

**O/649/19**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF REGISTRATION 3300673  
IN THE NAME OF KONSTANTINOS KAPELAS  
FOR THE TRADE MARK**

**The Health Architect**

**IN CLASS 44**

**AND**

**THE APPLICATION FOR A DECLARATION OF INVALIDITY THERETO  
UNDER NUMBER 502373 BY  
SARAH KEKUS**

## **Background**

1. Konstantinos Kapelas applied for the trade mark The Health Architect on 29 March 2018 in class 44 for *healthcare services*. The application achieved registration on 29 June 2018. On 29 November 2018, Sarah Kekus applied for a declaration that the trade mark is invalid under sections 47(2), 5(4)(a) of the Trade Marks Act 1994 (“the Act”). Ms Kekus claims that she has used the sign THE HEALTH ARCHITECT in North-West Cumbria since October 2012 in relation to “nutritional therapy, dietary and nutritional coaching and advice, sports nutritionian [*sic*], lifestyle coaching, yoga”. Ms Kekus claims that the business attached to the sign has established substantial goodwill and that use of the registration is liable to be prevented under the law of passing off.

2. Mr Kapelas filed a defence and counterstatement, denying the claim and stating that his principal place of business is London.

3. Both parties have been professionally represented throughout these proceedings. Both parties filed evidence and written submissions with their evidence. Neither sought a hearing, but both filed written submissions in lieu of a hearing.

4. Both Ms Kekus and Mr Kapelas have given an amount of evidence about their academic and professional backgrounds. I confirm that I have read all the evidence, but I will summarise only the evidence which is necessary to determine the ground of invalidation under section 5(4)(a); that is to say, evidence about their businesses.

### **Ms Kekus’ evidence-in-chief**

5. Ms Kekus’ first witness statement is dated 21 March 2019. She states that she is the sole owner of the business trading as “The Health Architect” and has been so since the autumn of 2012. It is clear from her evidence that her services have been provided in the locality of Cockermouth, in Cumbria. Mr Kapelas accepts that Ms Kekus has been providing yoga classes in this locality, although he disputes that she has provided nutritional services. He also claims that her business is too small to prevent him, under the law of passing off, from using the contested mark in London.

Facts from Ms Kekus' first witness statement which are pertinent to the issues to be decided are as follows:

- Ms Kekus led workshops and gave presentations on Ayurvedic medicine and nutrition under the sign The Health Architect in the Cockermouth area in 2012, 2014, 2015, 2016, 2017 and March 2018.
- She launched The Health Architect website in August 2012. Page 38 of Exhibit SK1 is a print from the website from late 2015, giving dates for classes until January 2016. The classes were for yoga (weekly), a nutritional programme, a 'free-from' cookery day, and yoga/nutritional cleansing day.
- Ms Kekus produces newsletters and a blog which she sends to customers and contacts, which increased from 174 people in 2012 to 569 by April 2018. This enables her to market her business via email. However, Ms Kekus states that the total number of 'historical' customers is higher than these figures, as people join and leave the database. Some examples of her blogs and newsletters are given in pages 30 to 44 of Exhibit SK1. Ms Kekus states that The Daily Mail became aware of her business via her blogs, resulting in her being included in an article about women's wellbeing (pages 119 to 121 of Exhibit SK1); however, the article refers to Ms Kekus, not to The Health Architect.
- By summer 2015, the increase in demand for her yoga classes had increased to the point where she was offering six classes a week, with about 58 individuals attending per week.
- Ms Kekus also offered, from 2013, a combined yoga and nutrition service. In 2015, she ran a number of healthy cookery courses. All these were under the sign The Health Architect.
- Page 89 of Exhibit SK1 comprises a table which breaks down the services provided between 2013 and 2018 into two categories, 'yoga' and 'nutrition'. There were 6 weekly yoga classes in 2015, 2016 and 2017, with about 350 hours of yoga classes provided each year, and a small number of workshops and retreats. The services provided under the 'nutrition' heading comprise 1:1 personalised nutrition consultation; 21-day guided nutrition programmes; gut healing and female hormone rebalancing programmes, teaching Ayurvedic

nutrition, cookery courses, and writing/blogging. Page 45 of Exhibit SK1 is a print from the website thehealtharchitect.co.uk which gives the number of individual clients for nutritional services, and the price list. There were 3 clients in 2012, 8 in 2013, 22 in 2015, 26 in 2016, 16 in 2017 and 19 in 2018. Examples of prices are £100 - £150 for an initial appointment; £75 for a follow-up appointment; £190 for a 21-day nutritional cleanse programme, £275 for a 6 week gut transformation programme and £495 for the Beautiful Bride Programme.

- Between 2016 and 2018, Ms Kekus used a PR company to publicise The Health Architect. Pages 90 to 97 of Exhibit SK1 comprise details of the PR company's advertising of The Health Architect services between February 2016 to February 2018. Advertisements and press releases appeared in Cumbrian local publications, and in regional and national wedding magazines. Advertising expenditure figures were £14,408.03 for February 2016-2017. Circulation figures of the publications are given for February 2017-2018 as 247,941 (this includes 70,000 for *Woman and Home*). Advertisements appeared at least 31 times in the monthly The Cockermouth Post, with a circulation of 12,800 in the Cockermouth and Keswick areas of Cumbria, between December 2012 to March 2018. Examples are provided in pages 98 to 103 of Exhibit SK1. These show advertisements under the sign for yoga classes and nutritional services, such as detox programmes. An advertisement appeared in a Cumbrian paper, The Times and Star, in 2016 and another in the same year, in the "Cumbrian Executive", in relation to nutrition and yoga services provided under the sign to reduce employee stress.
- Turnover for the business grew from £2,527.50 in the financial year 2012-2013 (part) to £45,026.54 in 2017-2018.

### **Mr Kapelas' evidence**

6. Mr Kapelas' witness statement is dated 27 May 2019. He states that he is the sole owner of Totalhealthnow Limited. Mr Kapelas states that although his business trades as Total Health Now, his clients, business contacts and friends know him as

THE HEALTH ARCHITECT and have done since 2008. Mr Kapelas states that he practices in therapies such as bioresonance, cosmic healing, diet and kinesiology, hypnosis, phytobiophysics, rebirthing, reiki and RejuvaDetox. He states that all his therapy services are concerned with improving mind, body and spiritual health. He states that his business, Total Health Now, was formed in 2009, operating from a single clinic in London. Mr Kapelas states that he does not practise outside of London.

7. Mr Kapelas states that, from 2010, he started to refer to himself more frequently as THE HEALTH ARCHITECT, but he also states that he used the brand Total Health Now “as the business brand to describe the services carried out at the clinic”. He states that this is why the business brochure does not include the words THE HEALTH ARCHITECT, “[h]owever orally we always have described and continue to describe the services of Total Health Now as carried out at the clinic by THE HEALTH ARCHITECT”. Mr Kapelas states that the clinic has a brochure and a website, but does not advertise in magazines, newspapers or the media generally.

8. Mr Kapelas states that his work comes from referrals or introductions from trusted contacts. He gives no figures regarding the number of clients/consultations or turnover.

9. Mr Kapelas states that he is a member of the Clerkenwell Chapter of Business Network International, which he states he joined in 2017. Pages 68 to 71d of Exhibit KK1 comprise seven “To Whom It May Concern” emails from individuals, dated late May 2019, saying that they have known Mr Kapelas as a BNI member since November 2017 when he first visited the BNI Clerkenwell Chapter before he became a full-time member in January 2018. The emails all say that the individuals consider him as “The Health Architect” because he always presented himself as such in the BNI meetings. All the emails are identically worded.

10. Mr Kapelas states that he does not use headed notepaper describing himself as THE HEALTH ARCHITECT, but from 2017 produced a business card describing himself as The HEALTH ARCHITECT. He states that he has run out of these business cards and shows a print of “the one I have used since last summer” (i.e.

Summer 2018) at pages 72 and 73 of Exhibit KK1. This carries his name, underneath which it says The Health Architect.

11. Page 40 of Exhibit KK1 is a copy of a page from the Total Health Now brochure. The brochure is undated. There is a message from Mr Kapelas and his wife together with a photograph, but the words THE HEALTH ARCHITECT do not appear. The reference in his message to the name of the business is Total Health Now. On the same page is information about a service called RejuvaDetox, which is explained as working by supporting the liver with a cleansing diet and sessions on a detoxifier machine. Page 46 of the exhibit is a print of a page from a website called kapelassystem.com, downloaded on 30 May 2015. It says “My name is Konstantinos Kapelas (aka The Health Architect). The service offered is called the “KAPELAS System™”. Page 64, from the same website dated 30 May 2019, shows a copyright notice dated 2014 and a disclaimer stating that all content is based upon the opinions of Total Health Now and Konstantinos Kapelas. There is no reference to The Health Architect.

12. Page 66 of Exhibit KK1 is a print from the Clerkenwell BNI website, showing the entry for Mr Kapelas: “Kostas Kapelas Msc – The Health Architect® Total Health Now Clinic®. The synopsis of Mr Kapelas refers only to him being a practitioner at Total Health Now Clinic. The print is dated 30 May 2019 and it bears a copyright date of 2019.

13. Referring to the turnover figures provided by Ms Kekus in her first witness statement, Mr Kapelas states that it is unacceptable to present turnover figures in a table without also exhibiting the accounts from which they are derived.

14. At the end of his witness statement, Mr Kapelas states:

“In summary I would stress that the services offered by me and THN [Total Health Now] are completely different from those supplied by Ms Kekus using the name “the health architect”. I can see no likelihood of confusion, but I do accept that there has been honest concurrent use. In my view it would be highly unfair and disproportionate in the circumstances for my registered trade

mark to be cancelled. I have no intention of trading in Cumbria (my clinic is in London) and I have no intention to teach yoga, provide advice on diets or create cookery recipes. There is room enough for both of us to use the name “The HEALTH ARCHITECT” and the solution is obviously some kind of Co-existence agreement. The unreasonableness however of Ms Kekus and her lawyers has instead led me to incur legal costs and to trouble the Tribunal with a matter that should be capable of being resolved amicably.”

### **Ms Kekus’ evidence-in-reply**

15. Ms Kekus’ second witness statement is dated 12 June 2019. She states that, using the Internet Archive Wayback Machine, she investigated the website kapelassystem.com and the entry “My name is Konstantinos Kapelas (aka The Health Architect)”. Ms Kekus states that the pages from kapelassystem.com were captured 23 times between 16 June 2014 and 19 January 2019. She looked at the most recent snapshot, from 19 January 2019, and states that the pages were identical to those exhibited by Mr Kapelas except that instead of “My name is Konstantinos Kapelas (aka The Health Architect)”, the snapshot showed “My name is Konstantinos Kapelas (friends call me Kostas)” (page 3 of Exhibit SK2). Ms Kekus states that there is no reference on kapelassystem.com to The Health Architect in any of the snapshots obtained from the Internet Archive which, she states, means that Mr Kapelas made the change to the website at some point between 19 January 2019 and 30 May 2019, when the pages were printed for his Exhibit KK1. A similar situation occurred in relation to the website totalhealthnow: Ms Kekus states that as of 8 July 2018, and previous to that date, the Internet Archive referred to “Konstantinos Kapelas, “Total Health Now”® founder. For many years, Konstantinos (known as Kostas amongst friends) held senior positions in the Catering and Travel industries...”.

16. Ms Kekus states that she has viewed the video clip of Mr Kapelas on kapelassystem.com, uploaded to YouTube on 18 June 2014, and also three video testimonials. There is no reference in any of the video clips to The Health Architect. Nor is there any reference to The Health Architect in the 47 written and 6 video testimonials on totalhealthnow.com. There is also no reference to The Health

Architect in any of the 69 YouTube video clips which Mr Kapelas has uploaded between 2012 and 11 April 2017; he introduces himself in the clips as Kostas/Kostas Kapelas, certified health practitioner and creator/founder of the Kapelas Health & Vitality System. One of the videos concentrates on nutrition, Mr Kapelas describing himself as a nutritional and wellbeing specialist.

17. In response to Mr Kapelas' criticism of her turnover figures appearing in the witness statement in the form of a table, Ms Kekus states that she is a sole trader, not a limited company, which means that her accounts will not appear at Companies House. Ms Kekus states that she has not exhibited her accounts as they run to many pages. However, to answer the point, Ms Kekus exhibits at page 41 of Exhibit SK2 a photograph of her records from 2013/2014 to show the type of detail she has retained.

18. In relation to Mr Kapelas' comment about co-existence, Mr Kekus points out that it was Mr Kapelas who first contacted her, immediately after the opposition period relating to his trade mark application had ended, saying "I am allowed to stop anyone else using it including yourself...".

19. As a post-script to the evidence filed by both parties, I note that the Intellectual Property Office wrote to Ms Kekus on 1 July 2019 to inform her that the Hearing Officer would not view any of the websites referred to in her evidence-in-reply. The letter stated that if Ms Kekus wished for the Hearing Officer to view the websites, the material would need to be submitted on a USB stick. This direction from the IPO resulted in Ms Kekus' representatives writing to Mr Kapelas' representatives on 1 July 2019 to say that they would provide the material digitally unless Mr Kapelas wrote to confirm that he would not contest the facts to which Ms Kekus referred in connection with the websites. In short, this was her evidence-in-reply that there is no mention of The Health Architect in the video clips and written testimonials, and that Mr Kapelas referred to himself as a "nutritional and wellbeing specialist" in one of his YouTube video clips. Mr Kapelas provided confirmation, via his representative, in a letter dated 12 July 2019.



## Decision

20. Section 5(4)(a) states:

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

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

(b)...

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

21. Section 5(4)(a) has application under section 47(2) of the Act which states:

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

(a) ....

(b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.”

22. In *Discount Outlet v Feel Good UK*, [2017] EWHC 1400 IPEC, Her Honour Judge Melissa Clarke, sitting as a deputy Judge of the High Court conveniently summarised the essential requirements of the law of passing off as follows:

“55. The elements necessary to reach a finding of passing off are the ‘classical trinity’ of that tort as described by Lord Oliver in the *Jif Lemon* case

(Reckitt & Colman Product v Borden [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

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

23. Guidance is given in paragraphs 184 to 188 of Halsbury's Laws of England (4th Edition) Vol. 48 (1995 reissue) with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:

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

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

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

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

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

- (a) the nature and extent of the reputation relied upon;
- (b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;
- (c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;
- (d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and
- (e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.”

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.”

#### Relevant date

24. The date when Mr Kapelas applied to register his trade mark, 29 March 2018, is the relevant date for the purposes of section 5(4)(a) of the Act. Mr Kapelas maintains he is known as The Health Architect; i.e. he claims he has used the mark. If an applicant for registration has used the mark prior to the date of application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about. If an applicant for registration was not passing off when it commenced use of the sign, a continuation of the same trade under the same sign is unlikely to amount to passing off at the application date<sup>1</sup>. In *Croom’s Trade Mark Application* [2005] RPC 23, Mr Geoffrey Hobbs QC, sitting as the Appointed Person, stated:

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<sup>1</sup> *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O/410/11, Mr Daniel Alexander QC, sitting as the Appointed Person.

“45. I understand the correct approach to be as follows. When rival claims are raised with regard to the right to use a trade mark, the rights of the rival claimants fall to be resolved on the basis that within the area of conflict:

- (a) the senior user prevails over the junior user;
- (b) the junior user cannot deny the senior user’s rights;
- (c) the senior user can challenge the junior user unless and until it is inequitable for him to do so.”

25. In *W.S. Foster & Son Limited v Brooks Brothers UK Limited*, [2013] EWPC 18 (PCC), Iain Purvis Q.C. sitting as a Deputy Judge set out the following test for whether honest concurrent use provides a defence in a passing off action:

“61. The authorities therefore seem to me to establish that a defence of honest concurrent use in a passing off action requires at least the following conditions to be satisfied:

- (i) the first use of the sign complained of in the United Kingdom by the Defendant or his predecessor in title must have been entirely legitimate (not itself an act of passing off);
- (ii) by the time of the acts alleged to amount to passing off, the Defendant or his predecessor in title must have made sufficient use of the sign complained of to establish a protectable goodwill of his own;
- (iii) the acts alleged to amount to passing off must not be materially different from the way in which the Defendant had previously carried on business when the sign was originally and legitimately used, the test for materiality being that the difference will significantly increase the likelihood of deception.”

26. The chief facts which point towards a conclusion that Mr Kapelas had no protectable goodwill in a business identified by the contested sign prior to 29 March 2018 are as follows (in no particular order):

(i) Mr Kapelas accepts in his letter of 12 July 2019 that Ms Kekus' evidence is correct regarding his websites: there was no use of The Health Architect on his business websites prior to 29 March 2018, or in his YouTube videos between 2012 and 11 April 2017.

(ii) By Mr Kapelas' own admission, there is no use in the Total Health Now clinic brochures of The Health Architect.

(iii) The Clerkenwell BNI website entry for Mr Kapelas is dated in 2019, after the date of application.

(iv) There are no figures regarding the number of clients or consultations undertaken. There are no turnover figures. There is no advertising.

27. I have not forgotten the seven 'To Whom It May Concern' letters, solicited for these proceedings (described at paragraph 9 of this decision). These seven letters are identically worded. In *Re Christiansen's Trade Mark* [1885] 3 RPC 54, Lord Esher M.R. said at [60]:

"Now, to my mind, when you have evidence given upon affidavit, and you find a dozen people, or twenty people, all swearing to exactly the same stereotyped affidavit, if I am called to act upon their evidence, it immediately makes me suspect that the affidavits are then not their own views of things and that they have adopted the view of somebody who has drawn the whole lot of affidavits, and they adopt that view as a whole and say 'I think that affidavit right' and they put their names to the bottom."

28. In the present case, the letters are not even affidavits, witness statements or statutory declarations. They are hearsay. In my view, they carry next-to-no weight because a) they are all identical and b) they have been solicited for these proceedings and the 'authors' cannot be cross-examined because they have not filed their letters in the form of witness statements. Further, Mr Kapelas first visited the Clerkenwell BNI only five months before he filed the trade mark application. At this

point, as has been established in points (i) and (ii) above, he had not used The Health Architect in his clinic brochures, on his websites or in the YouTube videos. The letters do not support his claim to have used The Health Architect; nor does the rest of his evidence. Mr Kapelas has admitted the facts contained in Ms Kekus' evidence in reply regarding his lack of use of The Health Architect. Mr Kapelas had no protectable goodwill in a business identified by the contested sign prior to 29 March 2018. Accordingly, I find that the relevant date is the date of application for the contested mark, 29 March 2018.

29. I move on to consider whether THE HEALTH ARCHITECT was distinctive of any goodwill existing in Ms Kekus' business as of 29 March 2018.

### Goodwill

30. The concept of goodwill was explained in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 at 223:

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

31. Whilst the law does not protect a trivial goodwill<sup>2</sup>, it protects a small goodwill. In *Lumos Skincare Ltd v Sweet Squared Ltd, Famous Names LLC, Sweet Squared (UK) LLP*<sup>3</sup>, the Court of Appeal upheld a claim for passing off based on the claimant's use of the mark LUMOS for around three years prior to the defendant's use of the same mark, both in relation to anti-ageing products. The claimant's products sold for between £40 and £100 each. Between early 2008 and September 2009, the claimant had achieved a turnover of around £2000 per quarter. From the latter date up until the relevant date in October 2010, the claimant's turnover increased to around £10,000 per quarter. Even so, the business remained a very

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<sup>2</sup> *Hart v Relentless Records* [2002] EWHC 1984 (Ch)

<sup>3</sup> [2013] EWCA Civ 590

small business with a modest number of sales. Nevertheless, the court was prepared to protect the goodwill in that business under the law of passing off.

32. Ms Kekus has met the direct challenge to her turnover figures by explaining the accounting position as a sole trader and by providing a photograph of some of her own accounts. There has been no request to cross-examine her on any of her evidence. I accept the evidence showing turnover figures for THE HEALTH ARCHITECT business. Like the claimant's business in *Lumos*, Ms Kekus' business started in a small way, generating about £2000 for its first (partial) financial year, rising to over £45,000 by 2018. Nutritional services were relatively expensive compared to the likely cost of yoga classes. The latter were held six times a week, with about 58 individuals attending weekly. In the three years prior to the year of application, there were on average 21 customers for nutritional services per year, paying up to £150 for an initial consultation and £75 for follow-ups. Regular local, and some national, advertising took place, with Ms Kekus spending over £14,000 on advertising in 2016 to 2017. A PR company was engaged as the business grew to look after this side of the business, advertising THE HEALTH ARCHITECT in various Cumbrian local newspapers and magazines, and in regional and national wedding magazines.

33. Mr Kapelas appears to accept that there was a business since he states (my underlining):

"In summary I would stress that the services offered by me and THN [Total Health Now] are completely different from those supplied by Ms Kekus using the name "the health architect". I can see no likelihood of confusion, but I do accept that there has been honest concurrent use".

34. It seems that the reasons Mr Kapelas considers there to be no likelihood of confusion (his words) are twofold. The first reason is that he provides his services in London, whereas Ms Kekus provides hers in Cumbria; the second reason is that he considers her business to be too small to prevent him, under the law of passing off, from using the contested mark in London. Was the level of goodwill by 29 March 2018 too small, as Mr Kapelas claims? It was certainly not trivial. The evidence, as

a whole, points to a growing business of some five years' standing, with regular custom. There was an attractive force bringing in that custom. I find that Ms Kekus' THE HEALTH ARCHITECT business had generated a small, but protectable, goodwill at the relevant date in the services claimed in the application for a declaration of invalidity: nutritional therapy, dietary and nutritional coaching and advice, sports nutritionian [sic], lifestyle coaching, yoga. This goodwill was certainly local to Cockermouth and Northwest Cumbria; however, the business's publicity stretched throughout Cumbria. I find that Ms Kekus' goodwill in the business of which THE HEALTH ARCHITECT was distinctive at the relevant date of 29 March 2018 was situated in and extended throughout Cumbria, although it was stronger nearest to its epicentre, the town of Cockermouth.

35. Mr Kapelas claims that the local nature of the goodwill means that Ms Kekus is unable to prevent him from providing his services in London. That is a different question as to whether Ms Kekus can invalidate his trade mark registration on the strength of her local goodwill. The establishment of a local goodwill is capable of preventing registration of a trade mark and invalidating a trade mark registration under section 5(4)(a) of the Act because a trade mark registration is a national right. This was explained in *Caspian Pizza Ltd & Ors v Shah & Another* [2017] EWCA Civ 1874, by Lord Justice Patten:

“23. It is, I think, implicit in these provisions that opposition under s.5(4) based on earlier use of the mark does not have to be use throughout the UK or alternatively in a geographical area which overlaps with the place where the applicant for registration actually carries on business using the same or a similar mark. As the Hearing Officer explained in *SWORDERS*, the application for a national mark operates as a notional extension of the use of the mark over the whole of the country. The only requirement is that the opponent should have established goodwill in the mark over an identifiable geographical area that would qualify for protection in passing off proceedings. Reputation may be enjoyed on such a small scale that it does not generate goodwill at all: see *Knight v Beyond Properties Pty Ltd & Ors* [2007] EWHC 1251 (Ch). But goodwill which is established in a particular locality will be capable of preventing registration of a countrywide mark.



24. It is therefore difficult to see why the position should be any different when the challenge to validity is raised under s.47 after registration is complete. Section 47 provides the procedural means of challenging the validity of the registered mark. The fact s.47(2) says that the registration "may" be declared invalid is not to be read as giving the Court a discretion to refuse a declaration of invalidity even if one of the s.5 grounds is made out. This, I think, is evident from the provisions in s.47(1) to the effect that the registration shall not be declared invalid in certain specified circumstances. This language indicates that in cases not covered by these exceptions a declaration of invalidity should follow the establishment of one of the s.3 or s.5 grounds.

25. In the present case the marks are registered in respect of the whole of the UK and the claimants' defence to the counterclaim has been based on the points already discussed about the operation and effect of s.47 and s.5(4)(a). But for the first time during the hearing of the appeal Mr Harding indicated that his clients wished to contend that any declaration of invalidity should be restricted so as to preserve the validity of the registration of both marks so far as they apply to areas other than Worcester.

26. Sub-sections 47(5) and 47(6) allow the Court to make a declaration of partial invalidity where the grounds of invalidity relied on affect only some of the goods or services in respect of which the mark is registered. There is no equivalent power in relation to the geographical area covered by the registration. Section 13, as already mentioned, allows the applicant for registration to consent to a limited registration which respects established earlier rights but after registration the mark is subject to s.44 TMA 1994 which provides that it is not to be altered in the register save to change the proprietor's name and address and then only if that does not substantially affect the identity of the mark. Section 13 allows the registered proprietor of the mark to agree that the rights conferred by the registration shall be subject to a territorial limitation but given the terms of s.44 this must envisage the abandonment or disclaimer of part of the mark and could only take effect from the date of abandonment which in this case would be the hearing of the

appeal. It therefore comes too late to save the marks from the attack on their validity made under s.5(4)(a) which relates back to the date of filing. There is therefore no power in this Court to make the order which Mr Harding now seeks.”

36. As I have found that Ms Kekus had a small but protectable goodwill in an identifiable geographical area at the relevant date, that goodwill is capable of invalidating the contested registration, assuming that the claims to misrepresentation and damage are made out.

### Misrepresentation

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

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

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

38. Mr Kapelas mark is registered for *healthcare services*. This is a broad term which covers conventional and alternative health care, including nutrition. Modern healthcare is not confined to traditional forms but includes more alternative therapies; for example, to relieve stress and help with mental health issues. Ms Kapelas' evidence shows that his Total Health Now clinic offers such things as bioresonance, cosmic healing, diet and kinesiology, hypnosis, phytobiophysics, rebirthing, reiki and RejuvaDetox. Some of these therapies are not very far away from Ms Kekus' Ayurvedic/holistic approach to yoga and nutrition, restoring physical and mental wellbeing. Mr Kapelas' evidence shows that the RejuvaDetox therapy works by supporting the liver with a cleansing diet; i.e. a nutritional aspect to the

service, as well as a detoxifier machine. The sign/marks are identical signs and are inherently distinctive to at least a medium degree. The trade mark registration extends notionally into the same locality as Ms Kekus' business. As a consequence, there is no doubt in my mind that a substantial number of Ms Kekus' actual and potential customers would believe that she had expanded THE HEALTH ARCHITECT service portfolio to include a wider variety of healthcare therapies, all of which are notionally covered by the contested mark's specification, *healthcare services*. This is misrepresentation.

### Damage

39. In *Harrods Limited V Harrodian School Limited* [1996] RPC 697, Millett L.J. described the requirements for damage in passing off cases like this:

“In the classic case of passing off, where the defendant represents his goods or business as the goods or business of the plaintiff, there is an obvious risk of damage to the plaintiff's business by substitution. Customers and potential customers will be lost to the plaintiff if they transfer their custom to the defendant in the belief that they are dealing with the plaintiff. But this is not the only kind of damage which may be caused to the plaintiff's goodwill by the deception of the public. Where the parties are not in competition with each other, the plaintiff's reputation and goodwill may be damaged without any corresponding gain to the defendant. In the *Lego* case, for example, a customer who was dissatisfied with the defendant's plastic irrigation equipment might be dissuaded from buying one of the plaintiff's plastic toy construction kits for his children if he believed that it was made by the defendant. The danger in such a case is that the plaintiff loses control over his own reputation.

40. In *Ewing v Buttercup Margarine Company, Limited*, [1917] 2 Ch. 1 (COA), Warrington L.J. stated that:

“To induce the belief that my business is a branch of another man's business may do that other man damage in various ways. The quality of goods I sell,

the kind of business I do, the credit or otherwise which I enjoy are all things which may injure the other man who is assumed wrongly to be associated with me.”

41. In *W.S. Foster & Son Limited v. Brooks Brothers UK Limited*<sup>4</sup> Iain Purvis QC, sitting as a deputy judge of the Patents County Court observed:

“Although proof of damage is an essential requirement of passing off cases, it will generally be presumed where a misrepresentation leading to a likelihood of deception has been established, since such deception will be likely to lead to loss of sales and/or more general damage to the exclusivity of the Claimant's unregistered mark.”

42. The facts which I have considered above lead me to conclude that damage, such as diversion of trade and/or injurious association, is inevitable. For these reasons, I find that, as the contested mark is registered for the whole of the UK, including Cumbria, Ms Kekus was entitled to restrain Mr Kapelas under the law of passing off, at the relevant date, from trading as The Health Architect in Cumbria, and at least in the vicinity of the town of Cockermouth. This means that registration of the mark in the UK was contrary to s.5(4)(a) of the Act. As per paragraphs 25 and 26 of *Caspian Pizza*, any territorial or geographical limitation of the contested mark to London would not now save it from the attack on its validity made under s.5(4)(a) which relates back to the date of filing, under section 47(6) of the Act.

## **Outcome**

43. The application for a declaration of invalidity under section 5(4)(a) of the Act succeeds. Under section 47(6) of the Act, the registration is deemed never to have been made.

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<sup>4</sup> [2013] EWPC 18

## **Costs**

44. Ms Kekus has been successful and is entitled to a contribution towards her costs, based upon the scale published in Tribunal Practice Notice 2/2016. The costs breakdown is as follows:

Preparing a statement and considering the counterstatement	£300
Official fee	£200
Preparing evidence and considering and commenting upon evidence	£1500
Written submissions in lieu of a hearing	£300
Total	£2300

45. I order Konstantinos Kapelas to pay to Sarah Kekus the sum of £2300. This sum should be paid within twenty-one days of the expiry of the appeal period or, if there is an appeal, within twenty-one days of the conclusion of the appeal proceedings if any appeal against this decision is unsuccessful (subject to any order of the appellate tribunal).

**Dated this 25<sup>th</sup> day of October 2019**

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