

**O-449-15**

**TRADE MARKS ACT 1994**

**CONSOLIDATED PROCEEDINGS**

**TRADE MARK APPLICATION NOS. 2615669, 2622907 AND 2622913  
BY TOKYO AKAFUDAYA LTD  
TO REGISTER THE TRADE MARKS**

**eat**  **TOKYO**  
*Fresh on your table*

**EAT TOKYO**

**eat**  **TOKYO**

**IN CLASSES 41 AND 43**

**AND**

**THE OPPOSITION THERETO UNDER NOS. 104019, 104248 AND 104249  
BY TOKYO INDUSTRIES LIMITED**

## **Background**

1. On 11 February 2014, a decision was issued on behalf of the Registrar in which the oppositions listed on the cover page of this decision were partially successful. The Hearing Officer rejected the opposition to the class 41 services of the three applications and upheld the opposition against some of the class 43 services. The oppositions had been brought under sections 5(2)(b) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”). The Hearing Officer directed each side to bear its own costs.

2. The applicant appealed to the Appointed Person. In a decision dated 28 April 2015, Ms Emma Himsworth QC, sitting as the Appointed Person, set aside the Hearing Officer’s decision in relation to section 5(2)(b) and in relation to costs. Ms Himsworth remitted the case to the Registrar for a fresh determination by a different Hearing Officer. Paragraph 42 of her decision reads:

“42. My decision on this appeal is, therefore as follows:

(1) The appeal is allowed.

(2) The Hearing Officer’s decision dated 11 February 2014 in so far as it relates to the Opposition under Section 5(2)(b) of the Act and costs is set aside.

(3) The consolidated oppositions under Section 5(2)(b) of the Act are remitted to the Registrar for determination by a different Hearing Officer, in accordance with the Trade Marks Act 1994 and the Rules.

(4) The costs of the proceedings to date (including the costs of this appeal) are reserved to the Registrar upon the basis that the question of how and by whom they are to be borne and paid will be determined at the conclusion of the consolidated oppositions in accordance with the usual practice.”



3. I also note that paragraph 18 of Ms Himsworth’s decision states:

“18. No Respondent’s Notice was filed by the Respondent. In those circumstances there is no need to consider further the Hearing Officer’s finding under Section 5(4)(a) of the Act.”

4. I understand this to mean that although there was no Respondent’s Notice from the opponent in relation to its failed section 5(2)(b) ground against the class 41 services, I must still consider the whole section 5(2)(b) ground afresh, including the section 5(2)(b) ground brought against the class 41 services. It is clear that it is not open to me to consider the opponent’s section 5(4)(a) ground.

## **Pleadings**

5. The details of the applications made by Tokyo Akafudaya Ltd (“the applicant”) are shown below. The specifications reflect the restrictions requested by the applicant on three statutory forms TM21B which the applicant filed on 24 August 2015.

<p>2615669</p>  <p><i>Fresh on your table</i></p>	<p>Class 41: Education and training all in relation to Japanese cooking, Japanese catering and Japanese restaurant services.</p> <p>Class 43: Booking and reservation services for Japanese restaurants; services for providing Japanese foods and Japanese beverages; Japanese restaurant services; Japanese bar services; Japanese catering services; restaurant, bar and catering services in respect of Japanese cuisine.</p>	<p>Filing date: 27 March 2012</p> <p>Date published in the Trade Marks Journal: 27 July 2012</p>
<p>2622907</p> <p>EAT TOKYO</p>	<p>Class 41: Education and training all in relation to Japanese cooking, Japanese catering and Japanese restaurant services.</p> <p>Class 43: Services for providing Japanese foods and Japanese beverages; Japanese restaurant services; Japanese bar services; Japanese catering services; restaurant, bar and catering services in respect of Japanese cuisine.</p>	<p>Filing date: 29 May 2012</p> <p>Date published in the Trade Marks Journal: 21 September 2012</p>
<p>2622913</p> 	<p>Class 41: Education and training all in relation to Japanese cooking, Japanese catering and Japanese restaurant services.</p> <p>Class 43: Services for providing Japanese foods and Japanese beverages; Japanese restaurant services; Japanese bar services; Japanese catering services; restaurant, bar and catering services in respect of Japanese cuisine.</p>	<p>Filing date: 29 May 2012</p> <p>Date published in the Trade Marks Journal: 21 September 2012</p>

6. Tokyo Industries Limited (“the opponent”) opposes the applications on the basis that there is a likelihood of confusion under section 5(2)(b) of the Act with its four earlier marks, as follows:

<p>2361608A</p> <p><b>TOKYO</b></p>	<p>Class 41: Nightclub services; information, advisory and consultancy services relating to all the aforesaid services.</p> <p>Class 43: Bar, restaurant and catering services; nightclub services included in this Class; public house services; information, advisory and consultancy services relating to the aforesaid services.</p>	<p>Filing date: 22 April 2004</p> <p>Completion of registration procedure: 25 March 2005</p>
<p>2361608B</p> <p><b>TOKYO PROJECT</b></p> <p><b>TOKYO PROJECT</b></p> <p>(series of two marks)</p>	<p>Class 41: Nightclub services; information, advisory and consultancy services relating to all the aforesaid services.</p> <p>Class 43: Bar, restaurant and catering services; nightclub services included in this Class; public house services; information, advisory and consultancy services relating to the aforesaid services.</p>	<p>Filing date: 22 April 2004</p> <p>Completion of registration procedure: 1 April 2005</p>
<p>2361608C</p> <p><b>TOKYO INDUSTRIES</b></p>	<p>Class 41: Nightclub services; information, advisory and consultancy services relating to all the aforesaid services.</p> <p>Class 43: Bar, restaurant and catering services; nightclub services included in this Class; public house services; information, advisory and consultancy services relating to the aforesaid services.</p>	<p>Filing date: 22 April 2004</p> <p>Completion of registration procedure: 3 December 2004</p>
<p>2402177</p> <p><b>TOKYO PROJECT</b></p>	<p>Class 41: Entertainment services; nightclub services; production, distribution and promotion services in the field of musical recordings and entertainments; music publishing</p>	<p>Filing date: 22 September 2005</p> <p>Completion</p>

	services; artist management services; recording studio services; information, advisory and consultancy services relating to the aforesaid services.	of registration procedure: 24 March 2006
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7. The opponent claims that a likelihood of confusion arises because of the combination of identical and similar services and similar marks. The applicant denies the claim. It requires the opponent to prove that it has made genuine use of its marks for the services it relies upon, as per section 6A of the Act, and states that it has operated a chain of Japanese restaurants in London for a number of years without any confusion with the opponent's marks.

8. The applicant is professionally represented. The opponent was professionally represented until shortly before the hearing before the first Hearing Officer, at which it did not appear. Thenceforward, the opponent has represented itself, through its managing director, Mr Aaron Mellor. Both sides filed evidence. The matter came to be heard before me by video conference on 1 September 2015. Ms Amanda Michaels of Counsel, instructed by Cleveland, represented the applicant. Mr Mellor appeared for the opponent. I make this decision after a careful reading of all the papers filed and having listened to the parties' submissions at the hearing.

**Evidence**

9. The opponent's evidence comes from Mr Mellor, whose witness statement is dated 17 March 2013. I note here that the opponent is required to prove that genuine use was made of the earlier trade marks in the five years prior to 27 July and 21 September 2012.

10. At the time of Mr Mellor's statement, six of the opponent's twenty-five nightclub, bar and live music venues were operating under the TOKYO trade mark:

- TOKYO Oldham opened in October 1997
- TOKYO Newcastle opened in December 2003
- TOKYO Huddersfield opened in June 2005
- TOKYO Bradford opened in November 2008
- TOKYO York opened in November 2010
- TOKYO Lincoln opened in August 2011.

11. Mr Mellor states that the Lincoln venue "will eventually include a restaurant, a 280-capacity live venue in addition to the 1,000-capacity club already open". He gives the following gross turnover and net promotional figures as being attributable to the operation of TOKYO venues:

YEAR (ending 31 Dec)	TURNOVER (£)	PROMOTION (£)	TOKYO VENUES
2007	7,680,298	356,996	3

2008	8,636,290	341,288	4
2009	11,304,842	628,613	4
2010	15,425,345	687,751	5
2011	16,627,343	642,447	6
2012	17,698,634	637,515	6

12. Mr Mellor states:

“(3) Each of the **TOKYO** venues offers patrons a high quality leisure experience, catering to the modern day requirements of the young adult (18+) clubber, and typically comprises a nightclub, a bar, a restaurant (for food and snacks), music/sound rooms and spaces for live performances. Music is an important element in all the venues, with the provision of excellent facilities for dancing to pre-recorded popular music, of any number of different styles such as R’N’B, indie, dance, chart and in particular in the style known as mansion house music, played on state of the art club sound systems by a resident DJ and on regular occasions by well-known guest DJs, and for staging live music gigs (concerts) from music artists whether that be individuals or groups. Each venue also stocks and sells a wide range of both alcoholic and non-alcoholic beverages, and makes available on demand a wide range of cocktails. Food is also available for purchase by patrons for consumption in the venue, from soups, salads and sandwiches to main dishes such as sirloin steak, beef stir fry, stuffed peppers.

...

(6) In addition to the operation of nightclubs and bars, Tokyo Industries offers event hospitality services at its venues and concept and operational assistance to other bars/clubs. Tokyo Industries provides conceptual and operational assistance for the MoS (Ministry of Sound) International venues in Singapore and Kuala Lumpur as well as MoS Hotels and Kandi Beach Clubs.”

13. Mr Mellor states that “a fair number” of regular patrons of the TOKYO venues are students, many of whom originate from the London area.

14. Mr Mellor states that use of the TOKYO mark has been predominantly like this:



Other uses include:



15. Mr Mellor states that the trade mark TOKYO is used in various formats on a wide variety of club promotional material such as flyers, posters and invitations; on the opponent's business papers; on club signage, on staff T-shirts and on vehicles owned by the clubs. Mr Mellor states that articles featuring "the club" have appeared in various publications, and 'Tokyo Industries' is prominently featured in a January 2012 UK Nightclub Survey produced and published by the market research organisation, Mintel.

16. Mr Mellor has filed a number of documents (all contained with exhibit AMM), many of which are undated. A selection is described below:

- An undated website print of the inside of a bar, which bears the mark TOKYO NEWCASTLE, with the flower device as shown in paragraph 14. The wording includes 'Opened: December 2003'. A similar undated print showing the dancefloor of TOKYO in Huddersfield is shown at page 5. The wording says that the club was opened in June 2005 and trades six days from noon until 3am. An undated print shows the inside of the bar at the TOKYO club in Oldham. An undated print shows the outside signage of the TOKYO club in

Bradford, and records that it was opened in November 2008. An undated print shows the inside of the TOKYO club in York, recorded as having opened in October 2010. There is a print of the outside of a building billed as being the TOKYO club in Lincoln, which opened in August 2011, and a print of the dancefloor.

- An article in the October 27<sup>th</sup> 2012 edition of The Economist mentioning an opinion expressed by “Aaron Mellor of Tokyo Clubs” in relation to the declining fortunes of nightclubs in the wake of pubs being able to serve alcohol after 11pm. I note that the same article says that the best clubs now offer comedy and food in the day, according to “Michael Oliver of Mintel”, but that food is not an option for some as sound systems necessitate thick walls and few windows, which does not make for an attractive dining space.
- An article in what looks like a local newspaper, dated 21 January 2010, refers to Aaron Mellor, “the man behind the established national chain of Tokyo night spots”.
- An article dated 24 August 2010 from theyorker.co.uk referring to the opponent’s purchase of a club in York, formerly known as Tru, which will be renamed as Tokyo. The article quotes Nigel Holiday, the Business Development Director of Tokyo Industries, as saying “I live in York; I’m originally from Pickering and went to university here so I’m well aware there’s a real need for something more than a typical nightclub experience in York. People want better drinks selections in today’s clubs; they deserve better sound and some really great DJs and entertainment.”
- An article dated 17 June 2011 on a website called lincolnista.com reporting that an old building in the city is to be turned into a restaurant, bar and club by Tokyo Industries. The photograph of the building shows that it appears to be the same as the building referred to above.
- Pages 32 to 40 comprise a selection of pages from the 2012 Mintel report on nightclubs. The report refers to the nightclub industry as being extremely fragmented, and estimates the number of pure nightclub/discotheque operations in the UK as numbering 1,600, although there are many additional hybrid pub/bar/club venues which would take the number up to around 2,500. Page 36 includes the following paragraph:

### **“Tokyo Nights**

Tokyo Industries, which now has more than 20 club venues across the UK, opened its most recent club in Lincoln in September 2011 and the site is typical of the new breed of club venue. The 120 year-old former ballroom has been renovated and reconfigured and when fully finished will include a 1,000-capacity club, a 280-capacity live music venue in the basement, a restaurant and a rooftop terrace. So it is more of a multifunction entertainment venue than a pure club, once again



reflecting the economic realities of 21<sup>st</sup> century club operation in that it is becoming harder and harder to operate just a pure club venue.”

- The Mintel report states that ‘Tokyo Group’ is a notable UK nightclub operator, in terms of market share. The Mintel report states that the Tokyo Group had 13 nightclubs at January 2012, which is twice the figure given by Mr Mellor: this can be explained by the fact that, as shown elsewhere in the evidence, the opponent’s clubs are not all known by the brand TOKYO . The Mintel report, at page 39 of the evidence, refers to the demerger of the opponent’s parent brand, Tokyo Group Ltd, to function separately with its Tokyo, Digital and ‘other’ brands. The report refers to the operation by Tokyo Group of 20 venues, in the north of England. Two operate as Digital; six as Tokyo (the figure given by Mr Mellor); with some of the others being called Fibbers, The Other Rooms, Tup Tup Palace, Stereo, Bulletproof and Stonelove. An undated print of a Tokyo Industries Limited business card, shown on page 42 of the evidence, lists the following: Digital (Brighton, Newcastle); Factory251 (Manchester); Fibbers (York); South (Manchester); Stereo (Newcastle); The Castle (Oldham); theCut (Newcastle); The Magnet (Liverpool); The Other Rooms (Newcastle/Huddersfield); Tiki-O (Newcastle), Tokyo (Bradford, Huddersfield, Hull<sup>1</sup>, Lincoln, Newcastle, Oldham, York); Tup Tup Palace (Newcastle) and Vampire (Bradford, Huddersfield). The Mintel report says:

“A typical Tokyo late-night venue format comprises a nightclub, a bar, a restaurant (for food and snacks), music/sound rooms and spaces for live performances. Music is an important element in all the venues, with the Digital brand having special sound rooms and DJ booths for live performances at its sites.”

This paragraph mirrors Mr Mellor’s statement, as reproduced in paragraph 12 of this decision. The Mintel report also contains exactly the same wording as the second of Mr Mellor’s paragraphs which I have quoted above in paragraph 12 of this decision. It is also unclear, in the context of the preceding paragraphs about the parent company and its various brands, whether the reference to Tokyo late-night format is a reference to clubs operated by Tokyo Group Ltd/Tokyo Industries Ltd, or to clubs branded Tokyo. The next paragraph states “Many of the Tokyo-branded sites and other sites (such as Tup Tup Palace, Bulletproof and Vampire Bradford) are Grade-II listed buildings with large event hosting spaces, VIP lounges/rooms and themed or style bars/clubs and restaurants. The report also makes reference to the Lincoln club still being under development (as at January 2012).

- Page 45 of the evidence is a copy of a menu for cocktails and food at Tokyo Huddersfield. It is undated. Mr Mellor does not refer to it in his witness statement. Page 46 comprises a print from the website of Tokyo Newcastle, printed on 25 March 2013. It shows seating with inset pictures of canapés and undefined dishes. The page refers to a wide selection of buffet and canapé menus for private events. Page 64 shows a picture of two pieces of

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<sup>1</sup> Page 81 of the evidence indicates that Tokyo Hull did not open until 25 August 2012.

toast superimposed with advertisements for free toast with toppings, available from 1am. They are undated. Page 83 is a copy of print designs of invitations/ flyers for the opening of Tokyo Hull in August 2012. An invitation entitled "A Level Results Sneak Peak Thursday 16 August 2012" says "A brand new 1000 club set in the infamous Tower Ballroom...a beautiful listed building with an almost perfect internal layout...Restored Reinvented Redefined...".


- Page 86 of the evidence shows a picture of a flyer for Tokyo Lincoln which simply says "We're back...17.09.12"; four days before the end of the latest relevant five-year period. This was the club which opened in September 2011 and had plans for a restaurant, which had still not been opened by January 2012. The flyer suggests there was a problem and the club closed, presumably before any restaurant was operational.

17. At the hearing, Mr Mellor sought to have fresh facts admitted for my consideration. He had provided skeleton arguments which included various facts about licensing, which had not been previously filed as evidence. These same facts were introduced before Ms Himsworth at the appeal hearing; Ms Himsworth informed Mr Mellor that they could not be considered as they had not been filed as evidence before the previous hearing officer. Additionally at the hearing before me, Mr Mellor attached undated prints for food menus, and audio files. No individual clubs are specified in the prints, unlike the rest of the opponent's exhibits which are all specific to individual clubs. In exercising the discretion available to me under Rule 20 of the Trade Marks Rules 2008, I refused to allow their admission because:

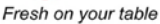
- (i) there had been no request to file further evidence;
- (ii) if attaching documents to the skeleton argument was meant to be a request to file further evidence, it was extremely late in the day;
- (iii) none of it had been filed in proper evidential format;
- (iv) as Mr Mellor told me that it was historical evidence, rather than current menus, it could all have been gathered at the point in the proceedings when the opponent filed its evidence in chief;
- (v) the prints were undated meaning their weight and therefore materiality was seriously affected;
- (vi) the audio files consisted of telephone calls made to the applicant's restaurants to ask whether they provide training or education. This is not material to the outcome of my decision because the applicant does not have to have used its mark on any of the services applied for to make a trade mark application. Owners of trade mark registrations have five years from the date of completion of the registration procedure in which to make genuine use of their marks; it is not required earlier than that.

18. The applicant's evidence comes from Hiroshi Takayama and Xiaohui Xu. Mr Takayama is the applicant's founder and managing director, and Mr Xu has been the applicant's Office Manager since May 2010. Some of the evidence concerns the genesis of the marks, but as this is not relevant to the issues I have to decide I will concentrate on the evidence which supports the applicant's claim to have traded for a number of years without confusion with the opponent's marks. This aspect of the defence was mentioned at the appeal and at the hearing before me.

19. Mr Takayama opened his first London Eat Tokyo Japanese restaurant in January 2006. Further Eat Tokyo restaurants were opened in London, as follows: Soho (March 2008); Notting Hill (February 2010); Trafalgar Square (November 2011); Holborn (August 2012, a relocation from Soho, which closed in January 2012). Exhibit HT3 comprises photographs and copies of newspaper articles which are contemporaneous and show the restaurants and their signage (although the signage on the Trafalgar Square branch does not match the trade mark

applications). The sign corresponding to  has been used on menus, wine lists, business cards, dishes, take-away bags, staff uniforms and



restaurant vans.  was first used in August 2011 on business cards, and EAT TOKYO appears without the flower device on flags outside the restaurants and on till receipts.

20. Mr Takayama gives the following turnover and promotional expenditure figures:

Year	Turnover (£)	Promotion (£)
2012 (4 branches)	1,125,000	12,680
2011 (3 branches)	435,000	6,625
2010 (3 branches)	470,000	1,385
2009 (2 branches)	380,000	1,045
2008 (1 branch)	225,000	1,955
2007 (1 branch)	265,000	3,100
2006 (3 months) (1 branch)	30,000	1,495

Advertising has taken place in Japanese interest magazines, including "Eat Japan", which had an average circulation of 140,000 copies between 2010 and 2012. The restaurants have also been reviewed in on-line forums and directories; prints of these for the years 2008 to 2010 are shown in exhibit HT7. Mr Xu refers to these in his evidence. He states that there have been 42 Tripadvisor reviews since 2008, 13 in yelp.co.uk and 302 Facebook likes for the Trafalgar Square branch, without even having a Facebook page. The London Evening Standard online restaurant guide and London-Living, an online directory for Londoners, have rated the restaurants as one of the top London sushi restaurants. A selection of reviews is shown in Exhibit XX4, although some of the reviews appear to be after the dates of application.

21. Mr Xu states that he has been involved in various promotional activities for the EAT TOKYO restaurants; for example, printed discount vouchers for the opening of the Notting Hill restaurant in 2010 and for Trafalgar Square and Holborn in 2012.

22. Mr Xu states that he is aware of a number of Japanese restaurants in the UK which include Tokyo in their name, such as: TOKYO SEASON, TOKYO JOES, TOKYO CITY RESTAURANT, LITTLE TOKYO JAPANESE RESTAURANT and TOKYO DINNER.

### **Decision**

23. I will deal firstly with proof of use. The applicant accepts<sup>2</sup> that the opponent's use with the flower is use of TOKYO solus. The applicant also accepts that there has been use of TOKYO (but not the other earlier marks), but only for the following services:

Class 41: nightclub services

Class 43: nightclub bar services.

24. The closest of the opponent's marks to the applications is its TOKYO mark (2361608A). The specifications for TOKYO, one of the TOKYO PROJECT marks and TOKYO INDUSTRIES are identical. For the services registered under the other TOKYO PROJECT mark (2402177), in class 41, the opponent does not have any better chance of success under section 5(2)(b) than for nightclub services, for which use has been accepted. I will, therefore confine my analysis to TOKYO. I will assess whether the opponent is able to rely on any of the other services for which the applicant does not accept that genuine use was made within the five year periods ending on the dates on which the applications were published (27 July and 21 September 2012). I remind myself that the registered specifications are:

Class 41: Nightclub services; information, advisory and consultancy services relating to all the aforesaid services.

Class 43: Bar, restaurant and catering services; nightclub services included in this Class; public house services; information, advisory and consultancy services relating to the aforesaid services.

25. Section 6A of the Act states:

“(1) This section applies where—

(a) an application for registration of a trade mark has been published,

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

(c) the registration procedure for the earlier trade mark was completed before the start of the period of five years ending with the date of publication.

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<sup>2</sup> Applicant's skeleton argument, paragraph 20.

- (2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.
- (3) The use conditions are met if—
- (a) within the period of five years ending with the date of publication of the application the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or
  - (b) the earlier trade mark has not been so used, but there are proper reasons for non-use.
- (4) For these purposes—
- (a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and
  - (b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.
- (5) In relation to a Community trade mark, any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Community.
- (6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.
- (7) Nothing in this section affects—
- (a) the refusal of registration on the grounds mentioned in section 3 (absolute grounds for refusal) or section 5(4)(relative grounds of refusal on the basis of an earlier right), or
  - (b) the making of an application for a declaration of invalidity under section 47(2) (application on relative grounds where no consent to registration)."

26. The enquiry under section 6A of the Act is identical to that set out under section 46, the part of the Act which deals with the issue of revocation on the grounds of non-use, because both Section 6A and section 46 relate to genuine use of a mark. In *Stichting BDO and others v BDO Unibank, Inc and others* [2013] EWHC 418 (Ch), Arnold J commented on the case law of the Court of Justice of the European Union ("CJEU") in relation to genuine use of a trade mark:

"In *SANT AMBROEUS Trade Mark* [2010] RPC 28 at [42] Anna Carboni sitting as the Appointed Person set out the following helpful summary of the

jurisprudence of the CJEU in Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, Case C-259/02 *La Mer Technology Inc v Laboratoires Goemar SA* [2004] ECR I-1159 and Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759 (to which I have added references to Case C-416/04 P *Sunrider v OHIM* [2006] ECR I-4237):

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

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

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

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

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

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

(5) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including in particular, the nature of the goods or services at issue, the characteristics of the market concerned, the scale and frequency of use of the mark, whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them, and the evidence that the proprietor is able to provide: *Ansul*, [38] and [39]; *La Mer*, [22]-[23]; *Sunrider*, [70]-[71].

(6) Use of the mark need not always be quantitatively significant for it to be deemed genuine. There is no de minimis rule. Even minimal use may qualify as genuine use if it is the sort of use that is appropriate in the economic sector concerned for preserving or creating market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import

operation has a genuine commercial justification for the proprietor: *Ansul*, [39]; *La Mer*, [21], [24] and [25]; *Sunrider*, [72]"

27. Section 100 of the Act states:

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

28. In *Roger Maier and Another v ASOS*, [2015] EWCA Civ 220, Kitchen L.J. (with whom Underhill L.J. agreed) set out the correct approach for devising a fair specification where the mark has not been used for all the goods/services for which it is registered. He said:

"63. The task of the court is to arrive, in the end, at a fair specification and this in turn involves ascertaining how the average consumer would describe the goods or services in relation to which the mark has been used, and considering the purpose and intended use of those goods or services. This I understand to be the approach adopted by this court in the earlier cases of *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2002] EWCA Civ 1828, [2003] RPC 32; and in *West v Fuller Smith & Turner plc* [2003] EWCA Civ 48, [2003] FSR 44. To my mind a very helpful exposition was provided by Jacob J (as he then was) in *ANIMAL Trade Mark* [2003] EWHC 1589 (Ch); [2004] FSR 19. He said at paragraph [20]:

"... I do not think there is anything technical about this: the consumer is not expected to think in a pernicky way because the average consumer does not do so. In coming to a fair description the notional average consumer must, I think, be taken to know the purpose of the description. Otherwise they might choose something too narrow or too wide. ... Thus the "fair description" is one which would be given in the context of trade mark protection. So one must assume that the average consumer is told that the mark will get absolute protection ("the umbra") for use of the identical mark for any goods coming within this description and protection depending on confusability for a similar mark or the same mark on similar goods ("the penumbra"). A lot depends on the nature of the goods – are they specialist or of a more general, everyday nature? Has there been use for just one specific item or for a range of goods? Are the goods on the High Street? And so on. The whole exercise consists in the end of forming a value judgment as to the appropriate specification having regard to the use which has been made."

64. Importantly, Jacob J there explained and I would respectfully agree that the court must form a value judgment as to the appropriate specification having regard to the use which has been made. But I would add that, in doing so, regard must also be had to the guidance given by the General Court in the later cases to which I have referred. Accordingly I believe the approach to be adopted is, in essence, a relatively simple one. The court must identify the

goods or services in relation to which the mark has been used in the relevant period and consider how the average consumer would fairly describe them. In carrying out that exercise the court must have regard to the categories of goods or services for which the mark is registered and the extent to which those categories are described in general terms. If those categories are described in terms which are sufficiently broad so as to allow the identification within them of various sub-categories which are capable of being viewed independently then proof of use in relation to only one or more of those sub-categories will not constitute use of the mark in relation to all the other sub-categories.

65. It follows that protection must not be cut down to those precise goods or services in relation to which the mark has been used. This would be to strip the proprietor of protection for all goods or services which the average consumer would consider belong to the same group or category as those for which the mark has been used and which are not in substance different from them. But conversely, if the average consumer would consider that the goods or services for which the mark has been used form a series of coherent categories or sub-categories then the registration must be limited accordingly. In my judgment it also follows that a proprietor cannot derive any real assistance from the, at times, broad terminology of the Nice Classification or from the fact that he may have secured a registration for a wide range of goods or services which are described in general terms. To the contrary, the purpose of the provision is to ensure that protection is only afforded to marks which have actually been used or, put another way, that marks are actually used for the goods or services for which they are registered.”

29. The opponent has not shown that it has used TOKYO (or any of the earlier marks) on information, advisory and consultancy services in either class 41 or 43. The only reference to such services comes in the form of identical paragraphs in Mr Mellor’s statement and the Mintel report:

“In addition to the operation of nightclubs and bars, Tokyo Industries offers event hospitality services at its venues and concept and operational assistance to other bars/clubs. Tokyo Industries provides conceptual and operational assistance for the MoS (Ministry of Sound) International venues in Singapore and Kuala Lumpur as well as MoS Hotels and Kandi Beach Clubs.”

There is no documentary evidence to support this, by showing e.g. the nature of the assistance, and where the bars and clubs were, if there were any in the UK. Important, in my view, is the point that the paragraphs in the witness statement and the Mintel report are identical. This affects the weight of the statement as it is impossible to ascertain whether Mr Mellor has copied the Mintel report, or whether the Mintel report simply reported words which the opponent had earlier given to Mintel. If the latter, then the Mintel report cannot be seen as independently adding anything to Mr Mellor’s statement; moreover, there is an insufficiency of evidence to support Mr Mellor’s vague statement that such services were offered. If they were offered in the UK, it should have been a relatively easy job to have shown examples



in the evidence. In *Awareness Limited v Plymouth City Council*, Case BL O/230/13, Mr Daniel Alexander Q.C. as the Appointed Person stated that:

“22. The burden lies on the registered proprietor to prove use..... However, it is not strictly necessary to exhibit any particular kind of documentation, but if it is likely that such material would exist and little or none is provided, a tribunal will be justified in rejecting the evidence as insufficiently solid. That is all the more so since the nature and extent of use is likely to be particularly well known to the proprietor itself. A tribunal is entitled to be sceptical of a case of use if, notwithstanding the ease with which it could have been convincingly demonstrated, the material actually provided is inconclusive. By the time the tribunal (which in many cases will be the Hearing Officer in the first instance) comes to take its final decision, the evidence must be sufficiently solid and specific to enable the evaluation of the scope of protection to which the proprietor is legitimately entitled to be properly and fairly undertaken, having regard to the interests of the proprietor, the opponent and, it should be said, the public.”

The opponent cannot rely upon *information, advisory and consultancy services relating to all the aforesaid services* in classes 41 and 43.

30. The opponent may also not rely upon *public house services* (pubs). The opponent's evidence refers to nightclubs. The insides of the clubs show dancefloors and sound systems. Mr Mellor states that music to dance to is an important element in the opponent's venues. The exhibits show examples of flyers advertising entry prices. I have noted in the evidence summary that pages 32 to 40, from the Mintel report, refer to there being about 1,600 'pure' nightclub/discotheque operations, although there are many additional 'hybrid' pub/bar/clubs. This may be relevant to a comparison of services but, in relation to genuine use, the evidence shown by the opponent falls squarely into the 'pure' nightclub/discotheque camp. The Mintel report goes on to say that the Lincoln club when fully finished will be more than a pure club because it will also have a 1,000 capacity club, a 280-capacity live music venue and a restaurant. There is no evidence anywhere that the plans came to fruition; in fact, I infer the opposite because there is a reference in the evidence to the Lincoln club being 'back' in September 2012, only a year after the initial club part opened (and the Mintel report in January 2012 also refers to the club still being under development). Applying the *Maier v ASOS* guidance, I think that the average UK consumer would consider pubs to be a particular category of drinking establishment, separate from nightclubs. A pub brings to mind a different image to a nightclub, regardless of opening hours. The UK consumer is well-placed to discern the distinction between nightclubs and pubs, the latter being a particularly British and Irish type of establishment. There has been no use shown which would entitle the opponent to rely upon public house services.

31. The opponent cannot rely upon catering services. The sole piece of evidence which in any way relates to catering is page 46, which is a print dated 25 March 2013 from the Tokyo Newcastle website referring to a wide selection of buffet and canapé menus for private events. Mr Mellor does not refer to catering or this page of the exhibit in his statement and there is nothing to date the provision of buffets and

canapés for private events within the relevant period. This single page, without more, is not enough to support a claim to have made genuine use of the mark on catering services within the relevant period.

32. The opponent cannot rely upon restaurant services. Again, there is a paucity of evidence. In Case T-415/09, *New Yorker SHK Jeans GmbH & Co. KG v OHIM*, the General Court (“GC”) observed that it may be possible to gain a sense from the overall picture of the evidence, notwithstanding that individual pieces may not, of themselves, be compelling. In the present case, I do not find that a picture emerges of use on restaurant services. This is because:

(i) There are only two pages in the exhibit which relate to the provision of food (as opposed to catering). They are both undated. One is page 45, the copy of a menu for cocktails and food. Mr Mellor does not mention it in his statement. The other is a picture of two pieces of toast superimposed with advertisements for free toast with toppings from 1am. This is also not mentioned in the statement. Even if the toast evidence was dated within the relevant period, this would not entitle the opponent to rely upon a term as wide as restaurant services, and the offer of free toast would also not constitute genuine use in relation to restaurant services: the toast is a promotional adjunct to the nightclub services<sup>3</sup>.

(ii) Restaurant services are only mentioned in relation to the Lincoln club plans which (a) were still plans as at January 2012 and at the time of Mr Mellor’s statement in March 2013. Mr Mellor’s statement is dated after the relevant period. This strongly suggests that the restaurant had not materialised by July and September 2012.

(iii) The weight that can be attributable to the Mintel report about TOKYO clubs providing restaurants, which I have referred to earlier in this decision, is undermined by the mirroring of the wording in Mr Mellor’s statement. They do not corroborate each other because one source has clearly obtained the wording from the other source.

(iv) Mr Mellor has not backed up his statement that TOKYO clubs include restaurants with any exhibits other than the undated pages described in point (i) above.

(v) The article in *The Economist* (27 October 2012) notes that food is not an option for some clubs as sound systems necessitate thick walls and few windows, which do not make for an attractive dining space. The evidence all points towards TOKYO clubs incorporating state of the art sounds systems for dancing. If this does not preclude the provision of restaurants, then there needs to be clear evidence to show that restaurants are provided in addition to ‘pure’ nightclub services.

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<sup>3</sup> *Silberquelle*, paragraphs 20 and 21.

(vi) When the York club opened, the opponent's Business Development Director was quoted in the press as saying that people want better drinks, better sound and great DJs and entertainment. He makes no mention of food.

(vii) When the Hull club opened in August 2012, there was no mention of food in the publicity, which focussed upon the club's capacity being 1000. This is a large number of people. It cannot be inferred that restaurants are present in TOKYO nightclubs; such a large number suggests the opposite.

33. The collective picture of the evidence is that it does not support a claim that there was real commercial exploitation of the mark aimed at maintaining or creating an outlet for restaurant services, or a share in that market, in the relevant period which was the five years leading up to 27 July and 21 September 2012.

34. The final item in the opponent's specification is bar services (class 43). The applicant has accepted that the opponent has used TOKYO on nightclub bar services as a sub-category within nightclub services, but it does not accept that the opponent can retain the wider term 'bar' services, which it considers to be a separate category. In my view, whilst 'nightclub bar services' (a term which the applicant has coined, and which does not appear in the list of registered services in the opponent's class 43 specifications) may be a subcategory of nightclub services in class 43, it is also a type of bar service. The authorities warn against being pernickety and against cutting down specifications to the precise goods or services for which a mark has been used. Bar services is not such a broad term that it allows the identification within it of various subcategories capable of being viewed independently. The average consumer would fairly describe the serving of drinks aspect of the opponent's use as bar services. As per *Maier v ASOS*, the average consumer would consider bar services to belong to the same group or category as nightclub bar services, for which the mark has been used and which are not different in substance. The opponent may rely upon 'bar services' in class 43.

### **Proof of use outcome**

35. The opponent may rely upon the following services of its earlier mark TOKYO for this opposition.

Class 41: nightclub services

Class 43: bar services.

## Section 5(2)(b) of the Act

36. Section 5(2)(b) of the Act states that:

“(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.”

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

### The principles

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

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

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

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

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

(f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive

role in a composite mark, without necessarily constituting a dominant element of that mark;

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

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

(i) mere association, in the strict sense that the later mark brings the earlier mark to mind, 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

38. In comparing the respective specifications, all relevant factors should be considered, as per *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.* where the Court of Justice of the European Union (“CJEU”) stated at paragraph 23 of its judgment:

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

39. ‘Complementary’ was defined by the General Court (“GC”) in *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-325/06*:

“82 It is true that goods are complementary if there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking...”

Additionally, the criteria identified in *British Sugar Plc v James Robertson & Sons Limited* (“Treat”) [1996] R.P.C. 281 for assessing similarity between goods and services also include an assessment of the channels of trade of the respective goods or services.

40. In *YouView TV Ltd v Total Ltd* [2012] EWHC 3158 (Ch) at [12] Floyd J said:

"... Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the observations of the CJEU in Case C-307/10 The Chartered Institute of Patent Attorneys (Trademarks) (IP TRANSLATOR) [2012] ETMR 42 at [47]-[49]. Nevertheless the principle should not be taken too far. Treat was decided the way it was because the ordinary and natural, or core, meaning of 'dessert sauce' did not include jam, or because the ordinary and natural description of jam was not 'a dessert sauce'. Each involved a straining of the relevant language, which is incorrect. Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question."

41. The competing specifications are shown in the table below.

Opponent	Applicant
Class 41: nightclub services  Class 43: bar services.	Class 41: Education and training all in relation to Japanese cooking, Japanese catering and Japanese restaurant services.  Class 43: Booking and reservation services for Japanese restaurants; services for providing Japanese foods and Japanese beverages; Japanese restaurant services; Japanese bar services; Japanese catering services; restaurant, bar and catering services in respect of Japanese cuisine.

42. In *Gérard Meric v OHIM*, Case T-33/05, the GC stated that:

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

The opponent's *bar services* covers the applicant's *Japanese bar services* and *bar services in respect of Japanese cuisine*. *Bar services* is also identical in terms to the applicant's *services for providing Japanese beverages*.

43. Applying the authorities cited above, there is no similarity between the applicant's class 41 services and any of the opponent's services. They do not share nature, purpose or channels of trade and they are not complementary or in

competition with each other. There is also no similarity between the opponent's services and the applicant's *booking and reservation services for Japanese restaurants*. The nature differs, the purpose of nightclubs and bars is dancing and drinking, whereas the purpose of the applicant's booking and reservation services is a conduit for securing restaurant tables in Japanese restaurants. They are not in competition and are not complementary.

44. This leaves the applicant's *services for providing Japanese foods; Japanese restaurant services; Japanese catering services; restaurant and catering services in respect of Japanese cuisine*. In *Tao Asian Bistro*, case BL O/004/11, Professor Ruth Annand, sitting as the Appointed Person, considered an appeal against a finding before the registrar that nightclub services in class 41 were dissimilar to Chinese restaurant services in class 43. The opponent claimed that the services were complementary. Professor Annand stated:

#### **"Nightclub services**

40. The Hearing Officer noted in his decision three dictionary definitions of nightclub (para. 74):

*"Chambers 21st Century Dictionary:*

"entertainment, etc. Derivatives nightclubber noun a patron of a nightclub. nightclubbing noun dancing, drinking and sometimes dining at a nightclub."

*The Penguin English Dictionary:*

"...noun a place of entertainment open at night that usu has a disco and a bar floor show, provides music and space for dancing, and usu serves drinks and food nightclubber noun nightclubbing noun."

*Merriam-Webster's Collegiate(R) Dictionary:*

"...noun (1894): a place of entertainment open at night usually serving food and liquor and providing music and space for dancing and often having a floor show."

41. His comments on those definitions and the evidence were as follows (para. 75, emphasis supplied):

"One may need to be wary of dictionary definitions at times but in this case *all three dictionaries concur that food may be served at nightclubs*. The dictionary definitions conform to my own experience. There are nightclubs that primarily provide loud music, dancing and beverages. Other types of establishment will have music and beverages but also either integrated or discrete dining areas. *The dividing line between some nightclubs and bars of various sorts is very fine and exists more in the word chosen than the services provided. All*

*three types of undertakings could supply beverages, food and musical entertainment, whether that be live, recorded or in the form of karaoke. Asia's evidence at KC5 shows that the restaurant and nightclub flow into each other, as do the pages from Asia's website exhibited at HKY12. This is United States usage and so not necessarily indicative of the position in the United Kingdom. Included in the latter exhibit are pages from the websites of Loc Locos, Sugar Reef, Storm, Zoo and Café de Paris which show that there is no clear demarcation between restaurant services and nightclub services. The printouts exhibited at HKY12 were downloaded on 19 March 2009, I doubt that between 18 January 2008 and 19 March 2009 the pattern of trade suddenly changed."*

42. The Hearing Officer then instructed himself (para. 76):

"However, this is an issue of similarity of services within the context of the classification system. It is necessary to consider not what night club services encompass generally but what they encompass in the specific parameters of a specification in class 41."

And (at para.77):

"The comparison is to be made between nightclub services and Chinese restaurant services but not including any such services relating to alcoholic beverages, not restaurant services at large. It is necessary to take into account in which class the services are (as per *Altecnic*) and to avoid being misled by the norms of the trade. The nightclub services in class 41 do not encompass any services for providing food and drink, which are in class 43. The services in class 41 only encompass the entertainment part of the nightclub services."

43. Pausing there, no exception was taken to the Hearing Officer's:

(a) citation of *Altecnic Ltd's Trade Mark Application* [2002] RPC 639. In that case, the Court of Appeal held that a specification of goods and services must be interpreted in the context of the Class for which they were applied; or

(b) determination that the Application in Class 41 covered the entertainment (as opposed to the food and drink) aspects of the provision of nightclub services.

44. It is again worth noting at this point the obvious fact that if Class 41 had encompassed the food and drink side of nightclub services then, of course, identity of services would have been involved.

45. Repeating his warning to avoid being misled by the norms of the trade, the Hearing Officer continued (paras. 77 – 78):



“77) [...] Taking into account the class in which the services are and the restriction that this applies to them, whatever the norms of the trade, within the parameters of the case law the only possible area in which the respective services could coincide is in relation to complementarity, as the provision of food is out of the equation owing to the class.

78) The concept of the complementary nature of goods and/or services has been dealt with by the GC on a number of occasions. In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM) Case T- 325/06 the GC stated:

“82 It is true that goods are complementary if there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking (see, to that effect, Case T-169/03 *Sergio Rossi v OHIM – Sissi Rossi (SISSI ROSSI)* [2005] ECR II-685, paragraph 60, upheld on appeal in Case C-214/05 *P Rossi v OHIM* [2006] ECR I-7057; Case T-364/05 *Saint-Gobain Pam v OHIM – Propamsa (PAM PLUVIAL)* [2007] ECR II-757, paragraph 94; and Case T-443/05 *El Corte Inglés v OHIM – Bolaños Sabri (PiraÑAM diseño original Juan Bolaños)* [2007] ECR I-0000, paragraph 48).”

*Chinese restaurant services but not including any such services relating to alcoholic beverages* are not indispensable or important for the provision of nightclub services. They are not complementary.”

46. From that (paras. 76 – 78) he concluded (paras. 79 – 81):

“79) If Asia’s trade mark is registered in class 41 it is not gaining any rights in relation to the supply of food and/or beverages. This divide might appear artificial but it is born of the nature of the classification system and is a real divide. It is not possible to make a comparison with services that are not encompassed by the class.

**80) The nature of the nightclub services encompassed by class 41 means that such services are not similar to the services of the earlier registration.**

**81) Where I have found that the respective services are not similar there cannot be a likelihood of confusion. Consequently, there is no likelihood of confusion in relation to nightclub services.”**

### Analysis

47. It is settled law that in order to assess the similarity between the services in question all the relevant factors relating to those services must be taken

into account. Those factors include, in particular, their nature, their intended purpose, their method of use and whether they are in competition with each other or are complementary (Case C-39/97, *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc.* [1998] ECR I-5507, para. 23). Other factors may also be taken into account, such as the supply channels for the respective services (Case T-116/06, *Oakley v. OHIM* [2008] ECR II-2455, para. 49). In *British Sugar Plc v. James Robertson Ltd* [1996] RPC 281, Jacob J. indicated that it may be appropriate to ask how the trade classify the services in suit, for instance, whether market research companies, who of course act for industry, put the services in the same or different sectors.

48. The Hearing Officer undertook his assessment of the likelihood of confusion under section 5(2)(b) on the basis of the specification in the Application as a whole (para. 57 – 60). He identified a single reasonably well informed and reasonably circumspect and observant consumer because in his view all of the services would ultimately be purchased by the public at large. He reminded himself that in construing the specification he should take account of how, as a practical matter, the services were regarded in trade. He considered that all of the services could be bought on impulse increasing the possibility of imperfect recollection. Further, since the common identification of the services (nightclubs, restaurants) was by signage visual use of the trade marks in suit was more important than the oral use. His comparison of the marks was likewise conducted in relation to the totality of the services (paras. 61 – 66).

49. Given that collective approach, it was then not open to the Hearing Officer to compare the Class 41 services on a different basis and disregard: (a) apposite dictionary definitions; (b) his own experiences as a member of the general public; and (c) trade practices, all of which would each have given shape and form to the perceptions of the average consumer (Case C-239/05 *BVBA Management, Training en Consultancy v. Benelux-Merkenbureau* [2007] ECR I-1455, paras. 30 – 38, and see the comments of Mr. Geoffrey Hobbs QC sitting as the Appointed Person in *SEPARODE Trade Mark*, BL O/399/10).

50. The sole justification the Hearing Officer gave for excluding factors other than complementarity from his comparison between nightclub services and the services of the earlier registration was that the provision of food and drink lay outside Class 41. As mentioned above, if the supply of food and drink had been covered by Class 41, there would have been identity. Instead, the task before the Hearing Officer was to assess the services' similarity.

51. Further, he proffered no explanation beyond the observation that the Application in Class 41 gave no rights in relation to the supply of food and/or beverages for his determination that the services were non-complementary, which appeared to be contrary to *inter alia* Asia Five Eight's own evidence. There is a suggestion that the supply of *Chinese* food might have been influential but that was neither explored nor made explicit in the decision. It

was not only an unlikely pivot but one which failed to take account of Chinese/Chinatown nightclubs.

52. In my judgment, the Hearing Officer used classification to find that the services were dissimilar. In so doing, he elided the two separate questions of: (a) what services were within the Class 41 Application; and (b) what degree of similarity was there between the Class 41 services and the services in the earlier registration. Whilst classification was relevant to first question (*Altechnic*), it was irrelevant to the second question (*Canon*, art. 9 TLT). That was a material error of principle, which entitles me to reconsider the matter afresh.

### **Section 5(2)(b) – nightclub services in Class 41**

53. Based on the evidence on file, the dictionary definitions and my own experience which mirrors that of the Hearing Officer (see paras. 40 – 41 above), I find that there some similarity between Chinese restaurant services but not including any such services relating to alcoholic beverages and nightclub services in Class 41. I accept Mr. Edenborough’s contention that the supply of food and drink (albeit non-alcoholic) is important to the provision of the entertainment aspects of nightclub services, for example, dancing, in such a way that customers might think the responsibility for those services lies with the same undertaking. The services might not unusually be provided contemporaneously and through the same supply channels. In my judgment, the type of food or drink served is irrelevant.

54. The Hearing Officer found that the respective trade marks were similar to a high degree and that the earlier trade mark TAO figurative had a good degree of inherent distinctiveness. I did not understand the parties to challenge those findings with which, in any event, I agree.

55. Applying the guidance of the Court of Justice of the European Union in the leading cases including Case C-251/91, *Sabel BV v. Puma AG* [1997] ECR I-6191, *Canon*, Case C-342/97, *Lloyd Schuhfabrik Meyer & Co GmbH v. Klijsen Handel BV* [1999] ECR I-3819 and Case C-425/98 *Marca Mode CV v. Adidas AG* [2000] ECR I-4861, in my judgment there would be a likelihood of confusion in the minds of the public including a likelihood of association with the earlier trade mark, if Asia Five Eight were permitted to register TAO ASIAN BISTRO for use as a trade mark in the United Kingdom in relation to nightclub services in Class 41.”

45. Applying this to the case before me, there is some similarity between the opponent’s *nightclub services* in class 41 and the applicant’s *services for providing Japanese foods; Japanese restaurant services; restaurant services in respect of Japanese cuisine* in class 43, as per the finding which I have underlined in paragraph 53 of Professor Annand’s decision. I put this at a low level. Since catering services are a feature of private parties and functions which can be held in nightclubs, there is also similarity, albeit low, between *nightclub services* (i.e. the

entertainment) and *Japanese catering services; catering services in respect of Japanese cuisine*.

46. I must also compare the opponent's *bar services* in class 43 with the applicant's *services for providing Japanese foods; Japanese restaurant services; Japanese catering services; restaurant and catering services in respect of Japanese cuisine* in class 43. I think the average consumer would regard the core meaning of bar services as being the serving of drinks. However, as well as the purchase of drink, the purchase of food is often a feature of visiting a bar. The channels of trade may coincide and, as above, the food and drink are served contemporaneously so that customers might think the responsibility for those services lies with the same undertaking. However, I bear in mind that the nature and purpose of the services differs; one provides a product in glasses to drink, the other provides a product from a kitchen to eat. The opponent's *bar services* in class 43 and the applicant's *services for providing Japanese foods; Japanese restaurant services; Japanese catering services; restaurant and catering services in respect of Japanese cuisine* are similar to a low degree.

#### Average consumer

47. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer, Case C-342/97*. The average consumer for the parties' services is the general public (adults in the case of nightclub services). The purchasing process is likely to be primarily visual, made on the basis of premises signage, flyers, advertisements and websites. The level of attention may vary depending on the cost of purchasing the services (e.g. a high class restaurant compared to a take-away, and a nightclub with expensive membership as opposed to a student nightclub); but, generally will be of a normal level.



#### Comparison of marks

48. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The Court of Justice of the European Union 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.”

49. 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 impression created by the marks.

50. The respective marks are:

Opponent	Applicant
<p>TOKYO</p>	 <p style="margin-top: 100px;">EAT TOKYO</p> 

51. The opponent's mark consists of the single word, TOKYO, which gives the mark its overall impression. The applicant's word trade mark, EAT TOKYO, is an instruction – literally to eat Tokyo. Both words form a unit and, therefore, contribute equally to the overall impression of the mark.

52. The first and the third of the applicant's marks are more complex. The word eat is smaller than the flower and TOKYO elements and carries slightly less weight in the overall impression than those two elements; however, this is marginal because it is also at the front of the marks and will be read first. The flower is at the centre of the marks and the eye is drawn to it. This element is visually striking and separates the words. The overall impression is of three separate elements, with the flower device a central, dominant and distinctive feature of the mark. The phrase 'Fresh on your table' is a promotional strapline and contributes little weight to the overall impression of the first mark.

53. Comparing the parties' word marks, they both contain TOKYO, but it will be seen as the second element of the applicant's mark. Consequently, there is no more than an average degree of visual and aural similarity between the marks. The opponent's mark creates the immediate concept of Tokyo, the capital city of Japan. The applicant's mark is an instruction or exhortation: to eat Tokyo. This does not make any literal sense as one cannot eat a city. On one level, there is conceptual similarity between the marks because the opponent's mark consists of the name of Japan's capital city and the applicant's mark instructs one to eat Japan's capital city. It is far more likely, though, that the conceptual shorthand in the applicant's mark will be recognised as meaning 'eat Japanese food' (eat food from Tokyo).

Consequently, there is more of a conceptual difference than similarity between TOKYO and EAT TOKYO.

54. There is little difference in terms of the comparison between the opponent's mark and both of the applicant's composite marks because the strapline is unlikely to be articulated or given much visual attention since it is non-distinctive. That said, it does reinforce the 'eat food' message in the applicant's first mark. The only point of similarity between the opponent's mark and the applicant's marks is the word TOKYO. Factoring in the differences (the word eat and the flower device) means that there is a low degree of visual similarity between the marks. There is an average degree of aural similarity because the flower device will not be articulated.

55. The composite marks do not quite have the jarring message of eating a city because the words are interposed by a visually striking device. The mark still, however, evokes the clear concept of eating food from Tokyo/Japan because the verb eat appears first, followed by TOKYO. The eye naturally reads across where there are words present in a mark. There is a low level of conceptual similarity between the opponent's mark and the applicant's composite marks.

#### Distinctive character of the earlier marks

56. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*<sup>4</sup> the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

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

57. At the relevant date, the opponent had six TOKYO clubs, geographically spread across northern England. In the year before the applications were filed, the six clubs turned over £16,627,343. This is an average weekly turnover of about £54,000, or

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<sup>4</sup> Case C-342/97

£7,500 a day, per club. For 1000 capacity clubs (as TOKYO Lincoln and TOKYO Hull are), this seems a reasonable, but not a substantial, level of turnover. In addition, at this level of turnover, the six clubs will not have been widely known across the country, although known to inhabitants of Oldham, Newcastle, Huddersfield, Bradford, York and Lincoln. The Mintel report states that there were 1600 pure nightclubs in the UK in 2012, so six is a small proportion of the national nightclub business. It is important to distinguish between nightclubs run by the opponent, Tokyo Industries Limited, and nightclubs called TOKYO. I conclude that the evidence does not entitle the opponent to claim that use of its mark has resulted in an enhanced level of distinctive character. I move on to consider the inherent distinctiveness of TOKYO for nightclub services and bar services. TOKYO is a famous capital city. It does not directly describe the opponent's services, but neither is it an invented word (invented words tend to be recognised as having the highest distinctiveness, the paradigm example being KODAK). For the opponent's services, which notionally may be of a Japanese theme, TOKYO is of low to average distinctive character.

#### Likelihood of confusion

58. I note here that although Mr Mellor pointed to the opponent's use of TOKYO with a flower device, that device cannot be considered as it is not included in the pleaded earlier rights and does not form part of any of the pleaded earlier marks. Mr Mellor also submitted that the opponent's flower is an unregistered right. This cannot be considered as i) it was not one of the signs pleaded under section 5(4)(a) (which deals with unregistered rights); and ii) my remit is only to consider the section 5(2)(b) ground (registered/applied for earlier trade marks), as per the appeal order.

59. The applicant submits that it has been trading in parallel with the opponent. The opponent's trade has all been in the North; the applicant's has all been in London. I do not think the fact that some London students go to Northern universities and so would be used to distinguishing between the parties' marks to be persuasive. The applicant's trade marks have been used on no more than four restaurants of a modest size. I do not think there has been enough exposure to either parties' marks for that argument to assist the applicant.

60. Deciding whether there is a likelihood of confusion is not scientific; it is a matter of considering all the factors, weighing them and looking at their combined effect, in accordance with the authorities set out earlier in this decision. One of those principles states that a lesser degree of similarity between goods and services may be offset by a greater degree of similarity between the trade marks, and vice versa (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*). I have found that the parties' services range from not similar to identical. Where there is no similarity of services, there can be no likelihood of confusion (*Canon*). The opposition therefore fails against the applicant's class 41 services and against the applicant's *booking and reservation services for Japanese restaurants*.

61. Ms Michaels referred me to the observations of Arnold J in *Whyte and Mackay Ltd v Origin Wine UK Ltd and Another* [2015] EWHC 1271 (Ch). Arnold J.

considered the impact of the CJEU's judgment in *Bimbo*, on the Court's earlier judgment in *Medion v Thomson*. The judge said:

“18 The judgment in *Bimbo* confirms that the principle established in *Medion v Thomson* is not confined to the situation where the composite trade mark for which registration is sought contains an element which is identical to an earlier trade mark, but extends to the situation where the composite mark contains an element which is similar to the earlier mark. More importantly for present purposes, it also confirms three other points.

19 The first is that the assessment of likelihood of confusion must be made by considering and comparing the respective marks — visually, aurally and conceptually — as a whole. In *Medion v Thomson* and subsequent case law, the Court of Justice has recognised that there are situations in which the average consumer, while perceiving a composite mark as a whole, will also perceive that it consists of two (or more) signs one (or more) of which has a distinctive significance which is independent of the significance of the whole, and thus may be confused as a result of the identity or similarity of that sign to the earlier mark.

20 The second point is that this principle can only apply in circumstances where the average consumer would perceive the relevant part of the composite mark to have distinctive significance independently of the whole. It does not apply where the average consumer would perceive the composite mark as a unit having a different meaning to the meanings of the separate components. That includes the situation where the meaning of one of the components is qualified by another component, as with a surname and a first name (e.g. BECKER and BARBARA BECKER).

21 The third point is that, even where an element of the composite mark which is identical or similar to the earlier trade mark has an independent distinctive role, it does not automatically follow that there is a likelihood of confusion. It remains necessary for the competent authority to carry out a global assessment taking into account all relevant factors.”

62. Paragraph 20 is germane to the case in hand, as the applicant's marks have a meaning as a unit (equating to 'eat Japanese food') which is different to the meaning of the separate component TOKYO, and one word qualifies the other. I have also considered whether there is a likelihood of indirect confusion, where the marks are not mistaken for one another, but they have something in common which will lead the average consumer to assume that the parties are economically linked, or that they are trade marks belonging to the same undertaking because of the common element. Notwithstanding *Bimbo*, I have concluded that the differences between the marks are not enough to offset the identical services and that confusion is likely for the services which I have found to be identical. However, there is no likelihood of confusion for the services which are only similar, because the earlier marks have only a low to average degree of distinctive character which, when combined with the low levels of similarity between the marks, the different services and the different



'unit' meanings of the applicant's marks, will be enough to avoid confusion, even if only an average degree of attention is paid during purchase.

## **Outcome**

63. The opposition fails in respect of:

*Class 41: Education and training all in relation to Japanese cooking, Japanese catering and Japanese restaurant services.*

*Class 43: Booking and reservation services for Japanese restaurants; services for providing Japanese foods; Japanese restaurant services; Japanese catering services; restaurant and catering services in respect of Japanese cuisine.*

The applications may proceed to registration for these services.

64. The opposition succeeds under section 5(2)(b) in respect of:

*Class 43: Services for providing Japanese beverages; Japanese bar services; bar services in respect of Japanese cuisine.*

The applications are refused for these services.

## **Costs**

65. The Appointed Person set aside the original Hearing Officer's decision on costs and remitted that matter, and the cost of the appeal proceedings, to the registrar. Before the first Hearing Officer, both sides achieved a measure of success and each side was ordered to bear its own costs. Before me, both sides have achieved a measure of success, with the split being roughly two-thirds in favour of the applicant. Both Mr Mellor and Ms Michaels were content for costs to be awarded in accordance with the scale<sup>5</sup>. The applicant was successful in getting the section 5(2)(b) remitted to the registrar, but the Appointed Person declined to consider the merits of the decision which she set aside. This was not therefore a win for the applicant against the opponent; the decision was set aside without the merits of the opponent's case and the first decision having been considered on appeal. I do not think it would be fair to award costs against the opponent for this aspect of the proceedings to date, in which the registrar's section 5(2)(b) decision was found to be vitiated by procedural irregularity, and when the opponent did not appeal the section 5(4)(a) finding, also not considered on appeal.

66. It seems to me that the fairest way to award costs would be to relate the award to the outcome of the decision which I have made. The award is two-thirds of what the applicant would have received had it had been completely successful.

67. Taking into account the consolidated nature of the cases after the defences were filed, the award breakdown is as follows:

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<sup>5</sup> Published on the IPO website in Tribunal Practice Notice 4/2007.

Considering the notices of opposition and filing counterstatements x 3	£400
Considering the opponent's evidence and filing evidence	£670
Preparing for and attending a hearing	£530
Total	£1600

68. I order Tokyo Industries Limited to pay Tokyo Akafudaya Ltd the sum of £1600 which, in the absence of an appeal, should be paid within fourteen days of the expiry of the appeal period.

**Dated this 23rd day of September 2015**

**Judi Pike  
For the Registrar,  
the Comptroller-General**