

O-486-14

TRADE MARKS ACT 1994

TRADE MARK REGISTRATION No. 2658164

IN THE NAME OF MOTI MAHAL DELUX HOSPITALITY SERVICES LTD

AND

APPLICATION No. 500131 BY MOTI MAHAL DELUX LTD

FOR A DECLARATION THAT THE REGISTRATION IS INVALID

Background and pleadings

1. The trade mark shown below was registered on 19 July 2013, the application for registration having been filed on 27 March 2013.



2. The registration stands in the name of Moti Mahal Delux Hospitality Services Ltd (“the proprietor”) and covers ‘restaurant, bar and catering services’ in class 43.

3. On 22 August 2013, Moti Mahal Delux Limited (“the applicant”) applied for the trade mark registration to be declared invalid and cancelled. The grounds for invalidation are that:

- The registered mark is similar to four earlier national and Community trade marks each consisting of, or including, the words MOTI MAHAL and registered for ‘restaurant, bar and catering services’ in class 43;
- There is a likelihood of confusion on the part of the public and registration of the proprietor’s mark was therefore contrary to s.5(2)(b) of the Act;
- The applicant has been trading under the words MOTI MAHAL since 2005 in Covent Garden in London providing the services for which the mark is registered;
- Use of the proprietor’s mark would constitute passing off because it would deceive the public into believing that the proprietor is, or is linked to, the applicant and cause damage to the applicant’s goodwill;
- Registration of the proprietor’s mark was therefore also contrary to s.5(4)(a) of the Act.

4. As the applicant’s marks had been registered for more than 5 years at the date of filing the application to invalidate the proprietor’s registration, the applicant made the statements of use of its earlier marks as required by Rule 41 of the Trade Mark Rules 2008.

5. The proprietor filed a counterstatement in which it:

- Put the applicant to proof of use of its earlier trade marks;
- Denied that the earlier marks are similar to its mark;
- Admitted that the respective services are identical;
- Denied that there was a likelihood of confusion or deception and therefore that registration of the contested mark was contrary to sections 5(2)(b) and 5(4)(a) of the Act.

The evidence

6. The applicant is represented in these proceedings by Pennington Manches, Solicitors. The applicant's evidence takes the form of two witness statements, one by Anirudh Arora and one by Sattyabhama Pudaruth. Mr Arora is the Head Chef of the applicant's MOTI MAHAL restaurant in Covent Garden. He says that the restaurant opened in 2005 and provides top-end Indian food. It also has a bar specialising in whiskies and cocktails and caters for special events, such as weddings and celebration dinners.

7. The applicant's turnover under the MOTI MAHAL mark was around £1.3m in 2010 rising to over £1.6m by 2013. The applicant typically spends around £80k per annum on advertising and promotions. Some examples of articles and promotions are provided¹ which show that the restaurant was featured in numerous publications and websites, including Time Out, BBC Good Food Website, OK! Magazine and The Daily Mail.

8. The restaurant also received reviews from The Evening Standard, Top Table, Tripadvisor, Square Meal and Zagat. The restaurant is also listed in the Michelin and Zagat restaurant guides. Further, in 2010 it featured in an episode of the popular BBC show Masterchef.

9. The restaurant and bar has won awards. In 2007, Cobra Good Curry Guide awarded the restaurant its Best Newcomer award. Asian Voice newspaper named the applicant's business 'Restaurant of the Year' in 2010. Whisky Magazine awarded the applicant's bar a silver award in its 'Whisky Bars of the World' competition in 2012.

10. Mr Arora says that the applicant's clientele are typically guests staying at the Waldorf, Savoy and One Aldwych hotels or lawyers from the City or Chancery Lane.

¹ See exhibit AA-IV

The applicant does not cater to *“the typical high street Indian restaurant customer base”*.

11. The proprietor was formed in September 2012. According to Mr Arora, the proprietor’s mark has already caused confusion. He cites as examples of such confusion:

- Poor reviews of the proprietor’s restaurant in Harrow being recorded on the applicant’s TripAdvisor review site, including one from a reviewer who claimed that he knew that the applicant’s restaurant had a good reputation but went to the proprietor’s restaurant by mistake not realising that there were two restaurants with the same name.
- Diners who had booked a table at the applicant’s restaurant went to the proprietor’s restaurant in Harrow.
- A box of menus destined for the Harrow restaurant arrived at the applicant’s restaurant.

12. Mr Pudaruth says there was further confusion when the applicant was cited as the respondent in an employment claim at the Watford Employment Tribunal by a person who had never worked for the applicant (the implication being that he had worked for the proprietor).

13. The proprietor did not file any evidence itself. Instead it relies on a witness statement and written arguments filed on its behalf by Gary Dean Assim of the law firm Shoosmiths LLP, which represents the proprietor in these proceedings. Mr Assim’s evidence is that:

- Moti Mahal is the name of a chain of 90 franchised restaurants in India. According to Wikipedia², the first such restaurant was established in 1920 by a Mr Gujral in Delhi. He is attributed as the inventor of the Tandoori chicken dish.
- The owner of the Indian chain is made up of three families.
- Indian lawyers acting for the proprietor have told him that the applicant in these proceedings is owned by one of the Indian families and the proprietor by another.
- Mahal means ‘palace’ in Hindi.

² See exhibit GDA1

- A search of TripAdvisor for the UK (conducted on 30 April 2014) showed that there were eight restaurants in the UK called MOTI MAHAL³ and more with names including the word MAHAL.
- The applicant's restaurant is not listed in the top 120 on TripAdvisor⁴ or the top 15 on Squaremeal⁵.
- The proprietor chose the name MOTI MAHAL because of the longstanding relationship and ownership of the Indian restaurant chain and not because it wished to take advantage of the applicant's name (Mr Assim does not explain how he knows this).

Decision

14. Sections 47(2) and (2A) of the Act are as follows:

“(2) The registration of a trade mark may be declared invalid on the ground-

(a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or

(b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied, unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

(2A) But the registration of a trade mark may not be declared invalid on the ground that there is an earlier trade mark unless -

(a) the registration procedure for the earlier trade mark was completed within the period of five years ending with the date of the application for the declaration,

(b) the registration procedure for the earlier trade mark was not completed before that date, or

(c) the use conditions are met.”

15. I will start by considering whether the applicant has shown genuine use of the earlier marks. The applicant's strongest case under s.5(2)(b) is based on its word-only registrations of MOTI MAHAL. As one of these is a UK registration and the only use shown is in the UK, there is no need to consider whether the applicant has

³ See exhibit GDA3. I note that there are two entries for MOTI MAHAL, London, which may both be the applicant, one for the proprietor, and 5 other places – Manchester, Horsham, Gateshead, Southall and Oxfordshire. Apart from these parties, only the restaurants in Oxfordshire (13), Gateshead (1) and Horsham (1) are shown to have had reviews posted.

⁴ See exhibit GDA5

⁵ See exhibit GDA6

shown genuine use of its identical word-only Community trade mark. The relevant UK registration is 2357575. The mark was entered in the register on 20 August 2004. The relevant five year period for establishing genuine use is 23 August 2008 to 22 August 2013.

16. In *Stichting BDO v BDO Unibank, Inc.*, [2013] F.S.R. 35 (HC), Arnold J. summed up the relevant case law as follows:

“51. Genuine use. In *Pasticceria e Confetteria Sant Ambroeus Srl v G & D Restaurant Associates Ltd* (SANT AMBROEUS Trade Mark) [2010] R.P.C. 28 at [42] Anna Carboni sitting as the Appointed Person set out the following helpful summary of the jurisprudence of the CJEU in *Ansul BV v Ajax Brandbeveiliging BV* (C-40/01) [2003] E.C.R. I-2439; [2003] R.P.C. 40 ; *La Mer Technology Inc v Laboratoires Goemar SA* (C-259/02) [2004] E.C.R. I-1159; [2004] F.S.R. 38 and *Silberquelle GmbH v Maselli-Strickmode GmbH* (C-495/07) [2009] E.C.R. I-2759; [2009] E.T.M.R. 28 (to which I have added references to *Sunrider v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM) (C-416/04 P) [2006] E.C.R. I-4237):

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

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

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

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

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

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

(5) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including in particular, the nature of the goods or services at issue, the characteristics of the market concerned, the scale and frequency of use of the

mark, whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them, and the evidence that the proprietor is able to provide: *Ansul*, [38] and [39]; *La Mer*, [22]–[23]; *Sunrider*, [70]–[71].

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

17. Although minimal use may qualify as genuine use, the CJEU stated in Case C-141/13 P, *Reber Holding GmbH & Co. KG v OHIM* (in paragraph 32 of its judgment), that “*not every proven commercial use may automatically be deemed to constitute genuine use of the trade mark in question*”. The factors identified in point (5) above must therefore be applied in order to assess whether the use shown qualifies as genuine use.

18. I also keep in mind that Section 100 of the Act states:

“100. If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

19. I do not think that there is any doubt that the evidence establishes that the applicant has made use of the mark MOTI MAHAL in relation to restaurant, bar and catering services throughout the relevant period. It is true that all the use relates to a single restaurant in London, but given the turnover of that restaurant and its wider promotion and reputation⁶ there can be little doubt in this case that there was real commercial exploitation of the mark in the UK market for the services at issue. I so find.

Section 5(2)(b)

20. Sections 5(2)(b) of the Act is as follows:

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

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

⁶ As recognised by the awards and listings it has received

21. The following principles are gleaned from the decisions of the EU courts 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.

The principles

(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) 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;

(g) 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;

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

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

(j) if the association between the marks 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.

22. The proprietor quite rightly concedes that the respective services are identical.


Comparison of marks

23. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a 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 marks must be assessed by reference to the overall impressions created by the 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.”

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 contribute to the overall impressions created by the marks.

The respective trade marks are shown below:

MOTI MAHAL	
Earlier trade mark	Contested trade mark

24. The words that make up the applicant’s mark - MOTI MAHAL - are the first words that appear in the contested mark. Although the mark includes other (descriptive and laudatory) words, the words MOTI MAHAL are a distinctive and dominant feature of the contested mark. It is argued on behalf of the proprietor that the marks are not similar because the cockerel device in the contested mark is more or equally

dominant to the words MOTO MAHAL. I accept that the device is distinctive and equally dominant to these words (to the eye), but that does not prevent there being a high degree of visual similarity between the marks because the words MOTI MAHAL are a major element in the overall impression created by the proprietor's mark.

25. It is also submitted on behalf of the proprietor that the font and colour used for the proprietor's mark helps to reduce the visual similarity between the marks. I reject this submission. These are points that might have some marginal relevance in a passing off case where the comparison is between the marks actually used. They are irrelevant to the case based on the registered mark. This is because the applicant's mark is registered in black and white and in block capitals. It therefore covers all colours⁷ and normal fonts (of which the proprietor's mark is one).

26. To the ear the marks are even more similar because the contested mark is likely to be verbalised as MOTI MAHAL DELUX, which sounds a lot like MOTI MAHAL.

27. The fact that MAHAL means 'palace' in Hindi might be known to consumers that speak Hindi, but they are likely to represent only a small minority of users of restaurant, bar and catering services in the UK. To most UK consumers, the applicant's mark has no meaning and therefore no concept.

28. The proprietor's mark has some conceptual identity because even though the words MOTI MAHAL are meaningless to most, the device of a cockerel gives it some meaning. The words DELUX and Legendary Culinary have laudatory meanings in relation to the services at issue. Consequently, although they also give the proprietor's mark some conceptual meaning, it is not a distinctive conceptual meaning of the kind that will help to distinguish the proprietor's mark from the applicant's mark.

29. In my view, the marks are highly similar.

Average consumer and the purchasing act

30. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer, Case C-342/97*.

31. The average consumer of restaurant, bar and catering services is likely to be a member of the general public paying an average level of attention when selecting service provider. The services at issue will be primarily selected by eye from

⁷ See *Specsavers v Asda Stores Ltd* [2012] EWCA Civ 24, at paragraph 96.

restaurant listings, reviews and promotions. However, word of mouth recommendations and telephone bookings mean that the level of aural similarity is also quite significant.

Distinctive character of the earlier trade mark

32. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*⁸, 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 C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of 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).”

33. The earlier mark MOTI MAHAL is not descriptive of the services at issue. It will appear to most relevant consumers as an invented phrase or (more likely) as meaningless foreign words. Even for the small minority of consumers who speak Hindi and may know that MAHAL means ‘palace’, the composite phrase would have no descriptive or non-distinctive meaning for restaurant, bar or catering services. I therefore conclude that MOTI MAHAL is a trade mark with at least an average level of inherent distinctiveness in the UK for the services at issue.

34. The applicant’s use of its mark and reputation may have further elevated the distinctive character of the mark a little by the date that the proprietor applied to register its composite mark (“the relevant date”), but given that the applicant’s mark is inherently distinctive to at least an average degree, I do not consider that the applicant’s use will have materially changed matters so far as this assessment is concerned.

⁸ Case C-342/97

35. The proprietor points out that there appear to be third parties providing restaurant services under the name MOTI MAHAL. However, Mr Assim's evidence from TripAdvisor dates from over a year after the relevant date. Further, it is not clear how long these restaurants had been trading under the MOTI MAHAL name, or on what scale. In these circumstances, I do not find the limited evidence of third parties trading under the same name as the applicant sufficient to cause me to reconsider my assessment that the applicant's mark was of at least average distinctiveness at the relevant date.

Likelihood of confusion

36. The proprietor points out that the applicant's services are aimed at a different market to the applicant's market. Again this is a point that may have some relevance in a passing off case, but it has none here. This is because in *O2 Holdings Limited, O2 (UK) Limited v Hutchison 3G UK Limited*⁹, the CJEU stated at paragraph 66 of its judgment that when assessing the likelihood of confusion under the provision of the Directive on which s.5(2) is based it is necessary to consider all the circumstances in which the mark applied for might be used if it were registered. By analogy, that must also apply where the later mark has been registered and so far targeted at one part of the relevant market, but could be targeted at other parts of the same market in future, including the same part of the market targeted by the owner of an earlier registered conflicting mark.

37. In *Devinlec Développement Innovation Leclerc SA v OHIM*¹⁰, the CJEU stated that:

“59. As regards the fact that the particular circumstances in which the goods in question were marketed were not taken into account, the Court of First Instance was fully entitled to hold that, since these may vary in time and depending on the wishes of the proprietors of the opposing marks, it is inappropriate to take those circumstances into account in the prospective analysis of the likelihood of confusion between those marks.”

38. The parties current target customers, geographical locations, marketing strategies and pricing policies are therefore irrelevant to the assessment required under s.5(2)(b).

39. I find that most of the applicant's evidence of confusion is also irrelevant because, with one exception, it is more indicative of confusion between the parties' company's names than confusion between customers over their trade marks. This is not surprising given the applicant's own evidence that the parties currently target different market segments. The one exception is the customer who recorded on TripAdvisor that he mistakenly booked a table at the proprietor's restaurant on the

⁹ Case C-533/06

¹⁰ Case C-171/06P

basis of the applicant's reputation for quality. However, in the circumstances described above, that is likely to have been an isolated incident.

40. Nevertheless, given the high level of similarity between the marks, the identity between the services, and the (at least) average level of distinctiveness of the earlier mark, I find that there is a likelihood of confusion if the marks are used concurrently in the UK (which includes concurrent use in the same geographical location, or in close geographical proximity to one another). In these circumstances, it is not only likely, but inevitable that the relevant average consumers will be confused through imperfect recollection of one or other of the marks. Further, even if average consumers realise that the marks are different because of the presence or absence of the cockerel device, the presence of the distinctive words MOTI MAHAL in both marks is very likely to be enough to persuade them that the marks are used by one and the same undertaking, or by economically connected undertakings, which also constitutes a likelihood of confusion.

41. The ground for invalidation under s.47 based on registration of the proprietor's mark being contrary to s.5(2)(b) therefore succeeds. As indicated above, I have assessed the likelihood of confusion on the basis of normal and fair use of the respective marks in the UK in relation to the services for which they are registered. However, for the avoidance of doubt, I should make it clear that even if I had assessed the likelihood of confusion based on the proprietor's actual use of its mark in the Harrow area, I would still have found that there is a likelihood of confusion with the applicant's mark based on its UK-wide trade mark registration (which therefore covers the Harrow area too).

42. The applicant's case for invalidation under s.47 based on contravention of s.5(4)(a) adds nothing to the case I have considered under s.5(2)(b). Indeed, although the likelihood of deception would still have to be assessed on the basis that the proprietor could potentially use its mark in relation to the registered services provided anywhere in the UK (not just in Harrow), the case under s.5(4)(a) is marginally weaker for the reasons I mentioned during my examination of the s.5(2)(b) case. Consequently, there is no need for me to say any more about the case for invalidation based on registration 2658164 also being contrary to s.5(4)(a).

Outcome

43. The application succeeds and, subject to an appeal, the proprietor's mark will be invalidated and cancelled.

Costs

44. The applicant has been successful and is entitled to a contribution towards its costs. In the circumstances I award the applicant the sum of £1500 as a contribution towards the cost of the proceedings.

45. The sum is calculated as follows:

£500 for filing the application the application for invalidation and considering the counterstatement.

£200 official fee for the TM26I

£800 for filing evidence and considering the proprietor's evidence.

46. I therefore order Moti Mahal Delux Hospitality Services Ltd to pay Moti Mahal Delux Limited the sum of £1500. The above sum should be paid within seven days of the expiry of the appeal period or, if there is an appeal, within seven days of the conclusion of that appeal.

Dated this 14th day of November 2014

**Allan James
For the Registrar**