of all its Class 43 services and a broad set of Class 41 services. In determining whether the opponent has demonstrated a reputation for the services in issue, it is necessary for me to consider whether its mark will be known by a significant part of the public concerned with the services. In reaching this decision, I must take all of the evidence into account including "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".

74) I have already summarised the evidence provided by the opponent regarding its reputation in the context of enhanced distinctiveness (see paragraph 53). Although I recognise that distinctiveness and reputation are different and that reputation for the purposes of section 5(3) is a higher threshold than for acquired distinctiveness<sup>18</sup> the same points apply here. In addition, I note that the evidence also relates to the use in the EU and it is relevant that these clubs appear to all be branded as SOHO HOUSE. However, this additional evidence fails to demonstrate a reputation in respect of a broader list of services than those I found that the mark enjoys an enhanced level of distinctive character for. In my view, I consider that the opponent has demonstrated a reputation in respect of *private members' club services* and I will

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<sup>18</sup> See the comments of Phillip Johnson, sitting as the Appointed Person in CX02 Trade Mark, BL O/393/19 at [39]

go on to consider whether there will be a link made between the marks in relation to these, limited, services for which there is a reputation

75) In respect of the grounds based upon section 5(2)(b), Party A has been successful against Party B's Class 41 and Class 43 services but based upon a broader range of services than the services for which I have found a reputation. Consequently, I will restrict my considerations under this section of the Act as to whether its success can be improved by demonstrating that its reputation extends to the non-similar services of Party B's Class 35 and Class 38 services.

## **Link**

76) My assessment of whether the public will make the required mental 'link' between the marks must take account of all relevant factors. The factors identified in *Intel* are:

### *The degree of similarity between the conflicting marks*

For the reasons set out earlier, I found that there the respective marks share a low level of visual and conceptual similarity and a medium level of aural similarity.

### *The nature of the goods or services for which the conflicting marks are registered, or proposed to be registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public*

For the purposes of this ground of opposition, Party A can only rely upon its *private members club services (entertainment and education)* in Class 41. I do not conduct an analysis of similarity to Party B services but note the following:

- Party A's services consist of only a small sub-set of the services it was able to rely upon for the purposes of section 5(2)(b);

- This sub-set of services share no similarity to the contested section 35 and section 38 services.

*The strength of the earlier marks' reputation*

I will proceed on the basis that Party A has a reasonably strong reputation in respect of *private members' club services* in Class 41.

*The degree of the earlier mark's distinctive character, whether inherent or acquired through use*

I have found that the earlier mark has a low level of inherent distinctive character but this has been enhanced through use to a higher than average degree in respect of the services for which it has a reputation, namely, *private members club services (entertainment and education)*.

*Whether there is a likelihood of confusion*

I have found that there was no likelihood of confusion in respect of Party B's Class 35 and Class 38 services.

77) The only common element present in both marks is the geographical name SOHO and is far more likely to be perceived as indicating a connection with a particular geographical area rather than suggesting a link to Party B's mark. There are a number of differences, namely, the coat of arms device present in Party B's mark and the fact that the words SOHO ROOMS appears underneath this device, whereas Party A's mark consists of the words SOHO HOUSE. Taking all of this into account, together with my earlier finding that the respective services are dissimilar, I find that the similarities between the marks are not sufficient that the average consumer will make the requisite link to Party B's mark in circumstances when it is used in respect of its Class 35 and Class 38 services.

78) In summary, in the absence of the requisite link, the grounds based upon section 5(3) fails.

**Section 3(5) and section 4(1) (a) (Only against Party B's 3292175 mark)**

79) These parts of the Act state:

**“3. ...**

(5) A trade mark shall not be registered in the cases specified, or referred to, in section 4 (specially protected emblems).”

**“4. - (1) A trade mark which consists of or contains -**

(a) the Royal arms, or any of the principal armorial bearings of the Royal arms, or any insignia or device so nearly resembling the Royal arms or any such armorial bearing as to be likely to be mistaken for them, or it,

...

shall not be registered unless it appears to the registrar that consent has been given by or on behalf of Her Majesty or, as the case may be, the relevant member of the Royal family.”

80) Ms Messenger referred me to the following extract from the Examination Guide in the IPO's Work Manual:

**“Royal arms and similar emblems (section 4(1)(a))**

Section 4(1)(a) prevents registration of marks containing the Royal Arms or Arms which are likely to be mistaken for them; it also covers the 'principal armorial bearings' of the Royal Arms. Conventional representations of the Royal Arms are shown below:



(English Version) (Scottish Version) The perception as to whether or not the mark in question contains the Royal Arms or a device likely to be mistaken for the Royal Arms ought to be taken from the perspective of the average consumer.

The prohibition also covers the ‘principal armorial bearings’ of the Royal Arms. This would mean the shield, motto, supporters and crest, both individually and separately. For example a mark containing a unicorn supporter with other distinctive elements which have no royal connection, would be open to an objection under sections 3(5) and 4(1). However, elements within the principal armorial bearings, for example the Tudor rose on the base, would not be objectionable. Some elements of Royal Arms are protected as separate elements in their own right, for example the three lions and the harp.”

81) Party A accepts that the coat of arms present in Party B’s mark is not the Royal Arms, however, it is submitted that the device could be easily mistaken for such by the average consumer. In this case it is submitted that the average consumer is the general public who will pay an average degree of attention in the selection of the provider of the services. I concur only with the latter submission.

82) Party A submits that the average consumer will not examine the device in any great detail but is likely to notice the following:

- (i) Two animals, possibly lions, each standing and facing inwards;
- (ii) A crown on the top;
- (iii) A shield in the centre;

- (iv) Words surrounding the shield, and;
- (v) A scroll on the bottom with words.

83) When applying the concept of imperfect recollection, accepting that the average consumer may not have a detailed knowledge of the Royal Arms and that the coat of arms may be used in a smaller scale, Party A submits that there is a likelihood that it will be mistaken for the Royal Arms.

84) Ms Messenger, on the other hand, submitted that the average consumer would not mistake the device element of Party B's mark for the Royal Arms and pointed out the following differences:

- i. The SOHO ROOMS figurative mark does not contain a shield, nor a crest;
- ii. There is no similarity between the mottos;
- iii. The crowns are stylised entirely differently;
- iv. There is no unicorn in the SOHO ROOMS mark;
- v. The supporting lions in the SOHO ROOMS mark bear no similarity to the lions of the Royal Arms, they face forward rather than their head being turned toward the viewer, the tails curve the opposite way, the mouths are not open in the same way as the depiction in the Royal Arms;
- vi. The overall impression is entirely dissimilar.

85) I keep these competing submissions in mind. I must assess the impact that these similarities and differences have upon the average consumer. I doing so, it is significant that the coat of arms present in Party B's mark shows two lions whereas the two versions of the Royal Arms both show the representation of one lion and one unicorn. Further, the shield elements of the Royal Arms are replaced in Party B's mark by a circular disc that merely contains the words SOHO ROOMS and the letters SR. There is also a large banner in the bottom third of Party B's coat of arms that contains the words "in love we trust". Finally, the overall shape of Party B's coat of arms shows a curved bottom or base extending wider than the rest of the mark whereas the Royal Arms are closer to a square shaped. There are additional differences, but the ones I have identified are such as to not be likely to go unnoticed by the average consumer and outweigh the similarities identified by Party A.

86) The presence of a coat of arms may allude to royalty or nobility (as recognised earlier in this decision), however, I conclude that because of the above identified differences, the average consumer is not likely to mistake Party B's coat of arms for the Royal Arms and the opposition based upon section 3(5) and section 4(1)(a) fails.

### **Outcome of Party A's oppositions to Party B's two marks**

87) The opposition against Party B's SOHO ROOMS word mark (3353445) has been successful and the application is refused.

88) The opposition against Party B's SOHO ROOMS and device mark (3292175) is partially successful with it being refused in respect of its Class 41 and Class 43 services.

89) The SOHO ROOMS and device mark may proceed to registration in respect of its Class 35 and Class 38 services.

### **Party B's opposition to the application to register the mark SOHO BEDROOMS**

#### ***Scope of provisional earlier marks***

90) Party B claims a likelihood of confusion to both its SOHO ROOMS word mark and its SOHO ROOMS device mark. Following Party A's oppositions to both of these applications, only its SOHO ROOMS and device mark survives and only in respect of the following services:

**Class 35:** *Advertising; marketing; sales promotions; business information; online ordering services; consultancy, information and advisory services to all the aforesaid services.*

**Class 38:** *Telecommunications; broadcasting services; electronic exchange of data, video, audio, text via computer and telecommunication networks; providing online forums; communication by online blogs; chat room services; consultancy, information and advisory services to all the aforesaid services.*

91) I found earlier that its Class 35 and Class 38 services are not similar to Party A's services. The list of services in the contested mark here consists of a long list in Class 43 that are broader than considered in the first two oppositions, however, the main point applies equally here.

92) As noted earlier, the services listed in Party B's Class 35 specification are all fundamentally different in nature, purpose and methods of use to Party A's various services that I paraphrase as being accommodation services, provision of food and drink, nursery and creche services and information and reservation services relating to the same. Further, they are not likely to share trade channels, they are not in competition and there is nothing before me to suggest that there may be a complementary relationship of the kind identified in *BOSTON SCIENTIFIC*. I conclude that the respective services are dissimilar.

93) Class 38 services are technical in nature whereas Party A's services can be paraphrased as all relating to the provision of temporary accommodation, meetings, conferences, seminars, exhibitions, catering services, rental of tables, table linen and glassware and information, advice and consultancy relating thereto. The same distinction exists between these services and the technical services of Class 38 as existed in my earlier discussions. Consequently, there is no similarity and the section 5(2)(b) ground fails in respect of Party B's reliance upon these services.

94) Ms Messenger, at the hearing, provided an annex setting out the services relied upon as being identical or similar. All the earlier services relied upon fall into Class 43 and this is a class of services that have not survived Party A's opposition.

95) I conclude that the respective services are dissimilar. As noted earlier, without any similarity between the services a finding of likelihood of confusion cannot exist. Therefore, in the absence of any such similarity, Party B's opposition, insofar as it relies upon section 5(2)(b) of the Act, must fail.

### **Section 5(3)**

96) I keep in mind that:

- a reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors*, Case 252/07 [24], and;
- it is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman*, Case C-487/07 [29] and *Intel*, Case C-408/01 [63].

97) Therefore, the mark must have established a reputation by the relevant date and the challenged mark must create a link before detriment or unfair advantage can occur. In his statement of case, Party B relies upon a reputation in respect of all of the services listed in its SOHO ROOMS and device application. At the hearing, Ms Messenger reduced this to various Class 41 services and all of Party B's Class 43 services. None of these have survived Party A's opposition to the application. Consequently, there is no reliance upon a reputation in respect of the surviving services in Class 35 and Class 38 and, therefore, the grounds based upon section 5(3) fail for lack of services with a reputation.

98) In summary, I dismiss the section 5(3) ground of opposition.

### **Section 5(4)(a)**

99) Section 5(4)(a) states:

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

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

(b) [.....]

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

100) As referred to by Ms Messenger at the hearing, her Honour Judge Melissa Clarke, sitting as a deputy Judge of the High Court in *Discount Outlet v Feel Good UK*, [2017] EWHC 1400 IPEC conveniently summarised the essential requirements of the law of passing off as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have

acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.”

### **Goodwill**

102) A long-standing definition of goodwill was provided in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL):

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

103) Party B claims that its SOHO ROOMS sign has been used in Newcastle, since 2013, in respect of the following list of services:

~~Provision of food and drink; hotel services; restaurant, cafe and bar services; catering services; sandwich and snack bar services; preparation and serving of food and beverages; information and advisory services to all the aforesaid services.~~

104) It claims that, as a result, it had a substantial goodwill at the date of application of Party A's SOHO BEDROOMS mark (25 March 2019). Evidence in support of the claim to goodwill is contained in Mr Saygilier's witness statement and can be summarised as follows:

- A copy of the buildings lease, dated 16 October 2013, is provided confirming that party B's operations began in 2013<sup>19</sup>. This lease makes no mention of SOHO ROOMS; however, this evidence is not challenged by party A;
- 5 invoices are provided illustrating that Flyers were produced for the “Soho Room” between March 2015 and October 2016<sup>20</sup>;

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<sup>19</sup> Exhibit SZ1

<sup>20</sup> Exhibit SZ2 that also includes an additional invoice dated after the relevant date.

- An email from the Newcastle Editor of the student newspaper The Tab recounts how, as part of a “Newcastle goes dating” service, in response to asking the question “What is your favourite club?” “almost two thirds of [an unknown number] of responses” answered that it was SOHO ROOMS<sup>21</sup>;
- Mr Saygilier states that SOHO ROOMS has been voted the second-best bar in Newcastle and the 16th in the whole of the UK by Student Hut, a forum where students review student bars and pubs<sup>22</sup>. Extracts from its website, studenthut.com, provide reviews of Soho rooms in Newcastle. These extracts were printed on “24/10/2019” and the reviews contained therein are undated<sup>23</sup>;
- The bar has no membership fee or door charge and the name SOHO ROOMS is displayed on the building façade<sup>24</sup>;
- SOHO ROOMS is an integral part of student life in Newcastle<sup>25</sup> as demonstrated by numerous reviews and report, all from 2017, that have appeared on the website thetab.com/uk/Newcastle that mention or are about SOHO ROOMS<sup>26</sup>;
- SOHO ROOMS has featured in numerous episodes of MTV Geordie Shore where the cast have been filmed inside and both the inside and outside are visible<sup>27</sup>. Viewing figures are provided for four seasons (2013 to 2015) and range between 798,000 to 1,118,000 per episode;
- SOHO ROOMS is promoted on Facebook (page created in 2011 and with 13,500 followers), Twitter (joined in June 2014 and with 4,000 followers) and more recently (2019) Instagram<sup>28</sup>. Contemporaneous printouts from these accounts are provided<sup>29</sup>;
- Four items of promotional material are also provided but it is not possible to ascertain that they originate from before the relevant date<sup>30</sup>;

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<sup>21</sup> Exhibit SZ3

<sup>22</sup> Mr Saygilier’s witness statement at [7]

<sup>23</sup> Exhibit SZ5

<sup>24</sup> Mr Saygilier’s witness statement at [8] and Exhibit SZ6

<sup>25</sup> Ditto, at [9]

<sup>26</sup> Exhibit SZ7

<sup>27</sup> Mr Saygilier’s witness statement at [10] and Exhibit SZ8

<sup>28</sup> Ditto at [11]

<sup>29</sup> Exhibit SZ9

<sup>30</sup> Exhibit SZ10

- The following turnover and marketing figures are provided<sup>31</sup>:

Year	Turnover (net of VAT)	Marketing and Advertising
2014	£187,500	£7,408
2015	£416,020	£11,853
2016	£727,758	£11,105 (plus £28,000 salaried marketing)
2017	£1,828,860	£5,400 (plus £36,000 salaried marketing)
2018	£2,315,733	£36,000 salaried marketing

- These figures are supported by copies of unaudited accounts from the same years<sup>32</sup>.

105) Whilst the evidence is open to some criticisms, in particular, the fact that some exhibits relied upon are not dated or dated after the relevant date, it nonetheless illustrates that there is a bar/club in Newcastle that is identified by the name SOHO ROOMS, that it has been operating since 2013 and that it is a business that has grown each year so that, in the last full year before the relevant date its turnover was in excess of £2.3 million. The evidence illustrates that the bar is targeted at the student community and because of its success in the city it has been referenced in student reviews and reports.

106) Whilst there is a claim that the goodwill is national in nature, the evidence does not illustrate this. Nevertheless, despite operating only from a single premises, the business is a successful one and has operated continuously for more than 5 years before the relevant date. I conclude that it has the requisite goodwill upon which to base a claim of passing off under section 5(4)(a) of the Act. This goodwill is in respect of *bar services*. The evidence does not justify a finding that goodwill has been established for the broader services claimed such as provision of food and drink, restaurant and café services and there is no evidence that Party B's business

<sup>31</sup> At [13] and [14] of Mr Saygilier's witness statement

<sup>32</sup> Exhibit SZ11

is engaged in the provision of hotel services or the provision of information or advice relating to any services.

### ***Misrepresentation and damage***

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

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

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

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

And later in the same judgment:

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

108) I am entitled to rely upon my own knowledge as an average consumer of bars/clubs, temporary accommodation etc as well as the evidence before me<sup>33</sup>. I also keep in mind that it is the customers or potential customers of Party B that must be deceived by the later mark<sup>34</sup>.

109) Misrepresentation requires “a substantial number of members of the public are deceived” and for the purposes of section 5(4)(a), there is no requirement for the parties to be in the same field of activity.

110) The contested mark consists of the words SOHO BEDROOMS. It differs from Party B’s sign SOHO ROOMS in that the word BED is inserted directly before the word ROOMS. In other respects, the marks are the same. Conceptually, the term “bedrooms” is a subcategory of “rooms”, however, the word two words may also be interchangeable in circumstances such as offering temporary accommodation services such as hotel services where “bedrooms” are often referred to merely as “rooms”. Therefore, in certain circumstances there is little conceptual difference between the contested mark and the sign relied upon. I conclude that they share a good deal of similarity.

111) In his written submissions, Party A’s position is that the parties are in different fields of activity with its business being that of a member’s club and Party B’s business being a student bar. However, I must consider Party A’s application giving due consideration to the full breadth of services covered in its application. Such services are not limited to members club services.

112) Party A’s application is for a UK-wide trade mark and consequently, it would permit it to operate from anywhere in the UK including Newcastle. There is nothing before me to suggest that SOHO has any particular geographical meaning in the Newcastle area beyond it being a well-known area of London. Consequently, its geographical significance is slightly reduced with Party B’s customers perceiving it as allusive (of some characteristic associated with the area of London called Soho)

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<sup>33</sup> *Neutrogena Corporation and Another v Golden Limited and Another*, 1996] RPC 473

<sup>34</sup> ditto

rather than descriptive of the location of the bar. Taking all of this into account, a customer of the SOHO ROOMS bar, upon encountering SOHO BEDROOMS is likely to believe that there is an economic connection between the enterprises. This is especially so where identical services are concerned or services that would normally be expected to be provided by a bar. Such a misunderstanding will lead to damage, at least in the sense that the consumer may be attracted to using the services instead of Party B's services leading to a loss of trade for Party B. This ground of opposition is, therefore, successful in respect of the following list of services:

*catering services; provision of catering; ... provision of refreshment facilities; services for providing food and drink;... restaurant, café, cafeterias, canteens, snack-bars and bar services; reservation services for booking ... meals; hospitality services [... food and drink]; catering services ... and catering services provided online from a computer database or from the Internet; restaurant services; self-service restaurant services; banqueting services; bar, public house, snack bar, wine bar, wine club services, sandwich bar, cafeteria, canteen and café services; wine tasting services (provision of beverages); cocktail lounge services;... reservation services for booking meals; providing facilities for conducting ..., banquets, ..., receptions, parties, and shows; advisory and information services relating to the selection, preparation and serving of food and beverages; club dining services; making reservations and bookings for restaurants and meals; ... arrangement, booking, operation, management, provision, rental and reservation of ..., meals, ..., restaurant, bar and catering services; ... information, advisory and consultancy services in relation to all the aforesaid services, including those provided online from a computer database or from the Internet.*

113) Misrepresentation is also likely in circumstances where Party A's services would be perceived by the consumers of Party B's services as a natural extension of its business. Therefore, misrepresentation is likely in respect of the following of Party A's services:

*provision of facilities for ..., reception rooms; ... room hire services;... mobile catering services ... take away services; fast-food restaurant services;...*

*rental of chairs, tables, table linen, and glassware;... ; providing information and exchange of information in relation to foods, alcoholic beverages and non-alcoholic beverages including by way of the Internet;... information, advisory and consultancy services in relation to all the aforesaid services, including those provided online from a computer database or from the Internet.*

114) A further sub-category of services that could also belong in the category listed in the previous paragraph, require specific comment. Where Party A's services are, or relate to the provision of temporary accommodation, Party B's consumers, if they perceive the difference between Party B's sign and Party A's mark, are likely to believe that the change from ROOMS to BEDROOMS is a consequence of a brand extension into the provision of bedrooms. Consequently, use of Party A's mark will amount to a misrepresentation in respect of the following services:

*Temporary accommodation; booking and rental of temporary accommodation;...; accommodation services for meetings; ... hotel ... services...; arranging and booking hotels and accommodation services; accommodation reservation services; ... reservation services for booking accommodation ...; hospitality services [accommodation ...]; ... hotel services; bed and breakfast services; provision of guesthouse accommodation; reservation services and bookings services for hotels and temporary accommodation; ... making hotel reservations for others; ... .. arrangement, booking, operation, management, provision, rental and reservation of ..., hotels, hotel rooms, motels, temporary accommodation, ...; information, advisory and consultancy services in relation to all the aforesaid services, including those provided online from a computer database or from the Internet.*

115) In respect of the following services, whilst there is no requirement for there to be the same field of activity, there is sufficient distance between them and Party B's goodwill that its consumers are not likely to be misled. Rather, they are likely to perceive any similarity in the signs as coincidence:

*booking and rental of meeting rooms; provision of temporary office accommodation; provision of facilities for meetings, conferences, seminars, ... and exhibitions;... provision of office premises; provision of meeting rooms and part time offices; virtual office services namely, rental of meeting rooms; rental of furniture; rental and leasing of office furniture;...; provision of kitchen facilities; day nurseries and crèche facilities; child minding services;... providing facilities for conducting conferences, meetings, ..., seminars, ...; travel agency services for making hotel reservations; arrangement, booking, operation, management, provision, rental and reservation of holiday homes, tourist homes and apartments, ..., nurseries and childcare facilities, ...; tourism services being the provision of information about accommodation and places to eat and drink and including booking services relating thereto; club membership information relating to all the aforementioned services; information, advisory and consultancy services in relation to all the aforesaid services, including those provided online from a computer database or from the Internet.*

116) I find that Party B opposition fails in respect of this last list of services.

### **Section 3(6)**

117) Section 3(6) of the Act states:

“(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith.”

118) The relevant case-law covering trade mark applications made in bad faith can be found in the following cases: *Chocoladefabriken Lindt & Sprüngli*, CJEU, Case C-529/07, *Malaysia Dairy Industries*, CJEU, Case C-320/12, *Koton*, CJEU, Case C-104/18P, *Sky v Skykick*, CJEU, Case C-371/18, *Hotel Cipriani SRL and others v Cipriani (Grosvenor Street) Limited and others*, [2009] RPC 9 (approved by the Court of Appeal in England and Wales: [2010] RPC 16), *Trump International Limited v DDTM Operations LLC*, [2019] EWHC 769 (Ch), *Copernicus-Trademarks v EUIPO*, General Court of the EU, Case T-82/14, *Daawat Trade Mark, The Appointed Person*,

[2003] RPC 11, *Saxon Trade Mark*, [2003] EWHC 295 (Ch), *Mouldpro ApS v EUIPO*, General Court of the EU, Case T-796/17, *Alexander Trade Mark*, The Appointed Person, BL O/036/18, *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch) and *Sky v Skykick* [2020] EWHC, 990 (Ch).

119) The law appears to be as follows:

- (a) While in everyday language the concept of 'bad faith' involves a dishonest state of mind or intention, the concept of bad faith in trade mark law must be understood in the context of trade: *Sky CJEU*.
- (b) Applying to register a trade mark without an intention to use it is not bad faith *per se*. Therefore, it is not necessary for the trade mark applicant to be using, or have plans to use, the mark in relation to all the goods/services covered by the specification: *Sky CJEU*.
- (c) The bad faith of the trade mark applicant cannot, therefore, be presumed on the basis of the mere finding that, at the time of filing his or her application, that applicant had no economic activity corresponding to the goods and services referred to in that application: *Sky CJEU*.
- (d) However, where the trade mark application is filed without an intention to use it in relation to the specified goods and services, and there is no rationale for the application under trade mark law, it may constitute bad faith. Such bad faith may be established where there are objective, relevant and consistent indications showing that the applicant had the intention either of undermining, in a manner inconsistent with honest practices, the interests of third parties, or of obtaining, without even targeting a specific third party, an exclusive right for purposes other than those falling within the functions of a trade mark: *Sky CJEU*.
- (e) This may be the case where the exclusive right was sought as part of a strategy of using widely cast trade mark registrations as legal weapons for use against others in opposition proceedings and/or for the purposes of

blocking applications by third parties: *Sky EWHC* and *Copernicus-Trademarks v EUIPO*.

- (f) A trade mark may be applied for in good faith in relation to some of the goods/services covered by the application, and in bad faith as regards others: *Sky CJEU*.
- (g) This may be the case where the applicant has included a specific term in the specification, such as 'computer games', with no intention of using the mark in relation to any such goods, simply to obstruct third parties from using or registering the same mark, or similar marks. It may also be the case where the applicant has included a broad term, such as 'computer software', with the intention of using the mark in relation to a particular sub-category of such goods/services, but no intention of using the mark in relation to all the other (sometimes very different) sub-categories of goods/services covered by the broad term, with the objective of obstructing third parties from using or registering the mark in relation to such goods/services: *Sky EWHC*.
- (h) In deciding whether there was a rationale for registering the trade mark in relation to any particular term, it is necessary to bear in mind that trade mark proprietors have a legitimate interest in seeking protection in respect of goods or services in relation to which they may wish to use the trade mark in future (even if were no plans to use the mark in relation to the goods/services at issue at the time of filing the application): *Sky EWHC*. It is therefore relevant to consider whether the goods/services in the contested application are related to those for which the mark has been used, or for which the applicant had plans to use the mark.

120) The following points are apparent from the pre-*Sky* case-law about registering trade marks in bad faith:

- (i) Although it may be a relevant factor, the mere fact that the applicant knew that another party was using the trade mark in another territory does not establish bad faith: *Malaysia Dairy Industries*.

- (j) Similarly, the mere fact that the applicant knew that another party used the trade mark in the UK does not establish bad faith: *Lindt, Koton* (paragraph 55). The applicant may have reasonably believed that it was entitled to apply to register the mark, e.g. where there had been honest concurrent use of the marks: *Hotel Cipriani*.
- (k) However, an application to register a mark is likely to have been filed in bad faith where the applicant knew that a third party used the mark in the UK, or had reason to believe that it may wish to do so in future, and intended to use the trade mark registration to extract payment/consideration from the third party, e.g. to lever a UK licence from an overseas trader: *Daawat*, or to gain an unfair advantage by exploiting the reputation of a well-known name: *Trump International Limited*.
- (l) An application may also have been filed in bad faith where the applicant acted in breach of a general duty of trust as regards the interests of another party, including his or her own (ex) company or (ex) partners, or a party with whom there is, or had recently been, a contractual or pre-contractual relationship, such as a licensor, prospective licensor or overseas principal: *Saxon, Mouldpro*; or where a legal agreement prohibits such a filing.

121) The correct approach to the assessment of bad faith claims is as follows. According to *Alexander Trade Mark*, the key questions for determination in such a case are:

- (a) What, in concrete terms, was the objective that the applicant has been accused of pursuing?
- (b) Was that an objective for the purposes of which the contested application could not be properly filed? and
- (c) Was it established that the contested application was filed in pursuit of that objective?

122) The applicant's intention (i.e. objective) is a subjective factor which must be determined objectively by the competent authority. An overall assessment is

required, which must take account of all the factual circumstances relevant to the particular case: *Lindt*.

123) The matter must be judged at the relevant date, which is the date of the application for registration: *Lindt*.

124) It is necessary to ascertain what the applicant knew at the relevant date: *Red Bull*. Evidence about subsequent events may be relevant, if it casts light backwards on the position at the relevant date: *Hotel Cipriani*.

125) A statement on the application form that the mark is in use, or there is a *bona fide* intention to use it may, if untrue, provide evidence supporting a bad faith case, but is not sufficient by itself to justify the refusal or cancellation of the registration: *Sky* CJEU.

126) An allegation of bad faith is a serious allegation which must be distinctly proved, but in deciding whether it has been proved, the usual civil evidence standard applies (i.e. balance of probability). This means that it is not enough to establish facts which are as consistent with good faith as bad faith: *Red Bull*.

127) Party B's case is that Party A is aware of the SOHO ROOMS marks and their use over a number of years and, further, the application was filed in an attempt to disrupt the business of Party B and as leverage on the ongoing opposition proceedings between the parties. It is clear from the above guidance that these reasons could potentially be deemed a reason to find that the application was not properly filed. However, I must next consider if it has been established that the contested application was filed in pursuit of these alleged objectives. Party B denies the claim, stating that "the application was made with the legitimate aim of protecting [its] rights in its SOHO marks"<sup>35</sup>.

128) I note the following factual background:

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<sup>35</sup> Counterstatement, para 10

- The evidence of Party B illustrates that it uses the mark SOHO HOUSE, SOHO FARMHOUSE and numerous other marks that do not incorporate the word SOHO to identify its various private members' clubs around the world;
- Party B filed its two trade mark applications 23 February and 14 November 2018, respectively;
- Party A commenced proceedings against these applications on 22 June 2018 and 12 March 2019;
- The parties were joined on 20 February 2019 and 17 May 2019 respectively;
- Party A filed its SOHO BEDROOMS application on 25 March 2019.

129) Party A, in its third written submissions (dated 18 May 2020) submits that “it is for [Party A] to substantiate this serious allegation” and that “the burden has not been discharged”. It concludes that; therefore, the ground should be dismissed.

130) The mere fact that Party A knew that Party B used a similar mark in the UK does not establish bad faith. The applicant may have reasonably believed that it was entitled to apply to register the mark. However, there is only the broad defence that it was filed to protect Party A's rights in its SOHO marks, without any explanation of how the application may achieve this. Beyond this defence, Party A has chosen to remain silent.

131) From the time frame identified in paragraph 129, above, it is clear that proceedings were on going between the parties at the time Party A filed the contested application. The basis of those proceedings was essentially that Party A claimed that Party B's SOHO ROOMS marks were too close to its SOHO HOUSE and SOHO WORKS mark. It is clear to me, and must have been clear to Party A, that its SOHO BEDROOMS mark shares a higher similarity to Party B's mark than either of the marks it relied upon. Further, the specification included services that are self-evidently identical to the Class 43 services of Party B's applications. Therefore, it must have known that the contested application would step into the trade mark and business space occupied by Party B at that time. There is no business reason provided by Party A other than to say it was filed to protect its interests in SOHO marks and it has not provided any information to indicate that SOHO BEDROOMS

might form part of its future business plans. It would have been within Party A's gift to provide evidence to illustrate genuine intentions regarding the mark, but it has chosen not to when Party B's *prima facie* case appears to illustrate that Party B's intention was to disrupt Party B's activities and/or exert pressure on Party B in the dispute between the parties.

132) I conclude that, based upon the information before me, including Party A's choice not to explain its reasons beyond the vague reason provided, the contested application was applied for in bad faith and is refused in its entirety.

### **Conclusion**

133) Party B's application 3292175 (SOHO ROOMS and device) is refused in respect of classes 41 and 43 but may proceed to registration in respect of classes 35 and 38.

134) Party B's application 3353445 (SOHO ROOMS) is refused in its entirety.

135) Party A's application 3386308 (SOHO BEDROOMS) is refused in its entirety

### **COSTS**

136) The parties have both achieved a similar degree of success and I direct that each party bears its own costs.

**Dated this day 08<sup>th</sup> of July 2020**

**For the Registrar,  
The Comptroller-General**