

O/116/20

TRADE MARKS ACT 1994

CONSOLIDATED PROCEEDINGS

IN THE MATTER OF APPLICATION NO. UK00003328262

IN THE NAME OF MR MIYAGIS RESTAURANT LLC

FOR THE FOLLOWING TRADE MARK:

**Mr Miyagi's**

IN CLASS 43

AND OPPOSITION THERETO UNDER NO. 600000995 BY

VOODOO LEISURE LTD

AND

IN THE MATTER OF REGISTRATION NO. UK00003315962 FOR THE MARK:

**MR MIYAGI'S**  
ミヤギさん

IN THE NAME OF VODOO LEISURE LTD

AND AN APPLICATION FOR A DECLARATION OF INVALIDITY THERETO  
UNDER NO. 502486

BY MR MIYAGIS RESTAURANT LLC

## **BACKGROUND AND PLEADINGS**

1. On 31 July 2018, Mr Miyagis Restaurant LLC (“MMR”) applied to register the trade mark **Mr Miyagi’s** in the UK. The application was published for opposition purposes on 17 August 2018, and registration is sought for the following services:

Class 43      Restaurant and bar services.

2. On 19 November 2018, Voodoo Leisure Ltd (“VL”) opposed the application based upon section 5(2)(b) of the Trade Marks Act 1994 (“the Act”), using the fast track opposition procedure. For the purposes of the opposition, VL relies upon the following trade mark (registration no. 3315962):



3. VL’s mark was filed on 6 June 2018, published on 22 June 2018 and registered on 31 August 2018. VL relies upon all of the services for which it’s mark is registered, namely:

Class 41      Nightclub services.

Class 43      Public house services; Restaurant and bar services; Restaurant services for the provision of fast food; Restaurant services incorporating licensed bar facilities; Restaurant services provided by hotels; Restaurants; Restaurants (Self-service -); Fast food restaurants.

4. VL claims there is a likelihood of confusion because the marks are similar, and the services are identical or similar.

5. MMR filed a counterstatement denying the grounds of opposition.

6. On 27 February 2019, MMR applied to invalidate VL's mark based upon section 3(6) of the Act. In this regard, MMR states as follows:

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

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

7. VL filed a counterstatement denying the grounds of invalidation.

8. On 5 June 2019, the Registry wrote to the parties as follows:

"The Registry has considered the matter and has noted that there are related proceedings namely Opposition number OP600000995. Given the nature of the cases the Registry directs under Rule 62(g) of the Trade Marks Rules 2008 that the cases be consolidated. Unless the Registry receives any adverse comments from either party this course of action will take place and Cancellation number CA000502486 will become the lead case. It then follows that all future correspondence and evidence should be headed up to relate to both cases."

9. The proceedings were subsequently consolidated.

10. VL is represented by D Young & Co LLP and MMR is represented by Withers & Rogers LLP. MMR filed evidence in the form of the witness statement of Alex Bracken dated 30 July 2019. VL filed evidence in the form of the witness statement of Alistair Ritchie dated 7 October 2019. No evidence in reply was filed. Neither party requested a hearing, but both parties filed written submissions in lieu. This decision is taken following a careful perusal of the papers.

## **EVIDENCE**

### **MMR's Evidence**

11. As noted above, MMR filed evidence in the form of the witness statement of Alex Bracken, which was accompanied by 8 exhibits. Mr Bracken is the CEO of Fore Front Facilities Management LLC, which owns MMR. Mr Bracken has been in this role since 2013.

12. Mr Bracken explains that MMR operates in the hospitality sector, opening its first Asian street food restaurant and bar in July 2017 in the Media One Hotel, Dubai. In 2019, MMR opened its second branch in Abu Dhabi and third branch in Studio City Hotel, Dubai. Mr Bracken states that the following sign has been used at its premises since 2017:



13. The opening of MMR's first restaurant was referenced in Esquire Middle East and Time Out Dubai on 20 July 2017, in Dubai Week on 21 July 2017 and in Arabian Lifestyle on 23 July 2017.<sup>1</sup>

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<sup>1</sup> Exhibit AB1

14. Between 1 July 2017 and 29 July 2019, MMR's website had 6,453 users from the UK.<sup>2</sup> This amounted to 7.10% of the website's total users. However, it is not clear whether this relates to individual users or whether this includes repeat visits. I recognise that MMR's social media accounts have a number of followers, but the print outs provided, and figures provided in Mr Bracken's statement, are dated after the relevant date.

15. Mr Bracken notes that 1.5million British nationals visit the UAE each year. Mr Bracken refers to Exhibit AB3 as evidence of this figure, which is a print out from the UK government website providing travel advice and information relating to the UAE. However, there is no information provided in this document as to the number of visitors from the UK who visit the UAE each year.

16. Mr Bracken states that he contacted Mr Ritchie, who is the Director of VL, on 31 July 2018 when he became aware of the application for VL's mark in the UK. Mr Bracken states that he was concerned because the branding used by MMR was similar to the style used in VL's mark. Mr Bracken notes that this is reflected in both parties' websites.<sup>3</sup> Mr Bracken has provided a copy of the conversation between himself and Mr Ritchie (which started on 31 July 2018), in which he informed Mr Ritchie that his business had "big plans for the UK market and beyond".<sup>4</sup> Mr Ritchie confirmed that he is "often in Dubai" and Mr Bracken claims that Mr Ritchie had visited his outlet in Dubai. This is supported by Mr Ritchie's response in the course of the conversation when he states:

"Why the massive lack of air conditioning in your bar?"

17. Mr Bracken states that Mr Ritchie had been warned not to use the brand in the UK by a mutual friend. Mr Ritchie responded by denying knowledge of this and states:

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<sup>2</sup> Exhibit AB2

<sup>3</sup> Exhibit AB5

<sup>4</sup> Exhibit AB7

“[...] at least I took my inspiration from another continent.”

18. Mr Bracken states that he is aware that a restaurant was opened in Portsmouth, under VL’s mark in August 2018.<sup>5</sup>

19. Mr Bracken has provided a screenshot of a post from Mr Ritchie’s Instagram account which shows that he was in Dubai on 9 June 2018. Mr Bracken concludes from this that at some point during this visit to Dubai he attended MMR’s restaurant and it was this that led to the application to register his mark in the UK.

20. I have also read the written submissions in lieu filed by MMR. Whilst I do not propose to summarise those here, I will refer to them below where necessary.

### **VL’s Evidence**

21. As noted above, VL filed evidence in the form of the witness statement of Alistair Ritchie, which was accompanied by 6 exhibits. Mr Ritchie is the director of VL, a position he has held since 2011.

22. Mr Ritchie explains that he rebranded a bar operated by VL in Portsmouth in August 2018. He states that the rebranding process started in January 2017, when he instructed a company to design a new logo and marketing materials for the business. An invoice dated 23 January 2017 from that business is provided, which shows fees incurred for “initial concept discussion for Lyberry Bar Rebrand”.<sup>6</sup>

23. Mr Ritchie states that the building in which his bar is located used to be a cinema. As a nod to the history of the building, the tables of his bar were covered in old film posters.<sup>7</sup> When a meeting took place at the bar regarding the rebranding in early 2018, the Karate Kid film poster displayed on one of the tables was a source of inspiration for the rebrand. Mr Ritchie notes that Mr Miyagi is a character from that 1984 film. The

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<sup>5</sup> Exhibit AB6

<sup>6</sup> Exhibit AR1

<sup>7</sup> Exhibit AR3

original proof for design of VL's mark was created on 1 June 2018 by the design company instructed by VL.<sup>8</sup>

24. Mr Ritchie states that Mr Miyagi is a cultural reference to the film that appears in the name of various venues in the UK.<sup>9</sup>

25. Mr Ritchie states that he first became aware of MMR's venue in Dubai in early 2018 (but after the rebranding meeting in early 2018 referred to above). However, Mr Ritchie states that he had no knowledge of MMR's intention to expand the business into the UK market at the time of developing his brand.<sup>10</sup>

26. Mr Ritchie states:

“Mr Bracken claims that I was alerted to the Applicant's plans to enter the UK by a 'mutual friend' [...] I do not know [him]. I did hear that ex-Luminar managers were considering the possibility of the UK for the MR MIYAGI'S brand but any such information was only received after the filing of my own brand and I was never alerted to any concrete plans.”<sup>11</sup>

27. I have also read VL's written submissions in lieu. Whilst I do not propose to summarise those here, I will refer to them below where necessary.

## **DECISION**

### **The Invalidation Application**

28. MMR's application for invalidation is based upon section 3(6) of the Act, which states as follows:

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<sup>8</sup> Exhibit AR6

<sup>9</sup> Exhibit AR5

<sup>10</sup> Witness statement of Mr Alistair Ritchie, para. 8

<sup>11</sup> Witness statement of Mr Alistair Ritchie, para. 16

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

29. Section 3(6) has application in invalidation proceedings because of the provisions set out in section 47(1) of the Act. By virtue of this section, a registered trade mark may be declared invalid if it has been registered in breach of section 3 of the Act.

30. The law in relation to section 3(6) of the Act (“bad faith”) was summarised by Arnold J. in *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch), as follows:

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

131. First, the relevant date for assessing whether an application to register a trade mark was made in bad faith is the application date: see Case C- 529/07 *Chocoladenfabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH* [2009] ECR I-4893 at [35].

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

133. Thirdly, a person is presumed to have acted in good faith unless the contrary is proved. An allegation of bad faith is a serious allegation which must be distinctly proved. The standard of proof is on the balance of probabilities but cogent evidence is required due to the seriousness of the allegation. It is not enough to prove facts which are also consistent with good faith: see *BRUTT*



*Trade Marks* [2007] RPC 19 at [29], *von Rossum v Heinrich Mack Nachf. GmbH & Co KG* (Case R 336/207-2, OHIM Second Board of Appeal, 13 November 2007) at [22] and *Funke Kunststoffe GmbH v Astral Property Pty Ltd* (Case R 1621/2006-4, OHIM Fourth Board of Appeal, 21 December 2009) at [22].

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

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

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

137. Seventhly, the tribunal must first ascertain what the defendant knew about the matters in question and then decide whether, in the light of that knowledge, the defendant's conduct is dishonest (or otherwise falls short of the standards of acceptable commercial behaviour) judged by ordinary standards of honest people. The applicant's own standards of honesty (or acceptable commercial behaviour) are irrelevant to the enquiry: see *AJIT WEEKLY Trade Mark* [2006] RPC 25 at [35]-[41], *GERSON Trade Mark* (Case R 916/2004-1, OHIM First

Board of Appeal, 4 June 2009) at [53] and *Campbell v Hughes* [2011] RPC 21 at [36].

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

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

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

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

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

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

31. The relevant date under section 3(6) is the date of the application for VL's mark i.e. 6 June 2018.

32. MMR's case is that VL, through its director Mr Ritchie, had knowledge of its use of the sign Mr Miyagi's, at its restaurant in Dubai, prior to the filing of VL's mark. MMR claim that the registration of VL's mark was carried out as a blocking mechanism to prevent MMR's expansion into the UK. MMR summarises its position in this regard in its written submissions in lieu, as follows:

"8. A summary of this evidence is as follows: Alistair Ritchie, the sole director of Party B, had full knowledge of Party A's successful business under its Mr Miyagi's brand for services in Class 41 and 43. Mr Ritchie was aware of Party A's use of the mark and intention to launch an identical business in the UK (Exhibits AB7 and AB8 confirm this). This knowledge was acquired by Party B prior to its application for the Registration. This knowledge and conduct is to be viewed from the relevant date of 6 June 2018, which is the date of filing for the Registration. Paragraph 13 of Mr Alistair Ritchie's Witness Statement confirms that Party B was aware of Party A's use of MR MIYAGI'S. Despite Party B's claims in the Witness Statement of Alistair Ritchie at paragraphs 8, 13 and 14, it is undeniable that this knowledge will have informed its decision to select the MR MIYAGI'S branding for its business. It is also immaterial that Party B had drawings created by an independent brand design agency (paragraph 9 and Exhibit AR6). This process had begun after Party B acquired the knowledge of Party A's business and so there was conscious decision-making on the party of Party B to adopt this branding. Had Mr Ritchie not acted in bad faith, he may have asked himself at this point whether adopting a brand that he knew to be well-established elsewhere was an act that accords to acceptable commercial behaviour. Party A asserts that it is not. If this sort of behaviour is to be tolerated, it would amount to an abuse of the trade mark system. Party B's intention was to use the mark as a blocking mechanism, and illegitimately so."

33. In *Malaysia Dairy Industries Pte Ltd v Ankenævnet for Patenter og Varemærker* Case C-320/12, the Court of Justice of the European Union ("CJEU") held that merely knowing that a trade mark was in use by another in another jurisdiction did not amount to bad faith under Article 4(4)(g) of the Directive (s.3(6) of the Act). The court found that:

“2. Article 4(4)(g) of Directive 2008/95 must be interpreted as meaning that, in order to permit the conclusion that the person making the application for registration of a trade mark is acting in bad faith within the meaning of that provision, it is necessary to take into consideration all the relevant factors specific to the particular case which pertained at the time of filing the application for registration. The fact that the person making that application knows or should know that a third party is using a mark abroad at the time of filing his application which is liable to be confused with the mark whose registration has been applied for is not sufficient, in itself, to permit the conclusion that the person making that application is acting in bad faith within the meaning of that provision.

3. Article 4(4)(g) of Directive 2008/95 must be interpreted as meaning that it does not allow Member States to introduce a system of specific protection of foreign marks which differs from the system established by that provision and which is based on the fact that the person making the application for registration of a mark knew or should have known of a foreign mark.”

34. In *Daawat Trade Mark* [2003] RPC 11, Mr Geoffrey Hobbs QC, as the Appointed Person, upheld a decision to invalidate a registration under s.47 and s.3(6) of the Act. He did so on the basis that it had been established that the application for registration was made in the knowledge of the applicant’s trade in identical goods under an identical mark in other markets, and was motivated by a desire to pre-empt the applicant’s entry into the UK market in order to secure a commercial advantage in negotiations with the trade mark holder.

35. I recognise from the case law cited above that registration of a mark in the UK, in knowledge of another party’s mark in another jurisdiction, may amount to bad faith where it is done in order to secure a commercial advantage in negotiations or to block expansion into the UK market or for other reasons that fall below the stands of acceptable commercial practice. However, knowledge of the use of a mark or sign in another jurisdiction, on its own, is not sufficient to amount to bad faith.

36. I recognise that there may be some UK average consumers who are familiar with MMR's restaurant business in Dubai by virtue of having visited there on holiday or, indeed, by having visited their website (which the evidence shows has had over 6,000 visits from UK users). However, it is not clear to me whether the figures provided in relation to the website are individual users or may include repeat visits by the same users. Whilst there may be 1.5million UK visitors to Dubai each year, no information is provided by MMR as to how many UK visitors attend their restaurant. There is no suggestion that MMR have ever traded in the UK and very little information is provided about their plans to expand into the UK market.

37. Mr Ritchie accepts in his evidence that he was aware of MMR's business in Dubai before filing his mark. Mr Bracken has made reference to the fact that he informed Mr Ritchie, during the course of correspondence through a social media platform, that he intended to expand his business into the UK. This correspondence started on 31 July 2018 and continued during August and September. However, as the application in issue was filed in June 2018, any information conveyed to Mr Ritchie during the course of that correspondence would have been conveyed after the relevant date. Mr Bracken suggests that Mr Ritchie was informed at some point prior to filing the application by a mutual friend that MMR intended to expand into the UK market place. This is denied by Mr Ritchie. In the absence of any evidence from that mutual friend in these proceedings, or any further details provided by MMR as to when this information was said to have been relayed to Mr Ritchie, I am unable to make a finding that he was aware of any expansion plans prior to the relevant date. An allegation of bad faith is, of course, a serious one, and one that should be fully substantiated with evidence. Further, whilst MMR subsequently opened two additional restaurants in the UAE, at the relevant date, it had only one restaurant in Dubai. I see no reason to conclude that Mr Ritchie should have assumed that there was a possibility that a business with only one restaurant in another jurisdiction would be planning to expand into the UK market.

38. Taking all of this into account, to my mind, the 'high point' of MMR's case is that VL, through Mr Ritchie, was aware of its business in Dubai at the time of filing its application and that the business gave Mr Ritchie the idea for the rebrand and theme for his bar. However, even if that is the case, that is not sufficient on its own for a finding of bad faith. VL cannot have intended to block MMR's expansion into the UK

or to gain an upper hand in negotiations that might stem from that expansion if it had no knowledge of their plans to expand into the UK. I do not consider that the evidence demonstrates that it did have knowledge of any such expansion.

39. In its written submissions in lieu, MMR directed me to the decision of Mr Thomas Mitcheson QC, sitting as the Appointed Person, in Case BL/O/786/18, in which he upheld a finding of bad faith on the basis that the applicant did not believe they were entitled to registration and the application had been made as a spoiling tool and in order to gain an upper hand in commercial negotiations. I have considered this decision in reaching my findings. However, it can be distinguished from the facts of the present case. In the case cited above, the applicant had been in communications with the other party prior to filing their application for registration and were, in the course of those communications, informed of the other party's plans to expand their business into Scotland. By contrast, in this case, there is no evidence that VL was aware of MMR's plans to expand into the UK market prior to filing the contested application. Further, in the case cited above, there was no evidence of any intention to use the trade mark or legitimate interest in doing so. However, in this case, it is Mr Ritchie's evidence that plans were already well underway to rebrand the business under the contested mark and is, indeed, using the mark. I do not, therefore, consider that that decision assists MMR.

40. I find that there is no evidence to suggest that, at the relevant date, VL was acting in a commercially unacceptable or dishonest way by applying for the mark in issue. I do not consider that VL's conduct amounted to bad faith.

41. The invalidation based upon section 3(6) of the Act is unsuccessful.

### **The Opposition**

42. As the application for invalidation has been unsuccessful, I will now turn to consider the opposition.

43. 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.”

44. VL’s mark is an earlier mark pursuant to section 6 of the Act. As VL’s mark had not completed its registration process more than 5 years before the publication date of the application in issue, it is not subject to proof of use. VL can, therefore, rely upon all of the services it has identified.

### **Case law**

45. 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.

(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 greater 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

46. The competing services are as follows:

<b>VL's services (The opponent)</b>	<b>MMR's services (The applicant)</b>
<p><u>Class 41</u> Nightclub services.</p> <p><u>Class 43</u> Public house services; Restaurant and bar services; Restaurant services for the provision of fast food; Restaurant services incorporating licensed bar facilities; Restaurant services provided by hotels; Restaurants; Restaurants (Self-service -); Fast food restaurants.</p>	<p><u>Class 43</u> Restaurant and bar services.</p>

47. "Restaurant and bar services" appears identically in both MMR's specification and VL's specification. These services are, self-evidently, identical.

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

48. As the case law above indicates, 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 the 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.”

49. The average consumer for the parties’ services will be a member of the general public. In the case of bar services, the average consumer will be a member of the general public who is over the age of 18. VL submits that the average consumer is likely to pay a low to average degree of attention during the purchasing process. I accept that the services are likely to be purchased reasonably frequently and the cost is unlikely to be particularly high. However, I consider that various factors will be taken into account in selecting the services, such as the type of food or drink offered, dietary requirements and the style and presentation of the venue. Consequently, I consider that a medium degree of attention will be paid during the purchasing process.

50. The services are likely to be purchased from food and drink outlets. The average consumer is likely to select the services by perusal of the premises’ frontage or advertisements (such as flyers, posters or online). However, given that word-of-mouth recommendations may also play a part, I do not discount that there will be an aural component to the selection of the services.

### **Comparison of the trade marks**


51. 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 the 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.”

52. 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.

53. The respective trade marks are shown below:

<b>VL's trade mark (the opponent)</b>	<b>MMR's trade mark (the applicant)</b>
	Mr Miyagi's

54. VL's trade mark consists of the words 'Mr Miyagi's', presented in a highly stylised font. The wording is presented above what will be recognised by the average consumer as text written in a foreign language, although the specific language is unlikely to be identified. As it is the words 'Mr Miyagi's' that will be identified as having a meaning, they will play the greater role in the overall impression, with the stylisation and the foreign language text playing a lesser role. MMR's trade mark consists of the words Mr Miyagi's. The overall impression lies in the combination of these words.

55. Visually, the marks coincide in the presence of the words 'Mr Miyagi's'. The apostrophe in VL's mark is less visible than the apostrophe in MMR's mark, and may be overlooked. The stylisation and foreign language text in VL's mark have no counterpart in MMR's mark and will, therefore, act as points of visual difference. However, as MMR's mark is a word only mark, it may be used in any standard typeface, which may reduce differences arising from the stylisation of VL's mark. I consider the marks to be visually similar to a medium to high degree.

56. Aurally, both marks will be pronounced MISS-TER-MIY-AGG-EEZ. The UK average consumer will not pronounce the foreign language text in VL's mark. Consequently, I consider the marks to be aurally identical.

57. Conceptually, I consider that a significant proportion of UK average consumers will view both marks as a reference to the character from the well-known film, Karate Kid. As noted above, the foreign language text will not be attributed any identifiable meaning by the average consumer and will not, therefore, contribute to the conceptual meaning conveyed by the marks. Even if the reference to the character is not identified, the marks will be recognised as a reference to a particular person of that name. The addition of the 'S' at the end of the name, whether or not the apostrophe is noticed, will mean the marks as a whole are viewed as a reference to something belonging to Mr Miyagi. I consider the marks to be conceptually identical.

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

58. 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 C-

108/97 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, 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)."

59. 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. The distinctive character of a mark may be enhanced by virtue of the use that has been made of it.

60. VL had not pleaded that its mark has acquired enhanced distinctive character through use and, in any event, has filed no evidence to support such a claim. Consequently, I have only the inherent position to consider. As noted above, the words 'Mr Miyagi's' are likely to be recognised as a reference to something owned by the character from the film *Karate Kid* or, if not, will be recognised as a reference to something owned by a particular unknown person of that name. If the *Karate Kid* reference is recognised, then there is likely to be a connection made with Asia and, therefore, there may be some allusive quality as to the type of restaurant or bar services offered. If it is not recognised, then the origin of the name is unlikely to be clear enough to identify the type of services offered. I consider the mark to be inherently distinctive either to between a low and medium degree or to a medium degree, depending on whether the reference is identified.

## **Likelihood of confusion**

61. 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 or vice versa. As I mentioned above, it is necessary for me to keep in mind the distinctive character of VL's 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.

62. I have found the marks to be visually similar to a medium to high degree and aurally and conceptually identical. I have found VL's mark to have either a medium or between low and medium degree of inherent distinctive character. I have identified the average consumer to be a member of the general public, who will purchase the goods primarily by visual means (although I do not discount an aural component). I have concluded that a medium degree of attention will be paid during the purchasing process. I have found the parties' services to be identical.

63. Taking into account the aural, visual and conceptual similarities between the marks, as well as the identical services and the principle of imperfect recollection, I consider that there is a likelihood of one mark being mistakenly recalled as the other. I consider that this will be the case even where VL's mark has only a low to medium degree of inherent distinctive character. I consider there to be a likelihood of direct confusion.

64. Even if I am wrong in this finding, and the average consumer recalls the stylistic differences, and the presence of the foreign language text in VL's mark, which are

absent from MMR's mark, I consider that the same wording being used in both marks will result in the average consumer concluding that these are just alternative marks used by the same or economically linked undertakings. This is particularly the case given that the marks are applied for/registered in respect of identical services. I consider there to be a likelihood of indirect confusion.

65. The opposition based upon section 5(2)(b) is successful.

### **CONCLUSION**

66. The application for invalidation against registration no. UK00003315962 is unsuccessful and the mark will remain on the Register.

67. The opposition against application no. UK00003328262 is successful, and the application is refused.

### **COSTS**

68. VL has been successful in both the invalidation and the opposition and is entitled to a contribution towards its costs, based upon the scale published in Tribunal Practice Notice 2/2016. In the circumstances, I award VL the sum of **£1,700** as a contribution towards the costs of the proceedings. This sum is calculated as follows:

Preparing a statement and considering MMR's statement (x2)	£450
Preparing evidence and considering MMR's evidence	£750
Preparing written submissions in lieu	£400
Official fee for opposition	£100
<b>Total</b>	<b>£1,700</b>

69. I therefore order Mr Miyagis Restaurant LLC to pay Voodoo Leisure Ltd the sum of £1,700. This sum should be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.

**Dated this 25<sup>th</sup> day of February 2020**

**S WILSON**

**For the Registrar**