

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
INTELLECTUAL PROPERTY ENTERPRISE COURT

Rolls Building
New Fetter Lane
London

Neutral Citation Number: [2017] EWHC 609 (IPEC)
Date: 24 March 2017

Before :

HER HONOUR JUDGE MELISSA CLARKE

BETWEEN :

Claim No: IP-2015-000108

AZUMI LIMITED

Claimant

- and -

**(1) ZUMA'S CHOICE PET PRODUCTS
LIMITED**
(2) MS ZOE VANDERBILT

Defendants

AND BETWEEN :

Claim No: IP-2015-000006

MS ZOE VANDERBILT

Claimant

- and -

(1) MR JOHN WALLACE
(2) BOULT WADE TENNANT
(3) AZUMI LIMITED

Defendants

AND BETWEEN :

Claim No: IP-2015-000133

MS ZOE VANDERBILT

Claimant

- and -

(1) MR JOHN WALLACE
(2) BOULT WADE TENNANT
(3) MR RANIER BECKER

Defendants

Mr Simon Malynicz, QC and Miss Georgina Messenger for the **Azumi Limited**
Ms Zoe Vanderbilt in person for herself and as a representative of **Zuma's Choice Pet**
Products Limited

Hearing dates: 7 and 8 February 2016

JUDGMENT

Her Honour Judge Melissa Clarke:

INTRODUCTION

1. Azumi Limited (who I shall refer to as “**the Claimant**” for convenience) operates ten highly-designed, sophisticated and high-end contemporary Japanese restaurants around the world. One of these, and the first to be established in 2002, is located in Knightsbridge and is called Zuma (“**Zuma**”). Since opening, and to today, it has garnered extensive attention in the press and in restaurant guides which praise the spectacular décor, buzzing atmosphere and well-executed dishes. Zuma has been highly-placed since then in guides such as Harden’s, Zagat and TimeOut as one of London’s best Japanese restaurants.

2. The Claimant is the registered proprietor of the following trade marks (“**the Marks**”):
 - i) UK trade mark number 2283791 for the word mark ZUMA registered with effect from 24 October 2001 in class 42 for *provision of food and drink*;
 - ii) EU trade mark number 3148392 for the word mark ZUMA registered with effect from 2 August 2004 in class 43 for, *inter alia*, *provision of food and drink; restaurant... services; bar services*;
 - iii) EU trade mark number 10449486 for the figurative mark shown below, registered with effect from 3 January 2012 in class 43 for, *inter alia*, *services for providing food and drink; restaurant services; bar services*.



3. I shall refer to Zuma's Choice Pet Products Limited ("**ZCPP**") and its sole director and shareholder Ms Zoe Vanderbilt as "**the Defendants**" for convenience. Ms Vanderbilt incorporated ZCPP on 30 April 2014 for the purpose of manufacturing and selling high quality pet food for dogs and cats. She named the company after her dog Zuma, a Japanese Akita/GSD cross.
4. On 13 June 2014 Ms Vanderbilt registered the domain name 'dineinwithzuma.com'. She has maintained that registration in her name to date. The domain is used to direct users to a website which markets pet food products. The website includes use of the word ZUMA and the phrase DINE IN WITH ZUMA, and the following device:



5. This device (the "**DIWZ Device**") appears as a banner across each page of the website and also on the images of the packaging of the dog food products on the "products" page. Where it appears on images of the packaging the banner element appears in differing single colours including red and purple as well as blue.
6. On 18 August 2014 Ms Vanderbilt applied to register a UK trade mark for DINE IN WITH ZUMA (UK TMA no.3068984). The Claimant became aware of the application by notification from its trade marks watching service in early November 2014.
7. The Claimant instructed its trade mark attorneys Boulton Wade Tennant ("**BWT**") to send without prejudice correspondence to Ms Vanderbilt on 1 December 2014 notifying her of possible opposition proceedings. The individual at BWT with conduct of the matter was Mr John Wallace. There was correspondence between BWT and Ms Vanderbilt until 19 December 2014. On 22 December 2014 the Claimant filed opposition to Ms Vanderbilt's DINE IN WITH ZUMA trade mark application.

8. BWT wrote two letters before action to Miss Vanderbilt on 13 February 2015 (one open and one without prejudice) and a meeting took place at Zuma restaurant between Ms Vanderbilt and Mr Rainer Becker, a director of the Claimant, on 6 May 2015 to discuss the dispute. By 9 June 2015 Ms Vanderbilt had notified BWT that she considered that the letters of 1 December 2014 and 13 February 2015 and the statements made by Mr Becker at the meeting on 6 May 2015 amounted to unjustified threats to bring trade mark infringement proceedings. She attempted to send draft particulars of claim for a threats action although the Claimant says it was unable to open the document.

THE PROCEEDINGS

9. This is the judgment following the trial of:
- i) a claim by the Claimant against the Defendants for trade mark infringement, issued on 9 June 2015 (Claim IP-2015-000108 which I shall refer to as “**the Claim**”); and
 - ii) a claim by Ms Vanderbilt against the Claimant for groundless actionable threats to bring trade mark infringement proceedings issued on 17 June 2015 (Claim IP-2015-000006 which I shall refer to as “**the 1st Threats Claim**”).
10. The remainder of the 1st Threats Claim has been stayed against the second and third defendant trade mark attorneys Mr John Wallace and BWT, by order of HHJ Hacon of 8 October 2015. A further claim by Ms Vanderbilt for unjustified threats to bring trade mark infringement proceedings (Claim IP-2015-000133 which I shall refer to as “**the 2nd Threats Claim**”) was stayed as against Mr Wallace, BWT and Mr Becker, and struck out in relation to six other defendants (being five other directors of the Claimant and a Turkish bank connected to one of them) by HHJ Hacon on the same date.
11. Ms Vanderbilt brought a counterclaim to the Claim also in unjustified threats on 3 November 2015 (“**the Counterclaim**”). Ms Vanderbilt’s application to

join a number of directors of the Claimant as Part 20 Defendants was refused by HHJ Hacon on the same date.

12. Accordingly the matters I will deal with in this judgment are the Claim, the Counterclaim and the 1st Threats Claim.

The Claim

13. The Claim is one for trade mark infringement under section 10(3) of the Trade Marks Act 1994 (“**TMA**”) in respect to the UK Mark and pursuant to Regulation 9(2)(c) of Council Regulation (EC) no 207/2009, as amended by the EU Trade Mark Regulation 2015/2424 (“**the Regulation**”) in respect of the EU Marks. The Claimant complains of the following uses of the signs in the Particulars of Claim:
- i) The domain name dineinwithzuma.com;
 - ii) The website accessible at dineinwithzuma.com;
 - iii) The signs used on the website as indications of origin: DINE IN WITH ZUMA, ZUMA and the DIWZ Device.
14. Ms Vanderbilt made an application for Summary Judgment on part of her claims in the Counterclaim and on the 1st and 2nd Threats Actions. That was heard by Mr Recorder Douglas Campbell QC on 16 January 2017 who determined that the pleadings were sufficient at paragraphs 7(4) and 9 of the Particulars of Claim to encompass a complaint of the use of ZUMA in the company name of ZCPP. He found support for that finding in the Claimant’s Rejoinder, which relies upon an ‘own name’ defence which can only refer to the company name. There has been no appeal by the Defendants from that decision.
15. The Claimant seeks injunctive relief restraining the Defendants from infringing the UK Mark in the UK and the EU Marks anywhere in the EU.

16. The Defendants deny infringement of the Marks. I note that they make no counterclaim for invalidity or revocation of the Marks or any of them, and accordingly each of the Marks is presumed to be validly registered for all the goods and services in the classes for which it is registered.

The Counterclaim and 1st Threats Claim

17. The Counterclaim and the 1st Threats Claim are brought for groundless actionable threats pursuant to section 21 TMA. The Claimant's position is that it accepts that the contents of the letters and the statements complained of are actionable threats under the statute, but says that: (i) they are justified because there has been infringement of the Marks; and (ii) this provides a complete defence to the Counterclaim and 1st Threats Claim.

ISSUES

18. The issues at trial were identified by HHJ Hacon in a case management conference on 9 March 2016 and I adopt Counsel for the Claimant's summary of the issues as follows:
- i) Whether the Marks have a reputation in the UK and, in respect of the EU Mark, the EU;
 - ii) Whether the Defendants are using (actually or on a quia timet basis) the signs complained of in the course of trade in relation to goods or services;
 - iii) Whether the allegedly infringing signs used by the Defendants would cause a significant number of consumers of the Claimant's restaurant services to bring to mind the Marks i.e. whether there is a risk of a link in the mind of any significant proportion of the Claimant's customers;
 - iv) Whether there is a risk that the Defendant's use of the signs complained of may lessen the ability of the Claimant's trade marks to distinguish the Claimant's services from the goods and/or services of others;
 - v) Whether there is due cause to do so;
 - vi) Whether the Defendants have an own name defence
 - vii) Whether Ms Vanderbilt is a joint tortfeasor with ZCPP and so jointly liable for such use

- viii) Whether the threats complained of were justified, alternatively whether Ms Vanderbilt has suffered any loss or damage as a result of the threats.
19. Mr Simon Malynicz, QC and Miss Georgina Messenger appear for the Claimant and Ms Vanderbilt appears in person for herself and as a director for ZCPP. Both counsel and Ms Vanderbilt filed skeleton arguments and Miss Messenger produced a helpful memorandum of evidence. I thank them for those, for their oral submissions and for the courteous way in which the trial was conducted.

WITNESSES

20. I heard only two witnesses at trial: Mr Rainer Becker for the Claimant and Ms Vanderbilt for the Defendants. Mr Becker filed a witness statement upon which he was cross-examined. Ms Vanderbilt has filed some 17 witness statements in these related proceedings but relied only on her 9th and 10th witness statements at trial, upon which she was cross-examined.
21. Mr Becker is a chef with experience in a number of Michelin-starred and other restaurants in his native Germany and elsewhere. He also has extensive experience of opening new restaurants, in particular for his work with the Hilton Group. He founded the Claimant company with his business partner Arjun Waney and Zuma was their first restaurant opening together. Mr Becker gave evidence about the creation of Zuma; the type and quality of restaurant it is; its ethos, atmosphere, clientele and reputation; details of its finances; and his concerns about dilution and tarnishment of the Marks by the use of the signs complained of by the Defendant. He also gave evidence about his meeting with Ms Vanderbilt in May 2015.
22. Ms Vanderbilt's evidence covered her incorporation of ZCPP; the purchase of the 'dineinwithzuma.com' domain; the trade mark application for DINE IN WITH ZUMA; her intention to create a business selling fresh, healthy pet foods under that brand through ZCPP; the extent to which those plans had been realised; the use of the signs complained of; and the threats complained of.

23. I consider both to be good witnesses who provided credible and reliable evidence honestly and carefully. I have no doubt that both of them came to court to assist it to the best of their abilities. In truth, this is not a case in which there are any material disputes in the underlying facts.

TRADE MARK INFRINGEMENT

Law

24. The Claimant's EU trade marks are governed by the Regulation. Article 9(2)(c) provides that:

“1. An EU trade mark shall confer on the proprietor exclusive rights therein. The proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade...

(c) any sign which is identical with or similar to the EU trade mark in relation to goods or services which are not similar to those for which the EU trade mark is registered, where the latter has a reputation in the EU and where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the EU trade mark.”

25. The equivalent provision in the UK is section 10(3) of the TMA which governs the Claimant's UK trade mark and provides:

“A person infringes a registered trade mark if he uses in the course of trade, in relation to goods or services, a sign which is identical with or similar to the trade mark, where the trade mark has a reputation in the United Kingdom and the use of the sign, being without due cause, takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark.”

26. In order for use of the sign to infringe a trade mark under Article 9(2)(c)/Section 10(3) each of those elements must be made out. I will deal with them in turn.

Reputation

27. The UK Mark must have a reputation in the UK and the EU Marks must have a reputation in a sufficiently large part of the EU, which can be a single member state.
28. Both parties rely on the CJEU case of C-375/97 General Motors v Yplon [2000] RPC 572 which held that “*in order to enjoy protection extending to non-similar products or services, a registered trade mark must be known by a significant part of the public concerned by the products or services for which it covers... it is sufficient for the registered trade mark to be known by a significant part of the public concerned in a substantial part of the territory...*”.

Use of the sign complained of in the course of trade in relation to goods or services

29. Use of a sign is defined in section 10(4) TMA (and materially identical provision in the Regulation) and includes: affixing it to goods or packaging (10(4)(a)); offering or exposing goods for sale, putting them on the market or stocking them for those purposes under the sign (10(4)(b)); and using the sign on business papers or in advertising (10(4)(d)).
30. Any use of a sign in the context of commercial activity with a view to economic advantage and not as a private matter, no matter how modest, will be sufficient to satisfy the requirement for ‘use in the course of trade’ (per C-206/01 Arsenal Football Club plc v Matthew Reed EC:C:2002:651 at paragraph 40).
31. Use in relation to goods or services was considered by the CJEU in C-17/06 Céline SARL v Céline SA EU:C:2007:497 at paragraphs 22 – 23, where it was held that there is use ‘in relation to goods’ where a third party affixes the sign constituting his company name, trade name or shop name to the goods which he markets and, even where the sign is not affixed, where the sign is used in such a way that a link is established between the sign which constitutes the company, trade or shop name of the third party and the goods marketed or the services provided by the third party.

Link in the mind of the average consumer

32. The use of the sign complained of must give rise to a 'link' between the sign and the trade mark in the mind of the average consumer of the goods or services in question. The average consumer is that described by Kitchen LJ (with whom Black LJ and the President of the Queen's Bench Division agreed) in Specsavers International Healthcare Ltd v Asda Stores Ltd [2012] EWCA Civ 24, [2012] FSR 19 at paragraph 52(b) as one 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*". He also, per paragraph 52(c), "*normally perceives a mark as a whole and does not proceed to analyse its various details*". There is no requirement for confusion in the mind of that average consumer for the purposes of section 10(3)/Article 9(2)(c).
33. The CJEU held in Intel Corporation Inc v CPM United Kingdom Ltd [2008] ECR I-8823 at paragraph 60 that the fact that the sign would call the trade mark to mind for the average consumer is sufficient to found such a link. It is for the court to determine whether there is such a link between a trade mark and a sign by carrying out a global assessment taking into account all the relevant circumstances of the case.
34. The average consumer is not the general public, but the average consumer of the goods or services in question, i.e. those with whom the trade mark proprietor actually has a reputation, because if he was not aware of the trade mark he would be unable to call the trade mark to mind.

Risk of harm to the distinctive character or repute of the mark

35. The Claimant must satisfy the court of the existence of one of three types of injury. Only two are relied upon in this case: detriment to the distinctive character of the mark ("**dilution**") and detriment to the repute of the mark ("**tarnishment**"). There need not be actual injury or damage. Serious risk of

damage occurring in the future is sufficient (per Intel Corporation paragraph 72).

36. Arnold J at paragraph 92 of Red Bull GmbH v Sun Mark Limited [2012] EWHC 1929 (CH) relied on the description provided by the CJEU in Case C-487/07 L'Oréal v Bellure NV [2009] ETMR 55, [2009] E.C.R I-5185 at paragraphs 39 and 40:

“39. As regards detriment to the distinctive character of the mark, also referred to as ‘dilution’ ‘whittling away’ or ‘blurring’, such detriment is caused when that mark’s ability to identify the goods or services for which it is registered is weakened, since use of an identical or similar sign by a third party leads to dispersion of the identity and hold upon the public mind of the earlier mark. That is particularly the case when the mark, which at one time aroused immediate association with the goods or services for which it is registered, is no longer capable of doing so (see, to that effect, Intel Corporation, paragraph 29).

40. As regards detriment to the repute of the mark, also referred to as ‘tarnishment’ or ‘degradation’, such detriment is caused when the good or services for which the identical or similar sign is used by the third party may be perceived by the public in such a way that the trade mark’s power of attraction is reduced. The likelihood of such detriment may arise in particular from the fact that the goods or services offered by the third party possess a characteristic or a quality which is liable to have a negative impact on the image of the mark.”

37. As regards tarnishment, Mr Malynicz asks me to consider the judgment of the Board of Appeal of the EU Intellectual Property Office (“EUIPO”) in R-318/2016-5 Dulces v Conservas HELIOS, S.A. v Guangzhou Petshine Pet Products Co., Ltd, in which it was considering an appeal from an opposition based on the earlier trade mark HELIOS owned by the opponent which was registered for, and had a reputation for, jams and marmalades. The Applicant had applied for a later EU trade mark for the mark DOG HELIOS for goods in class 31 including ‘Animal Foodstuffs’, ‘Dog Food’, ‘Dog biscuits’, ‘Dog

treats [edible]'. The Board of Appeal held that DOG HELIOS was liable to tarnish the reputation of the earlier mark HELIOS when used in respect of, inter alia, 'Animal Foodstuffs' 'Dog Food' saying:

“48. In the present case, the opponent argued that the HELIOS trade mark evokes a positive image as its branded goods are healthy, tasty and authentic. It further claimed that the use of 'DOG HELIOS' for the remaining goods in class 31 was incompatible with this image and would be detrimental to the earlier mark's reputation.

49. As the Board has found, the earlier mark enjoys reputation for jams and marmalades in Spain. These products are widely advertised in the printed media and through television as natural, healthy products, also adapted for dietary concerns. Animals, animal foodstuffs and animal litter are indeed incompatible with foodstuffs for humans. The association... is likely to raise unpleasant associations and therefore, will adversely affect the consumer's perception of the earlier mark. As a result the relevant public could be dissuaded from buying the opponent's product upon seeing a similar brand on the contested goods mentioned above.”

38. In respect of dilution, per Intel Corporation at paragraphs 77 and 78, the Claimant must show: *“a change in the economic behaviour of the of the average consumer of the goods or services for which the earlier mark was registered consequent on the use of the later mark or a serious likelihood that such a change will occur in the future”* although it is *“immaterial whether or not the proprietor of the later mark draws real commercial benefit from the distinctive character of the earlier mark”*.
39. This need not be an actual or present effect on the behaviour of consumers. A risk of such an effect, which may be deduced from all the circumstances of the case, is sufficient but any such deduction must be founded on *“an analysis of the probabilities and by taking account of the normal practice in the relevant commercial sector as well as all the other circumstances of the case”* (per Case C-383/12 Environmental Manufacturing LLP v Office for the

Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)
EU:C:2013:741 at paragraphs 42 and 43, as followed by Kitchin LJ in Comic Enterprises Ltd v Twentieth Century Fox Film Corporation [2016] EWCA Civ 41)

That the use of the sign complained of is without 'due cause'

40. The burden is on the Defendants to show that there is due cause, so although it is an element of infringement under section 10(3)/ Article 9(2)(c), it operates like a defence.
41. Mr Malynicz is unable to put before me any case in which it has been successfully invoked and I accept that the nature of the 'defence' is such that in any case, any decision will necessarily be fact-specific. The CJEU considered 'due cause' in C-65/12 Leidseplein Beheer BV, Herdrikus De Vries v Red Bull GmbH, Red Bull Nederland BV [2014] ETMR 24 where the defence was invoked by the defendant which had been trading under the Bulldog name in a variety of businesses, including a café, before the Claimant registered its well-known RED BULL trade marks for energy drinks. The defendant then applied his Bulldog brand to energy drinks. What can be extrapolated from that judgment as a principle with application in a case in which there was no prior use of the sign, in my judgment, is that the court must consider whether in all the circumstances there is objective justification of the use of the sign complained of, notwithstanding that the court has found detriment to the distinctive character or the repute of the trade mark.

Own name defence

42. Section 11(2)(a) TMA which governs the UK Mark provides that "*a registered trade mark is not infringed by:- (a) the use by a person of his own name or address... provided the use is in accordance with honest practices in industrial or commercial matters*".
43. This provision has an equivalent in Article 12(1)(a) of the Regulation at that time in force, but that Article has been amended with effect from 23 March 2016 and now provides: "*An EU trade mark shall not entitle the proprietor to*

prohibit a third party from using in the course of trade:... (a) the name or address of the third party, where that third party is a natural person”.

44. Accordingly although the Section 11(2)(a) defence can apply to both corporate entities and natural persons in respect of the UK Mark (per Stichting BDO & ors v BDO Unibank, Inc and Ors [2014] EWHC 418 (Ch), [2013] FSR 35), there is no longer any such defence available to the Defendants in respect of the EU Marks.
45. In Maier v ASOS [2015] EWCA Civ 220; [2015] E.T.M.R. 26 the Court of Appeal considered an ‘own name’ defence under Article 12(a) of the Regulation before it was amended, and in particular the proviso relating to honest practices. Kitchin LJ, with whom Underhill LJ agreed, said at para 147:

“[147] ... The crucial question, therefore, is whether the use that Asos has made of the sign ASOS has been in accordance with honest practices in industrial or commercial matters. This condition qualifies all of the defences in art.12 of the Regulation and has been interpreted by the Court of Justice on numerous occasions as importing a duty to act fairly in relation to the legitimate interests of a trade mark proprietor. It also involves the balancing or reconciliation of potentially conflicting fundamental interests. The national court must carry out an overall assessment of all the circumstances and determine whether the defendant is competing unfairly.”

Joint tortfeasance

46. The Supreme Court has recently confirmed the test for joint tortfeasance in Sea Shepherd UK v Fish & Fish Ltd [2015] UKSC 10. Both Lord Sumption and Lord Neuberger set out their own descriptions of that test in their judgments. Lord Neuberger described it at paragraph 55 as follows:

“...in order for the defendant to be liable to the claimant in such circumstances, three conditions must be satisfied. First the defendant must have assisted in the commission of an act by the primary tortfeasor; secondly the assistance must have been pursuant to a

common design on the part of the defendant and the primary tortfeasor... and thirdly the act must constitute a tort as against the claimant.”

Assessment

Do the Marks have a reputation in the UK and the EU respectively?

47. I have in evidence before me bundles of press cuttings from UK newspapers and magazines as well as from the European press (mainly French and Italian) reviewing and recommending Zuma in London to their readers, or reporting that celebrities from Tony Blair to Lady Gaga have been spotted dining at Zuma. Indeed, some show celebrities themselves recommending Zuma in a profile or interview. I have learnt that it is Kevin Spacey's favourite late-night restaurant, for example. Mr Malynicz tells me there are over 260 of these cuttings – I have not counted them but there are very many. I also have before me extensive copies of reviews from restaurant guides and “best of” lists, showing Zuma as consistently highly rated amongst London's best Japanese restaurants, and indeed amongst London's best restaurants of any type, since its opening in 2002 until today. For example, it is in the Square Meal “Hot 100” list at number 7 for 2016. Finally, I have evidence before me that Zuma has been recognised by a number of awards and accolades over the years. Ms Vanderbilt submits that two of those may not be ‘real’ awards, inasmuch as they may be awards given in return for advertising in a publication, but there is insufficient evidence before me to make any finding about that and in any event she does not dispute the validity of all the others relied on.
48. The Defendants do not deny that Zuma enjoys a reputation at all, but deny that the Marks have sufficient reputation for the purposes of section 10(3)/Article 9(2)(c). Ms Vanderbilt submits: that on her calculation the market share enjoyed by Zuma of the UK restaurant business as a whole is only 0.03%; it spends only 0.27% of its turnover on marketing; it only operates from a single premises in London; and it is only known by an insignificant section of the public concerned with consuming restaurant services.

49. I accept Mr Malynicz's submission that "significant" does not mean a majority or any specific numerical percentage, and that the degree of knowledge amongst the relevant public that is needed to show a reputation in a large saturated market, such as soft drinks, is greater than that necessary to show a reputation in a small market, such as for surgical instruments. The market with which I am concerned is not the entirety of the restaurant market in the UK. It is a smaller market, for high quality, high-end restaurants in London.
50. Mr Malynicz for the Claimant relies on Arnold J's description of reputation in Red Bull at paragraph 90 as "*not a particularly onerous requirement*". He also asks me to consider a decision of the UK IPO Opposition Division (Decision on Opposition No B1817215) which found that the seafood restaurant J Sheekey (another high quality, high-end, single premises restaurant in Central London) had established that its trade mark had a reputation for its registration as a result of "*the number of customers served by the restaurant and its popularity amongst famous people and celebrities, extensively covered by the press, as well as various accolades and awards...*".
51. I have heard and I accept Mr Becker's evidence, which is not disputed, that the turnover of Zuma in London has risen from £5 million in its first full year to £10 million per annum in 2008 and £14 million in 2015; and his evidence of the high number of pre-booked reservations year on year since opening, which is contained in the documents before me (including a significant proportion of reservations made from customers located in the EU at the time of the booking). I am satisfied that a single restaurant does not achieve such high numbers of reserved bookings, or sit as many covers as that turnover represents, without having a significant reputation amongst that section of the public who is concerned with high quality, high-end restaurants in London. However Mr Malynicz asks me to infer that this is only the tip of the iceberg: that a larger number of people than those who booked would have contacted Zuma without getting a reservation at a convenient date or time; and that an even larger number are likely to be aware of Zuma's reputation because of its extensive and favourable press comment, or because of celebrity attendances, or from word of mouth recommendations - but have never attempted to make

a reservation. I do draw those inferences which it seems to me can properly be drawn.

52. Taking all of this evidence into account, including the press, awards and celebrity evidence, I am satisfied that the Marks have a substantial reputation in the United Kingdom which is sufficient also to establish a reputation in the EU for the EU Marks.

Is there use of a sign on goods or services by the Defendants?

53. The use of signs by the Defendants complained of are: *dineinwithZuma.com* as a domain name and a website accessible at that domain name; and ZUMA, DINE IN WITH ZUMA and the DIWZ Device on the website as indications of origin.
54. The Defendants accept that DINE IN WITH ZUMA and the DIWZ device are used as signs. I find that they are so used by being affixed to packaging (which Ms Vanderbilt accepts she has at her home); and by offering or exposing goods (being dog food and treats) for sale on the website under the signs; and by using the signs in advertising those goods on the website. Although Ms Vanderbilt's evidence, which I accept, is that she has not yet accepted any orders from the website and has not yet traded, it does appear to be a site ready to take internet orders, it is available to view by prospective customers and can be found with an internet search. For those reasons I am satisfied that those goods are offered or exposed for sale and advertised on the website.
55. The Defendants dispute that ZUMA solus is used as a sign. Ms Vanderbilt submits that where ZUMA solus is used on the website it is used not as a sign but as a name for Ms Vanderbilt's dog. It is used in the narrative text of the website, for example: "*We also have a growing range of Treats, try Zuma's favourite Mouthwatering Meatballs!*" or in the heading of the page about the company's aims entitled "*Zuma's mission*", which begins: "*Your mission Zuma... (should you wish to accept it)... is to spread the word about giving our 21st century dogs and cats real fresh food...*".

56. Ms Vanderbilt accepted in cross-examination that nowhere on the website does it explain to visitors that Zuma is the name of a real dog, but said that could be inferred from the statement on the Zuma's mission page: "*Help your dog stay in top condition just like Zuma*". I am not convinced by that argument. Even if a visitor were to guess that Zuma is a reference to the dog in the DIWZ Device, it would have no way of knowing Zuma was a real dog and a real dog's name and not a fictional dog used to represent the brand as a mascot, like, for example, Churchill the bulldog used by Churchill Insurance. I find that the use of ZUMA solus on the website is use as a sign.
57. The Defendants also dispute that 'dineinwithzuma.com' is used as a sign. Ms Vanderbilt submits that it is not. She seeks to draw a distinction between the domain name 'dineinwithzuma.com' and the website address at 'www.dineinwithzuma.com' which, in my judgment, is a specious one. They are, for these purposes, interchangeable.
58. I accept Mr Malynicz's submission that it is well established law that domain names can amount to trade mark infringement, including under section 10(3) TMA, where they indicate origin: per British Telecommunications PLC & Others v One in a Million Limited & Others [1999] 1 ETMR 61. Ms Vanderbilt seeks to distinguish this case from that as, she says, One in a Million is a case which involves cybersquatting and passing off, using domain names incorporating well known trade marks as a badge of fraud, which is not comparable to the circumstances of this case. I consider that in making this submission, she misunderstands that One in a Million considered issues both of trade mark infringement and of passing off, and it is the former with which I am concerned.
59. I do not consider the Defendants' argument that 'dineinwithzuma.com' is not being used as a sign is a sustainable one in light of their acceptance that DINE IN WITH ZUMA and the DIWZ device are signs, and the domain name exists to direct visitors to the website upon which those signs are used. That is sufficient to establish a link between the domain name as a sign and the goods marketed on the website per Céline, in my judgment.

60. Finally, the Defendants dispute that the use of ZUMA in the ZCPP's company name (Zuma's Choice Pet Products Limited) is use as a sign. Again, Mr Malynicz relies on One in a Million to submit that company names can amount to trade mark infringement where they indicate origin, subject to any available own name defence. I accept that principle. However I accept Ms Vanderbilt's submissions that the Defendants have only ever used the company name as a company name; that this use alone cannot amount to infringement; and that no other use of the company name amounting to infringement has been alleged by the Claimant. Accordingly I find that the use of ZUMA in the company name of ZCPP is not use as a sign.

Is that use in the course of trade in relation to goods or services?

61. Ms Vanderbilt admitted in cross-examination, albeit somewhat reluctantly, that ZCPP had not yet made any sales of pet food and its turnover remains at zero. Her evidence is that she had been waiting for the DINE IN WITH ZUMA trade mark to be registered before beginning to trade, and the Claimant's opposition had prevented that registration. She said, however, that she has great ambitions for her business. She wants to "*feed the nation's pets*" and develop a well-known high quality brand which is stocked nationwide in supermarkets like Waitrose. She offered to sell the business including the domain name to Mr Becker during their meeting in May 2015 for £500,000, but says that the value could be higher than that, given that the pet food market in the UK is, she believes, worth £2 billion per year.
62. I also remind myself that as part of the trade mark application for DINE IN WITH ZUMA, Ms Vanderbilt made a declaration that she was using or intended to use the mark "as a trade mark".
63. For these reasons I am satisfied that the Defendants have used all the signs complained of (save ZCPP as a company name) in the context of commercial activity with a view to economic advantage, albeit prospectively.

Is the sign identical to or similar to the Marks or any of them?

64. I am satisfied that the sign ZUMA solus is identical to the UK Mark and the EU word Mark and similar to the EU figurative Mark. I do not believe this to be disputed.
65. The Claimant submits that ZUMA, DINE IN WITH ZUMA alone or as part of the the DIWZ Device, dineinwithzuma.com and ZUMA'S CHOICE are all similar to the Marks in their distinctive and dominant aspects because: (i) the dominant element of each is ZUMA; and (ii) ZUMA is inherently distinctive as a result of use in respect of which I have found it has a strong reputation.
66. The Defendants dispute that DINE IN WITH ZUMA/dineinwithzuma.com or the DIWZ Device is similar to ZUMA. In both cases Ms Vanderbilt submits that ZUMA is not the dominant element – in the former case she submits that the dominant words are “DINE IN” and in the latter case she submits that the dominant feature is the photograph of the dog in a bow tie.
67. I am with the Claimant. I consider that the average consumer looking at the signs as a whole would perceive the distinctive and dominant element in all of those signs to be ZUMA. The distinctiveness of the word ZUMA and the prominent size of it compared to the words “DINE IN WITH” enhances its visual dominance on the banner of the DIWZ Device. The words “DINE IN WITH” I consider to be insignificant compared to the distinctiveness of ZUMA, in both the DINE IN WITH ZUMA sign and the dineinwithzuma.com domain name. I also find ZUMA to be aurally and conceptually dominant with in that sign and domain name. The distinctiveness of the ZUMA element is supported, in my judgment, by my findings about the strong reputation of the Marks which arise from their use.
68. For that reason I am satisfied that the signs used are identical to or similar to the Marks.

Is there a link in the mind of the average consumer between the use of the signs complained of and the Marks or any of them?

69. Mr Malynicz submits that I should consider this in two stages: first whether there is any opportunity for the average consumer to make a link i.e. is there

any likely crossover in customers; and if so would the average consumer make a link. I will do so.

70. He submits for the Claimant that there is an opportunity for the average consumer to make a link because: as Mr Becker's evidence made clear, the clientele at Zuma comes from a wide cross-section of the public; those who are aware of the Marks are a wider section of the public still and include those who have never eaten at Zuma but are aware of its reputation; and a significant proportion of that section of the public, from which the average consumer is drawn, is likely to own dogs and/or be in the market for dog food and treats. I accept Mr Becker's evidence and those submissions. In addition, Mr Malynicz reminds me that Ms Vanderbilt in her skeleton argument and in cross-examination herself accepted the existence of a limited crossover.
71. Ms Vanderbilt for the Defendants submits that any cross-over would be small and probably trivial, because the Defendants' products would be available throughout the UK and the Claimant's clients only eat in Knightsbridge. That submission, in my judgment, shows an incorrect approach because it measures the crossover with reference to the size of the potential customer base that the Defendants hope to have for their products and not with reference to the average consumer who is aware of the Marks, as it should do.
72. I am satisfied on the evidence that there is opportunity for the average consumer to make a link. If the Defendants are successful in growing the dog food business so that the goods are stocked in major supermarkets as is their intention and aspiration, then the average consumer aware of the Marks may well see those products on supermarket shelves if he is a pet-owner or buying food for someone else's pet. He may be exposed to advertising for such products in-store or out of store. Even if the goods are sold in specialist outlets, that average consumer, who is attracted by the high quality fresh food for themselves at Zuma, may also seek out high quality fresh food for their dogs and encounter the Defendant's products in that way. I remind myself of the attributes of that average consumer per the guidelines in Specsavers. I am satisfied that a significant proportion of those who are aware of Zuma restaurant would have the opportunity to make such a link.

73. Would the signs complained of cause those average consumers to call the Marks to mind and make a link? The Claimants say that all of the uses of the signs cause a link with the Marks or any of them. Mr Malynicz submits that the words “Dine In” enhance the likelihood of a link, because one does not normally refer to dogs dining – that is more of a human activity. Dogs eat, they do not dine. Similarly, he submits that the presentation of the Defendants’ dog food products under names such as “Slow Braised Pork”, “Cheesy Mash” and “Chicken and Lentils” are descriptions that one would expect to see applied to human food rather than dog food and that, too enhances the possibility of a link.
74. Ms Vanderbilt for the Defendants denies that the signs are used in a way to humanise the goods, thus enhancing the possibility of a link with the Marks, as the DIWZ Device (used on every page of the website and all of the product packaging) includes a prominent a picture of a dog. In my judgment her submission is materially undermined by the fact that the dog is smartly dressed in a bow tie. I accept Mr Malynicz’s submissions on this point.
75. Ms Vanderbilt submits that no link would be caused in the mind of the average consumer. She does not accept that the average consumer is one that is aware of Zuma restaurant and submits that it is an average consumer of restaurant services throughout the UK. That is wrong as a matter of law. She submits that not enough people know about Zuma. That again is not legally sustainable as it is only those that know about Zuma that can possibly make such a link and are those from whom the average consumer is drawn.
76. Taking all of the circumstances into account I am satisfied that the average consumer aware of the Marks would, on exposure to the signs complained of, call the Marks to mind and make a link.

Is there tarnishment of the Marks?

77. The evidence of Mr Becker in this case was as follows:

“I think there is an association because of the name Zuma... all of our customers clearly know what Zuma stands for and if there is an

association with a new company, for example, with a new name, Dine In With Zuma, first and foremost I believe that the customer will think "Ah, ha, Zuma Restaurant founded a new business"... Then you see it is dog food... there is nothing wrong with dog food but dog food is quite unpleasant to eat for many people. The association with the name is unpleasant. I mean, look, if your company would have been there first and I opened a restaurant 50 years down the road... I would not call my restaurant Zuma because I think it is literally dog food and dog food is not pleasant. Sometimes it smells, sometimes it is just unpleasant and people many times associate dog food with bad food. So Zuma could serve bad food, dog food. I would never call a restaurant Pedigree because Pedigree is, I think, a well-known animal pet food... and I know people would associate that food for the animals with my food served in my restaurant."

78. Ms Vanderbilt for the Defendants submits that there is no detriment or risk of detriment to the repute of the Marks because the dog food that ZCPP will market and sell will be very high quality, fresh dog food made from human-grade food, so there will be no unpleasant association.
79. I am satisfied that there is (in the manner very clearly explained by Mr Becker whose evidence I accept) an inherent tension between between dog food and human food of any type and an even greater tension between dog food and food served to humans in high quality restaurant such as Zuma. This is the tension referred to by Arnold J in Red Bull and identified by the Board of Appeal of EUIPO in HELIOS when it referred to animal foodstuffs as being incompatible with foodstuffs for humans and likely to raise unpleasant associations.
80. Mr Malynicz submits that the reputation of Zuma as a high quality, high-end restaurant makes the Marks particularly vulnerable to such unpleasant associations and therefore at a higher risk of detriment to the repute of the Marks than, say, a cheap and cheerful restaurant chain whose trade marks, he submits, would be more robust. I accept that submission. I do not accept Ms Vanderbilt's submission that the quality of the dog food itself is of particular

relevance. I accept that not all dog foods are intrinsically unpleasant and some, including that of the Defendants, may be of extremely high quality. However whether it is fresh, specialist food, mass-market tinned wet food or kibble, I am satisfied that the association that consumers will make between the Marks and the Defendants' use of the signs complained of in relation to dog food will adversely affect, or tarnish, the image or reputation of the Marks built up over many years, and reduce their power of attraction.

Is there dilution of the Marks?

81. The Claimant's case is that the reduction in the connotations of prestige associated with the Marks as a result of the association with dog food would also be likely to lead to a change in the economic behaviour of the Claimant's customers. Mr Becker was clear in his oral evidence that he considered this to be a real risk, albeit currently unquantifiable since there has not yet been any trade by the Defendants involving use of the signs complained of, to test against.
82. Ms Vanderbilt submits that 'Zuma' is already used by numerous other businesses including the globally popular 'Zuma's Revenge' computer game, a coffee bean supplier in Bristol. She asked Mr Becker about these two examples in cross-examination and his evidence was that he was not concerned about them because their use did not cause any adverse association to the Mark.
83. The Defendants rely on evidence of the existence number of other companies which contain the word ZUMA in the company name. Those are set out in a schedule to the Defence and were obtained from a search of Companies House. They include ZUMA ARRAY, ZUMA VENTURES and ZUMA LIMITED. Ms Vanderbilt conceded in cross-examination that she did not check if these companies were active or dissolved; and if active whether they were trading under those signs. She also disclosed a search of the trade marks register which show, again, a number of marks incorporating the word ZUMA. Ms Vanderbilt conceded in cross-examination that she did not know whether

those marks were in use and noted that some appeared to list the Claimant as a co-proprietor with others.

84. Mr Malynicz submits that there is no requirement for uniqueness per Intel Corporation and I accept that submission. He also submits that there is no safe basis for me to conclude, or assume, on the evidence that there is significant market penetration of any of those companies or marks, save for the Zuma's Revenge game which is in an entirely different field of business to Zuma restaurant, per Jacob J (as he then was) in British Sugar PLC v James Robertson & Sons Ltd. [1996] RPC 281 at page 305. I also accept that submission, given Ms Vanderbilt's concessions in oral evidence.
85. The question for me is whether, in considering all the circumstances, I consider that there is a serious likelihood that use of the signs complained of in the future will have an adverse effect on the economic behaviour of the average consumer with knowledge of the Marks. Given Ms Vanderbilt's stated aim of using the signs to build a large pet food business stocked in supermarkets nationwide, and given my findings in relation to tarnishment, I am satisfied that there is.

Is there due cause to do so?

86. The Defendants' case as put in the pleading is that "*it is denied that any alleged use in the course of a trade of the DINE IN WITH ZUMA sign is 'without due course [sic]'... because the Defendants have created a unique range of dog food based around the Second Defendant's dog's name 'Zuma'*". I sought clarification from Ms Vanderbilt during her opening submissions and she confirmed that the limit of the Defendants' case was that they had due cause to use the signs complained of because she created a dog food business using the signs.
87. I am satisfied that this is insufficient to found a due cause defence to trade mark infringement.

Own name defence for the use of the Marks or any of them?

88. The Defendants pleaded the own name defence in the Defence with reference to Ms Vanderbilt's dog Zuma. As a matter of law this cannot succeed. As Mr Malynicz succinctly submits, the dog is not a party to the proceedings, nor is it a natural person or company.
89. In the Defendants' Rejoinder to Reply to the Claim they seek to rely on an own name defence with reference to the company name ZCPP. As a matter of law, this cannot succeed in respect of the EU Marks from 23 March 2016, as ZCPP is a company and not a natural person.
90. In respect of the UK Mark and acts amounting to infringement of the EU Marks before 23 March 2016, ZCPP has not satisfied me that the defence is made out, because: (i) ZUMA is not ZCPP's legal name (Zuma's Choice Pet Products Limited); and (ii) the Defendants have not argued that they should be permitted to rely on 'Dine In With Zuma' as a trading name for the purposes of an own name defence. Since there has, as yet, been no trade by ZCPP at all, such an argument would undoubtedly fail. Accordingly in my judgment the defence falls at the first hurdle and issues of honest practice are not engaged, so I will not consider the submissions of the parties in respect of them.
91. I accept Ms Vanderbilt's submission that the use by ZCPP of its own name as a company name will not, of itself, infringe the Marks or any of them.

Is Ms Vanderbilt a joint tortfeasor with ZCPP?

92. In my judgment there is no doubt that she is. She has put no evidence before me to enable me to reach any other conclusion. She is the ZCPP – the sole shareholder and the sole director. I have been told of no other person involved with the company let alone anyone who makes any decisions. The requirements of the Sea Shepherd test are met. Accordingly she is jointly and severally liable with ZCPP for the trade mark infringements that I have found.

Are the threats complained of by Ms Vanderbilt justified?

93. The letter of 1 December 2014 stated, so far as is relevant:

“The trade mark registrations mentioned above and the reputation our client enjoys in these marks entitle them to stop third parties from using a similar name where such use could take unfair advantage of or be detrimental to the distinctive character or repute of the ZUMA brand. They would be entitled to sue for infringement of their trade marks and seek damages.”

“We therefore request that you withdraw your UK application and provide undertakings that you will not use the name ZUMA (nor one confusingly similar thereto) in relation to any pet food products. We will also require you to change your company name in order to avoid that a link is made to our client's reputed ZUMA brand as well as discontinuing use of the domain name www.dineinwithzuma.com.”

“In exchange for your agreement with our terms above our client would be prepared to refrain from taking any legal action or seeking any damages”.

94. The letter of 13 February 2015 stated, so far as is relevant:

“Whilst our client is not willing to tolerate your continued use of the word Zuma on dog food in the UK in any shape or form, nor the existence of the UK trade mark application for “Dine in with Zuma”, the company name “Zuma's Pet Choice Products Limited” [sic] or the domain name www.dineinwithzuma.com, they may be willing to consider the following:-

- Allowing you a reasonable period of time to re-brand to a name or brand that does not include Zuma or anything similar to it;
- Making a contribution to your costs in re-branding, re-registering the domain name, reapplying for the trade mark and so on.
- Our client would also not pursue any damages or costs in the matter.

“Please do give proper consideration to the above offer, because if you are not willing to entertain it our client will be forced to take action to

protect its trade mark and good name. This will result in legal costs and distraction for you and for our client which is [in] nobody's interests."

95. The meeting on 6 May 2015 was, on both Mr Becker's and Ms Vanderbilt's evidence, amicable and courteous. Ms Vanderbilt describes the meeting as follows in her counterclaim:

"Ms Vanderbilt suggested that the companies could co-exist, because they operate in completely different circles. Mr Becker rejected that suggestion and said neither he nor the other investors/directors would agree to that. Mr Becker went on to explain what a powerful company the Claimant is and it has a lot of financial backing (knowing that Ms Vanderbilt had not got a lot of financial backing) and if she chose to continue with her business using any names that contained the word Zuma they could bring a court case that could go on for a very long time and would end up being very costly for her."

"Ms Vanderbilt contends Mr Becker attempted to pressure her to comply with the letters from Mr Wallace with threats of infringement proceedings if she did not comply with Mr Wallace's letters."

96. The letters appear to be perfectly proper, polite, professional letters. The language is temperate, there is no suggestion or tone of bullying or hectoring which I can discern. The second letter makes a considered, sensible offer to allow Ms Vanderbilt time to rebrand and to contribute to the costs of doing so. Nonetheless, the contents do amount to actionable threats under section 21 TMA, as are the messages delivered by Mr Becker and such threats should not be made unless they are justified because each of the acts complained of would, if done, amount to infringement. I understand that promptly upon a complaint being made by Ms Vanderbilt, those threats were admitted and undertakings given not to repeat them.
97. The question for me is whether those threats were justified. Given my findings on trade mark infringement, it follows that the threats complained of by Ms Vanderbilt are all justified except for the requirement for her to change the company name of ZCPP. I have found that she is entitled to continue to use

that only as a company name, and that such use does not infringe the Marks or any of them.

98. Accordingly the Counterclaim and the 1st Threats Claim succeed to that very limited extent.
99. Section 21(2) TMA sets out the relief which a defendant may obtain, namely a declaration that the threats are unjustifiable, an injunction to restrain the continued making of threats, and damages. However, there is no evidence before me that Ms Vanderbilt has suffered any loss or damage as a result of the threat to change ZCPP's name. To the contrary, on her own evidence her decision not to trade was as a result of opposition to the trade mark application, not because of the threats. I accept that evidence. Accordingly I find that Ms Vanderbilt is not entitled to damages on the Counterclaim or the 1st Threats Claim.

SUMMARY

100. To summarise:
- i) The use by the Defendants of dineinwithzuma.com, ZUMA, DINE IN WITH ZUMA and the DIWZ Device infringe the UK Mark under section 10(3) TMA and the EU Marks under Article 9(2)(c) of the Regulation.
 - ii) The use of the company name of ZCPP as a company name does not infringe the Marks or any of them.
 - iii) ZCPP does not otherwise have the benefit of an own name defence.
 - iv) The Claimant is entitled to injunctive relief restraining the Defendants from further infringing the UK Mark in the UK and the EU Marks anywhere in the EU.
 - v) Ms Vanderbilt succeeds on the Counterclaim and 1st Threats Claim to the limited extent set out in paragraph 98 above.

vi) Ms Vanderbilt is not entitled to damages on the Counterclaim and 1st Threats Claim as she has suffered no loss or damage.

101. I will hear submissions on consequential orders at the handing down of this judgment.