

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INTELLECTUAL PROPERTY LIST (ChD)
INTELLECTUAL PROPERTY ENTERPRISE COURT
TRADE MARK NOS. UK00002315316, UK00003335592 & UK00002533108

Rolls Building
New Fetter Lane
London

Neutral Citation Number: [2024] EWHC 1369 (IPEC)

Date: 7 June 2024

Before :

HER HONOUR JUDGE MELISSA CLARKE
sitting as a Judge of the High Court

B E T W E E N :

Claim No: IP-2022-000066

MORLEY'S (FAST FOODS) LIMITED

Claimant

- and -

(1) THURAIRASA NANTHAKUMAR
(2) JARALD KUMAR
(3) MUTHKUMARU THAYALAKULASINGHAM

(4) JEYATHARINI SIVAKUMAR
(5) VAISHDHEEPAN SANMUGANATHAN
(6) SRIKANESARASA NAGARATNAM
(7) KUNALINGAM KUNATHEESWARAN
(8) SIVARAJAH NELAN

Defendants

Mr Chris Pearson (instructed by Ward Hadaway) for the **Claimant**
Ms Kendal Watkinson (instructed by Brandsmiths) for the **Defendants**

Hearing dates: 18 and 19 March 2024
Draft Judgment circulated 6 June 2024

JUDGMENT

Her Honour Judge Melissa Clarke:

A. INTRODUCTION

1. This is a trade mark dispute relating to two South London chicken franchises. The Claimant says that this is the latest episode in persistent copycat behaviour by the 7th Defendant since around 2010, during which time he has imitated and sought to ride on the coat-tails of the Claimant's branding, in various shifting forms. Of relevance to this dispute are the terms of a settlement agreement of a previous trade mark infringement complaint made by the Claimant against the 7th Defendant ("**2018 Agreement**").

B. THE CLAIMANT AND THE REGISTERED TRADE MARKS

2. The Claimant is the owner of the following registered trade marks (together, "**C's Marks**"):
 - i) The "**Morley's Mark**" has been registered in respect of food and beverage related goods in classes 29, 30 and 32, and in respect of food preparation and restaurant/takeaway related services in class 43, since 8 November 2002:



- ii) The "**Triple M Mark**" (series of two) has been registered in respect of food and beverage related goods in class 29, in addition to food preparation and restaurant/takeaway related services in class 43, since 30 November 2009:

TRIPLE M, TRIPLE-M

- iii) The "**Morley's Red and White Mark**" has been registered in respect of food and beverage related goods in classes 29 30 and 32, and in respect of food preparation and restaurant/takeaway related services in class 43, since 3 September 2018:



3. The Claimant says that it has used C's Marks since 1985 for the goods and services for which they are now registered in operating a substantial network of Morley's fast-food restaurant franchises throughout the UK controlled by the Claimant as franchisor.
4. The Claimant claims that C's Marks are a family of marks. It says that C's Marks have acquired a substantial reputation and have an enhanced distinctive character in relation to the goods and services for which each has been registered ("**Relevant Goods and Services**") in the UK.
5. The Defendants accept that there is protectable goodwill in C's Marks, but deny that the Claimant is the rightful owner of that goodwill, as it was only incorporated in 1992.
6. The Defendants further deny that C's Marks comprise a family of marks, on the basis that only two of C's Marks share a common element, with that common element simply being the name of the business.

C. THE DEFENDANTS

7. The Defendants also operate and carry out business within the fast-food sector. The 7th Defendant ("**KK**") is the owner and franchisor of a network of "Metro's" fast-food restaurant franchises ("**Metro's Brand**"). The 1st to 6th Defendants and the 8th Defendant are, or were, franchisees of the Metro's Brand (the "**Franchisee Defendants**"). They carry or carried out business relating to the sale of food and beverages and the provision of restaurant and/or takeaway services under and by reference to the Metro's Brand pursuant to franchise agreements with the 7th Defendant. Those include by use of a number of signs which the Claimant complains amount to infringement of C's Marks.
8. KK and the Claimant have been in dispute in relation to KK's use of signs, including "Mowley's" and "Metro's" before. The last dispute, in 2018, resulting in proceedings being brought by the Claimant to invalidate KK's UK Trade Mark 3162189, but was resolved by the entry by them into a settlement agreement dated 16 December 2018 (the "**2018 Agreement**") and signed by each of KK and the Claimant. This provided, inter alia, that KK would surrender two UK trade marks; would cease to use those UK trade marks or "Mowley's" or "*any other sign colourably similar*" in the course of trade within 7 days; that he would make reasonable efforts to procure that any third party using those signs in the course of trade ceased such use; but that KK would be permitted to use in the course of trade "*Metro's Fried Chicken*" the logo a copy of which is included at Annex A [of the 2018 Agreement] and any reasonable modifications thereto" ("*the Settlement Sign*"), to include

for the avoidance of doubt the application of the Settlement Sign to any packaging and any application for a registered trade mark in respect of the Settlement Sign.

9. The logo at Annex A was the following:



10. I will return to that.

D. C's PLEADED CASE ON TRADE MARK INFRINGEMENT

11. The Claimant claims:

- i) That each of the Defendants have infringed the Morley's Red and White Mark pursuant to section 10(2)(b) of the Trade Marks Act 1994 (the "Act") through the use of "Sign 1" (as depicted below) in the fasciae of each of their respective restaurant premises;



- ii) That the 6th Defendant and KK have infringed the Triple M Mark pursuant to section 10(2)(b) of the Act through the use of "Sign 2" (as depicted below) in their respective shop windows and on their menu boards;

MMM

- iii) That the 5th Defendant, KK and the 8th Defendant have infringed the Triple M Mark pursuant to sections 10(1) and/or 10(2)(b) of the Act through the use of "Sign 3" (as depicted below), in the case of the 5th Defendant and KK, on their respective menu boards, and in the case of the 8th Defendant, on its Deliveroo menu;

TRIPLE M/TRIPLE "M"

12. The Defendants accept that the Claimant's marks are inherently distinctive and that they have acquired distinctiveness through use.

13. They accept in each case that they have used each of the Signs complained of in the course of trade and in relation to either identical or similar goods and services.
14. The 8th Defendant admits infringement of the Triple M Mark pursuant to section 10(1) of the Act by his use of Sign 3 on his Deliveroo menu. He avers in the defence that such use is not ongoing. KK, in his witness statement, says that this use was the result of a mistake made by a third party unrelated to the 8th Defendant.
15. The Defendants otherwise deny that they have infringed any of the Claimant's Marks as alleged or at all on the basis that there is no likelihood of confusion between the Claimant's Marks and the Signs complained of. In particular, they deny that there is any similarity between Sign 1 and the Morley's Red and White Mark.
16. Further, the 3rd Defendant, 4th Defendant and 6th Defendant deny that any use by them complained of is ongoing, as they say that each has ceased trading under the Metro's franchise.
17. The Claimant contends that KK is liable as a joint tortfeasor along with the Franchisee Defendants for the acts of infringement alleged against them in relation to their respective uses of Sign 1.

D. C's PLEADED CASE ON Ds' BREACH OF THE 2018 AGREEMENT

18. The Claimant alleges at paragraphs 19 to 23 of the POC that KK is in breach of the 2018 Agreement on the basis that:
 - i) his uses of Sign 2 and Sign 3 constitute an infringement of, and/or amount to passing off in relation to, the Triple M Mark, in breach of clauses 5.2 and 5.3 of the 2018 Agreement; and
 - ii) his use of Sign 1 amounts to passing off in breach of clause 5.3 of the 2018 Agreement and falls outside of the scope of permitted use of the "Metro's Signs" as defined in the 2018 Agreement.
19. The Claimant pleads that the 2018 Agreement confers no rights upon the Franchisee Defendants, who were not parties to the 2018 Agreement and were not even purported licensees of KK at the date the settlement was reached.
20. KK denies that he is in breach of the either clauses 5.2 or 5.3 of the 2018 Agreement and contends that no issue of joint tortfeasance arises. In relation to Sign 2, the 6th Defendant

and KK contend that there is no likelihood of confusion, as is also said by the 5th Defendant, KK and the 8th Defendant in relation to Sign 3.

E. THE COUNTERCLAIM

21. In the counterclaim, the Franchisee Defendants sought a declaration of invalidity and the revocation of both the Morley's Mark and the Morley's Red and White Mark, but Ms Watkinson confirmed in closing submissions they no longer pursue this claim. KK counterclaims against the Claimant for breach of the 2018 Agreement and groundless threats. The Claimant denies these claims.

THE ISSUES

22. This is a trial of liability only. A list of 26 issues was settled at a case management conference before HHJ Melissa Clarke and attached to the case management order dated 21 November 2023. Those that remain for determination at trial are set out and dealt with issue by issue in this judgment.

THE LAW

23. The relevant provisions of the Trade Marks Act 1994 for the purposes of the trade mark infringement claims in this case are section 10(1) and section 10(2)(b).
24. Section 10(1) TMA provides that a person infringes a registered trade mark if he uses in the course of trade a sign which is identical with the trade mark in relation to goods or services which are identical with those for which it is registered.
25. Section 10(2)(b) TMA provides that a person infringes a registered trade mark if he uses in the course of trade a sign where because the sign is similar to those for which the trade mark is registered, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the trade mark.
26. Likelihood of confusion must be assessed from the perspective of the "average consumer of the relevant goods and/or services, who is deemed to be "reasonably well informed and reasonably observant and circumspect". The characteristics and role of the average consumer have been discussed in numerous authorities but have been summarised most recently by Arnold LJ in *Lidl Great Britain Limited v Tesco Stores Limited* [2024] EWCA Civ 262 at [16] – [20].

27. The manner in which the Court should assess the likelihood of confusion for the purposes of section 10(2) TMA is also well established. They were set out by Kitchin LJ in *Comic Enterprises Ltd v Twentieth Century Fox Film Corporation* [2016] EWCA Civ 41 at [27] – [34], upon which Mr Pearson for the Claimant relies. Ms Watkinson for the Defendants refers me to another recent summary of Arnold LJ in *Iconix Luxembourg Holdings Sarl v Dream Pairs Europe Inc* [2024] EWCA Civ 29. I do not understand Counsel to have identified any differences in law between them.

WITNESSES

28. The Claimant relies on the evidence of Shan Selvendran, its managing director (“SS”). He gave a witness statement dated 13 February 2024, signed the Re-re-amended Particulars of Claim, Re-amended Reply and Re-amended Defence to Re-amended Counterclaim (which stand as evidence in IPEC) and also signed the Claimant’s responses to the Defendants’ Part 18 request of 5 March 2020. He attended court and was cross-examined.
29. I found SS to be a good witness. Ms Watkinson for the Defendants accepted in closing that he came across as honest and truthful who did his best to answer questions which were put to him as fully and clearly as he could, and she does not make any criticisms of him. I found him to be a thoughtful, careful witness and I am satisfied he is both credible and reliable. Unless I state otherwise, I accept his evidence.
30. The only witness for the Defendants at trial was KK. He gave a witness statement dated 13 February 2024, signed the Re-amended Defence and Counterclaim, attended court and was cross-examined and re-examined. The Franchisee Defendants all signed the Re-amended Defence and Counterclaim (which stand as evidence in IPEC) but none filed witness statements or participated in the trial. The Claimant has invited the Court to draw an adverse inference from the fact that none of the Franchisee Defendants chose to attend trial to give evidence in their defence. The Defendants submit that, as KK has stated in evidence, he has spoken to each of them and agreed that since he is the franchisor, there is no additional evidence that can be given by them to assist the court in determining this claim over and above what KK can give and disclose. I do not draw an adverse inference in these circumstances. The Franchisee Defendants have been operating their franchises with KK, and if they choose not to provide evidence in their defence, and rely on him, that is their prerogative.
31. There were a number of difficulties with KK as a witness. The first was that although he gave his witness statement in perfectly fluent English, his English was very poor. I was told

that he indicated to his solicitors that he would prefer to give oral evidence at trial through an interpreter as it would help him in understanding and answering questions, and they made a request of the Claimant for their consent to him bringing an interpreter. Firstly, as I indicated in open Court, I do not know on what basis they sought the Claimant's approval. The Defendants could not provide me with any rule of the Court requiring consent to be sought and given by another party. I am satisfied that is because there isn't one. It was for KK to organise and arrange for an interpreter at Court if he felt more comfortable giving his evidence in that manner. Second, the Claimant refused to give its unnecessary consent, on the basis, I was told, that KK fully understands English, is capable enough of running a business where he deals with suppliers, landlords and others in English, and besides, the unnecessary request for consent should have been made, in the Claimant's solicitor's view, earlier. Thus the Claimant compounded the Defendants' mistake. It was not for the Claimant to judge whether KK should or should not have the benefit of an interpreter. Third, the Defendants accepted this refusal, and attended Court without an interpreter. I expressed concern about his ability to fully participate in the trial, and said if that was a problem, it was one which would affect if the trial could go ahead, but was told by Ms Watkinson that KK did give instructions to his solicitors in English and was comfortable to give evidence in English, but would have been more comfortable with an interpreter as his English was slightly broken. I asked her to double-check that with her client, which she did, and said he was happy to proceed on that basis.

32. We then heard from the Claimant's witness.
33. When KK entered the witness box, it became apparent that his English was not good. However, as the cross-examination progressed, I felt that he was able to understand and answer the questions, with some assistance of repeated questioning and simplified language. The greater problem appeared to be that KK did not want to listen to the questions, but wanted to make speeches and repeat his talking points. On a very many occasions, he would talk over Mr Pearson before he could finish his question, despite repeatedly being reminded by the Court that he must wait for the question and listen to the question before answering. He often would not answer questions until I had asked them. Ms Watkinson submits this was because I clarified and simplified them so they were understandable, and although that may have been true on some occasions, on others it appeared to be because he treated me with a little more respect than Mr Pearson and was less prepared to talk over me or deliberately avoid answering my questions. KK was unwilling to make obvious concessions, refusing to admit, for example, that two identical photos of burgers were in fact identical; or stating that two near identical letter "M"s, or two near identical brick walls with white

grouting, were “totally different”; or even denying that his Sign 1 contained the word “Taste” or “three dots” (an ellipsis). I am satisfied this did not result from any failure to understand what he was being asked. I found KK evasive when being asked questions he did not want to answer, for example about the similarity in get-up between his stores and those of the Claimant. I have thought carefully about whether this was instead an issue of understanding, and scrutinised the transcript and my notes, but that only accounts for a small part of it in my judgment. He was absolutely adamant about evidence that he later had to retract when faced with photographic evidence it was wrong (relating to the chronology of his opening of Metro’s shops) which I consider was an attempt to mislead the Court. He gave some evidence about his negotiation of the 2018 Agreement with SS which I am satisfied on the balance of probabilities, for reasons I give later in this judgment, was untruthful. He was inconsistent in evidence he gave about how many franchisees, Metro’s stores and staff he had, providing what I consider to be changeable and exaggerated evidence. Mr Pearson in closing made similar criticisms of KK, but these are my own impressions. He did remind me that KK changed his evidence about the number of people employed across his franchise from 500 to 100 within the same sentence. Ms Watkinson accepts KK had difficulties in giving his evidence and described him as “*emotionally involved*” in the proceedings, saying he considered it to be a real injustice that they had been brought at all, but she submits he was honest and truthful and gave oral evidence which was consistent with his written evidence. I regret that I do not agree. There were significant inconsistencies and contradictions, and I found him to be unreliable and, on some occasions, lacking in credibility or actually untruthful. The Defendants have produced a table of times when they say that KK was pressed by Mr Pearson on questions that he had already given a clear answer to, which was handed up in closing submissions, but I do not recall any objections being made at the time, and it was often necessary for Mr Pearson to ask KK a question a number of times to ensure that it had been understood and properly answered, as evidenced by the fact that his evidence did change and clarify in his responses on occasion. I treat KK’s evidence with a great deal of caution and where his evidence conflicts with that of SS, in the absence of other credible corroborating evidence, I prefer the evidence of SS.

EVIDENCE

History of the Morley’s Brand

34. SS’s evidence is that Morley’s was set up by his father in 1985 with the intention of creating a fast-food franchise inspired by KFC. SS was not born until 1986 so he cannot give any direct evidence about the early years of the business and he does not know where the name Morley’s came from. He says that it started off serving fried chicken, burgers and ribs with

a simple menu mostly focussed on fried chicken and chicken burgers. It introduced chicken wings only in the 1990s when KFC introduced them to the UK market.

35. He believes that his father opened the first two Morley's stores himself, before beginning to franchise them in around 1988. He would help franchisees find suitable locations, provide them with access to Morley's suppliers, train them and oversee the start-ups. He says that most of the early franchisees were from his own Sri Lankan community, and Morley's was at the centre of that community in South London. His father's view was that Morley's should be for everyone and accessible to all, and so pricing was set to reflect that, and that policy continues.
36. SS said that Morley's reputation was built primarily by word of mouth and by being at the heart of the communities in which the shops were located. SS was asked by Ms Watkinson in cross-examination whether he would accept that the oral pronunciation of the name Morley's when spoken out loud was a key feature of its reputation among members of the public, or a primary way in which members of the public would recognise the brand and he said, *"I would say yes, it is definitely significant, it is significant for sure"*.
37. SS says that from day one, Morley's has always made use of the same logos, marks and branding. The Morley's Word Mark, the Morley's Red and White Mark with the strapline, the Triple M Mark and the MMM Mark had all been used since 1985. The Triple M Mark was used in the name of the Triple M burger and the Triple M meal, from the very first Morley's menu until today. He said in cross-examination that the Morley's Red and White Mark has always included a strapline *"MMM... It Tastes Better"* and he could think only of a very few occasions, usually when he was co-branding with others on merchandise, clothing or sauces, where the strapline was removed. However he said that he would *"always prefer 'MMM...It Tastes Better' to be there, because I do not want anyone to ever misunderstand that is Morley's"*. He was asked in cross-examination if his father deliberately copied the KFC sign in creating the Morley's Red and White Mark and he said, *"I think 'inspiration' is probably the right word"*.
38. SS said in his witness statement that because the marks had all been used together, *"All the marks were, and still are, synonymous with each other"*. In cross-examination he was asked whether the only overlapping feature or common element was the word *"Morley's"* and he drew an analogy saying, *"The best way I could describe it is if you have mother and father as Morley's and the children are the Triple M, so it is very much that you associate Triple M with Morley's and the MMM because of the strapline as well."* He agreed that he was

suggesting that the letter M was the common element between all of C's Marks. Of course, these are matters that I have to assess for myself.

39. By 1995 or 1996, he believes, Morley's had about 20 or 25 shops, and this rose to about 40 by the time his father passed away in 2002. After his father's death, his mother who had not previously been involved in the business, working as an accountant in her own career, was forced to take over Morley's and she ran it until SS graduated from university and became chief executive in 2009. His evidence is that Morley's currently has over 100 outlets of which five are owned by SS personally and the others are owned by franchisees.
40. The Claimant was incorporated in 1996 but SS is not able to explain why or how this happened. He said, *"I know is that Morley's had been operating for 11 years at that point and it therefore made sense for my dad to incorporate a limited company from which to continue growing the business."* He said in his witness evidence that the Claimant then held all the goodwill in the business and the Morley's brands from that point onwards. When asked about this in cross examination, he said that he did not have any written assignment or other documentation showing that the Claimant had taken ownership of the existing goodwill in the Morley's brand. However he assumed that the Claimant owned it because all of the franchisees had continued operating their Morley's franchises but paid their licence fees to the Claimant instead of his father. He said that if there was any doubt about whether the Claimant owned the brands, there would have been complaints, and he is not aware that there were any.
41. SS says that after his father's death his family received offers to purchase the Morley's brand, and one core supplier tried to create direct contracts with Morley's franchisees to cut the family out. His mother therefore took advice from a trade mark attorney and registered the Morley's Word Mark in 2002. SS said that between 2002 and 2005 the Claimant's business somewhat struggled and there was little growth in this period. SS said the Claimant had 38 stores in 2005.

Morley's after SS joined as CEO in 2009

42. When he entered the business in 2009, SS says he felt that although the Morley's brand was really well established, and *"synonymous with fried chicken for everyone in South London"*, he needed to win the confidence of all the existing franchisees, and he did so by introducing a number of very successful new franchisees who all wanted to open multiple stores. This helped grow the Morley's brand and the Claimant's business. SS took the view that the Triple M mark was a very valuable asset to the business as *"everybody recognised the name"*

of the famous Morley's burger and it was iconic", so he registered the Triple M Mark also in 2009.

43. SS's evidence is that Morley's began to have a significant digital presence, and this spiked a growth in the business and the Morley's Brand in around 2017. He said that part of this arose from the growth of music from South London artists who referenced Morley's, and lead to marketing collaborations with musicians and also national and international brands and institutions, and part of it related to the proliferation of delivery apps and services such as Deliveroo and Uber Eats.
44. In relation to music, he points to the British rap artist Stormzy, who referred to Morley's in the track 'Wicked Skengman Part 4' of May 2015, and his music video for 'Big for your Boots' which was filmed inside a Morley's in about February 2017. Another artist, Krept, wrote a song called "Morley's Freestyle" in around 2019, shot the music video for the track outside a Morley's store, and used a full-sized prop of the Morley's store frontage on stage during his concert at the O2 Arena in 2019. SS's evidence is that he spoke to Stormzy in November 2023 who *"...spoke about his childhood memories of Morley's for over an hour, growing up during the 2000's. He used the word "heritage" and I always hear that word from people when talking about Morley's. Although I didn't appreciate it when I was younger, I now realised how important Morley's is (and was) to a huge number of people... people feel a connection with Morley's and view the brand as part of their life and heritage"*. SS has disclosed a number of articles which refer to Morley's as "iconic" or "an institution", and says the name and signage *"is instantly associated with fried chicken and burgers amongst a high proportion of people living in South London"*. He says that it is this reputation which has enabled Morley's to collaborate on marketing with brands such as Heinz, Adidas, eBay, Spotify, Nike, Tate Modern and the Prince's Trust, and to be featured in an Oscar- and BAFTA-nominated short film, called "No more wings" in 2020, which was shot inside a Morley's store.
45. In relation to delivery apps and services such as Deliveroo and Uber Eats, SS says that from 2017 this changed the Claimant's business and increased the reach and awareness of the brand, such that Claimant's turnover on delivery at £16.5m per year is about 50% of the total of over £32m per year.
46. SS says that since he became CEO of the Claimant he has never had a Morley's store or franchise close due to bad performance. He says that one store, on the New Kent Road, closed because the franchisee decided to open his own chicken shop under his own brand, and avoid paying Morley's franchise fees. However, he says, that ex-franchisee has

approached him multiple times since to become a Morley's franchise again because his business was struggling without being associated with the Morley's brand.

47. SS says that the Claimant successfully registered the Morley's Red and White Mark in September 2018, incorporating both the Morley's logo and the strapline "MMM... It Tastes Better" which had been used since the very beginning of the brand in 1985, and which he considered to be a very valuable asset of the Claimant, in order to further protect the Morley's brand which had been used for over 30 years by his father and the Claimant.
48. SS's evidence is that Morley's average consumer now is aged between 13 and 32. He says there is one group of customers who are made up of school-aged children, young people and families, and another group of late-night customers who are university aged and above. He said *"As my Dad intended, Morley's has always been a place for people to meet up and get a hot meal in safety. There is a spike of activity across all Morley's around lunch time, tea time and then once again later at night. Most stores operate from 11 until 11 but some stores have a late licence for operating into the early hours. Such stores see a significant amount of custom from people who have been out drinking and enjoying the local nightlife."*

Morley's involvement with KK

49. SS's evidence is that Morley's faced a constant battle with imitators, and the first one that he became aware of, in around 2010, was KK. He said that when driving through the Ladywell area of Lewisham, where SS lives, he noticed a new shop being fitted out. He heard through his brother that the landlord's son was saying that it was going to be a Morley's which he knew was not the case. He then discovered that the landlord had applied for planning permission stating, incorrectly, that it was going to be a Morley's. When it opened, he said it was called "Mowley's", and used branding and logos which he considered imitated the Morley's branding. He said he visited KK to tell him that he could not infringe Morley's trade marks in that way, and although they had discussions, they were not fruitful. Accordingly, he commenced a claim and obtained an injunction against KK on 16 November 2010. His evidence is that KK changed the name of his shop to "Best Fried Chicken" for a period of time before changing it to "Metro's".
50. KK describes this differently. In his witness evidence he says that he opened his first chicken shop in 2009, in Rushey Green, under the name "Best Mowley's", with the intention of creating a brand that he could franchise to others in the future. In cross-examination he agreed that he was aware that Morley's existed as a brand, as he had seen

their shops. He did not agree that “Mowley’s” was very similar to Morley’s. It was noticeable that the way he pronounced both words in evidence were indistinguishable from each other, although he denied it when it was put to him. He said that he added “Best” to Mowley’s” as he wanted people to know his brand was totally different, and he believed it achieved that. He agrees that SS approached him, but says this was after he had received a letter from the Claimant stating that the sign “Best Mowley’s” infringed the Claimant’s rights in “Morley’s”. He does not give an account of the conversation with SS. He said after taking legal advice he did not hear anything further in relation to the matter until he received a judgment from the Court ordering him to stop using the “Best Mowley’s” sign and not use it in the future.

51. KK then gives the following chronology in his witness statement: in 2013, he opened a new chicken shop at 85 Ladywell Road, SE13, and named it “Metro’s”. He said this was the first Metro’s store. He opened a second Metro’s shop at 21 Rushey Green, where he had formerly run “Best Mowley’s”, in or around 2015. In 2017 he said he franchised Metro’s for the first time to Sangeeth Varatharasa who opened a Metro’s shop on Portland Road. By the time of his witness statement in February 2024 he said he had over 19 franchised outlets. He said he had previously had 28, but 9 franchisees had left as a result of this litigation.
52. He was questioned closely about this chronology by Mr Pearson on the first day of trial. Mr Pearson put to him that he did not open his first Metro’s shop in 2013, because until July 2015 that premises at 85 Ladywell Road was an outlet named “Hunger Hut”. KK denied it, accepted it was a Hunger Hut until 2012, but said that at the end of 2012 he bought the lease and opened his first Metro’s there in early 2013. He was adamant on the date when pressed, saying *“I can tell you hundred times or thousand times”*. Mr Pearson then put it to him that his evidence that he opened a second Metro’s shop at 21 Rushey Green was not correct, as until July 2016 that was a “Best Fried Chicken”. KK said he had only operated it as a Best Fried Chicken after he was stopped from using the “Best Mowley’s” brand in 2010 until 2015, when he changed it to Metro’s. Again, he said he was certain about this date.
53. However, on day 2 of the trial, as cross-examination of KK continued, Mr Pearson attended with a number of street images from Google, obtained from the Wayback machine. Ms Watkinson did not object to their introduction into evidence. Those illustrated that, as Mr Pearson had put to KK the previous day but KK had denied, Ladywell Road was a Hunger Hut from at least May 2012 until June 2015, so could not have become the first Metro’s until after that date, and the Rushey Green store was a Best Fried Chicken from May 2012 to at least July 2016. KK accepted that is what those images showed, as he had to. I am satisfied on the evidence from those images that the first Metro’s shop was not opened until

sometime after June 2015, and the second not until sometime after July 2016. KK said that these were simple mistakes, because he could not remember the exact dates, although I note that he had been adamant about them the previous day. He denied, when Mr Pearson put it to him, deliberately giving false evidence in his witness statement and earlier oral evidence in order to mislead the court that he had opened a Metro's before he had in fact done so. He said that he did not use computers and so had no data to call on but his own memory, and that was mistaken. I did not find him convincing on this point. I think he would remember the year in which he opened his first Metro's shop. I regret to say that I believe he was seeking deliberately to mislead the court.

Settlement negotiations and agreement

54. SS's evidence is that he discovered that KK had registered the "Mowley's" mark as a UK trade mark in 2016, despite the injunction still in force and notwithstanding that he had changed the name of his shop to Metro's. He also discovered that KK had tried to register "Metro's" as a UK trade mark, but this had been refused due to opposition by Associated Newspapers Limited. The Claimant wrote to KK to object to the "Mowley's" mark and also to his use of "Metro's". He said after this correspondence, and since SS lived in Ladywell and walked past KK's shop every day on his journey to work, KK would wait outside his Metro's shop for him and try to speak to him on a daily basis. Eventually they did meet and had discussions. SS said that KK made clear that he would remove the "Mowley's" trade mark from the register if the Claimant permitted him to use the "Metro's" sign. SS said KK told him he was the only person using the Metro's sign, but one other person was using the Mowley's brand (a man called Ameen) who KK said would stop using the Mowley's name and instead, like him, use the Metro's brand. SS's written evidence is that *"Given the very limited extent of our agreement, and on the additional basis that he could not change the Metro's sign so as to make it more like our Morley's signs, I therefore agreed"*. SS says that KK never told him that he intended to franchise the Metro's brand, and if he had done so, he would never have entered into the Settlement Agreement. He said *"When we signed the settlement agreement, it was always my belief and intention that the agreement would allow only [KK] and Ameen to use the Metro's sign. No one else... [it] was to regulate what [KK] and Ameen were doing. It was to allow [KK] to use the Metro's sign (being the particular and exact sign agreed and set out in the agreement, subject to limited alteration which would not make it noticeably closer to the Morley's marks), and to force Ameen to change from Mowley's to Metro's. I would never have agreed if I knew that [KK] was going to use it to mislead more people into thinking that he had the ability to grant them franchise*

agreements on the basis that they could use the Metro's sign without objection from ourselves".

55. SS's written evidence was that he understood the 2018 Agreement to allow KK to use the particular and exact Metro's sign as depicted in Annex A, "*subject to the limited alteration which would not make it noticeably closer to the Morley's marks*". In cross-examination he said that he did not consider that any changes or modifications made to the Settlement Sign which would bring it closer to the Morley's Red and White Mark would be reasonable, as the purpose of the Settlement Agreement was to try to reach a compromise whereby KK, who he had been dealing with as an infringer or potential infringer for 8 years, could be allowed to get on with his business under a sign which the Claimant could live with. He said that specific features were added to the Settlement Sign to try and distinguish the Metro's brand from the Morley's brand, including the electric blue border around all four sides of the Settlement Sign. However, KK changed it in use to remove the blue border at the bottom of the signs. SS's oral evidence was that by eliminating it, he was bringing it closer to looking like a Morley's, and that any modification which made the Settlement Sign look more similar to the Morley's Red and White Mark was not, in his view, a reasonable modification for the purposes of the 2018 Agreement. SS said that KK also changed the agreed electric blue border to a very dark blue which looks dark navy at night and loses its distinctive nature.
56. The Claimant also complains about the addition of the strapline to Sign 1, when there is no strapline in the Settlement Sign. SS said in cross-examination that he did not object to a strapline *per se*, but he did object to the way KK had added it, namely the format and placement to bring it visually closer to the Morley's Red and White Mark, the white colour, the similar words with an intentional use of capital letters on each, the use of the ellipse. He said it "*added meat to the bone of what I feel is an unreasonable modification*", and that it was done intentionally, "*to ensure that people viewing the sign quickly or at a distance simply see a red and white logo with a big M, a strapline, ellipses, and the intentional use of capitals in order that they believe that it is the Morley's mark*".
57. KK's evidence is that when he first sketched out his ideas for his Metro's brand in 2012 he sketched the Metro's sign on a piece of paper. That included white writing on a red background and "a strapline which stated that we were the "real taste". He took it to a signwriter and asked him to design the Metro's Logo. He says that he designed the logo that all of the Metro's stores still use on the signboards today. The photograph he has included in his witness statement is Sign 1, with further writing underneath saying, "Fried Chicken & Burgers – BBQ Ribs – Wings" and two photographs on either side, one of a burger and one

of a chicken burger. There is also a narrow blue border along three sides of the sign, but not at the bottom.

58. I do not accept his evidence that this signboard has remained unchanged since it was designed in 2012, first, because we have now established that he did not open a Metro's until after June 2015 so I think it was unlikely that he had designed a shop sign as early as 2012 and second, because I prefer SS's evidence that the electric blue border came out of the settlement discussions and was not something that KK had used before. This was something which KK eventually accepted in cross-examination.
59. I am also not convinced that the strapline "*...It's The Real Taste*" was on KK's Metro's sign before the 2018 Agreement was signed. KK said that it was always there. SS said it was not. KK's written evidence is that when the 2018 Agreement was being negotiated, he asked SS why they were not including within it his Metro's sign with the strapline "*...It's The Real Taste*", and SS "*assured me not to worry and told me that he would let me continue using the sign with the strapline, but told me just to sign the Agreement*". Accordingly, he says, he signed it and continued to use the sign as before, which includes Sign 1, with the strapline. He says that he considered using the Settlement Sign with the strapline was a reasonable modification. It was put to him by Mr Pearson in cross-examination that was not true, but he said it was the truth. He then said that he spoke to his lawyer about it and his lawyer said, "*don't worry we have a reasonable modification, you can use any time not to worry, you sign the agreement*".
60. I prefer the evidence of SS and find that there was no such conversation at the time of the negotiation of the Settlement Agreement, and that KK's evidence on this point is simply untruthful. On balance I find that it is more likely than not that KK did not use the strapline before the 2018 Agreement at all, and only began to use it afterwards.
61. SS says that he knew Metro's shops began opening from early 2019. The first one was a few doors down from a Morley's shop in Peckham High Street. He discovered that had in fact been opened by one of the Claimant's own Morley's franchisees. After a discussion with SS, in which SS told him he was in breach of his Morley's franchise agreement by opening another fried chicken store, and also using a logo which infringed the Claimant's trademarks, the franchisee closed his Metro's store immediately and retained his Morley's franchise. SS says more Metro's began to open during 2019 and some of these were being opened by past imitators of Morley's, against whom the Claimant had obtained injunctions in IPEC. These included those who had previously opened stores under the names

“Mawley’s” and “New Morley’s”. Metro's stores were also opening in the general locale of existing Morley’s stores.

62. The Claimant has mapped the locations of Morley’s and Metro’s stores and notes that the Metro’s stores are all located within 400 metres to 1.2 kilometres of an existing Morley’s store. Morley’s opened its first store outside of London and the southeast in Birmingham in 2022, and Metro’s opened an outlet a mile down the road in Birmingham a matter of months later. In cross-examination, KK said that he never paid any attention to where Morley’s stores were located when making a decision about where to grant franchises. His evidence on this point was a little confused, and it seemed to me that he wanted to avoid the questions, dismissing the Claimant’s maps of locations of Morley’s and Metro’s stores with a wave of the arm, saying that he was not in the map business but in the franchise business and the two were separate. Although he agreed that the location of Morley’s stores and Metro’s stores on the maps he was taken to were accurate, he would not be drawn on whether they were close to each other. The gist of his evidence was that he would make decisions on a case by case basis. He said he relied on potential franchisees to come to him with a proposal, and if he considered it was an area containing people happy to eat his food, and if the franchisee passed his checks, he would agree to the franchise. Mr Pearson asked him if it was merely coincidence, or chance, that Metro’s opened close to Morley’s and he said he did not understand the question, saying *“You are asking wrong question. I am upset”*. However he denied opening Metro’s to be close to Morley’s. In relation to the Birmingham store, KK said that he did not even know where Morley’s was located in Birmingham. I don’t accept his evidence on these points. I do not consider it likely that he would have agreed to open a Metro’s outlet without knowing exactly where his competitors were nearby. I think it is more likely than not that KK considered any location which was good enough to justify a Morley’s opening was worth considering opening a Metro’s nearby, and so those locations were not merely coincidence.
63. SS says the Claimant was also increasingly concerned that the sign being used on the new Metro’s stores was not the Settlement Sign that had been agreed. He said it was clear that KK and the Defendants, as well as other more recent franchisees of Metro’s stores who are not defendants in these proceedings, were altering the Settlement Sign to make it much more similar to the Morley’s branding. He also notes that the franchise agreements which have been disclosed by the Defendants as being in place between KK and the Franchisee Defendants, contain a Metro’s logo licensed for use by the franchisees which is not the same as the Settlement Sign.

64. SS provides some evidence of confusion amongst members of the public which the Claimant says shows that they believe the Metro's Sign is, or is somehow connected to, the Morley's brand. He gives one example of being asked what he did for a job by the barista in a coffee shop opposite a Metro's store. When he said he worked at Morley's, the barista pointed to the Metro's store and said, "*Oh that one there?*" He had to explain that he works at Morley's and the shop across the road was a Metro's.
65. SS gives evidence about the similarity in get-up between Metro's stores and Morley's stores. He says that Metro's have copied the interior closely, including red-brick walls with white grouting, the red and white colour scheme carrying through into the tiles under the front counter (Morley's being checkerboard squares, Metro's being round spots), and the identical billboard-style artwork on the side wall, of a distinctively styled woman eating a burger. I have seen photographs showing these features and I accept his evidence. KK was asked about these similarities and was evasive, refused to acknowledge almost any of them, and said that he had never been into a Morley's shop so did not know if they were similar. I found him unconvincing, and I do not believe he was telling the truth. In my judgment KK's untruthful evidence that: he developed Sign 1 in the form in which it now is in 2012, the year before he opened his first Metro's store; that 2013 was the year he opened his first Metro's store; that he had been using a sign with a blue border around it and a strapline since before the 2018 Agreement; that he had never been into a Morley's shop so could not have copied the get-up; that the identical colour-scheme, bricks and advertising photographs and similar tiles in Metro's stores were not copied from Morley's stores; were deliberate untruths intended to mislead the Court. I am satisfied that he intended to, and did, get-up Metro's shops, and develop Sign 1 after the 2018 Agreement, so that they would look as similar to Metro's shops and Morley's Red and White Mark as he thought he could get away with.
66. There is evidence of third parties noting the similarities in get-up of the stores. The Claimant relies on a YouTube video created by a YouTube creator known as The CNSR who visits and posts reviews of fried chicken shops under the name "The Pengest Munch". In episode 36 he is in Stoke Newington and says in the introduction "*We're here to go to Morley's, what looks like a reborn Morley's*". The camera shows him and a companion going towards a Metro's store. The video cuts to him sitting on a bench eating the food he has purchased, and he says "*So just went to ...Metro's. Metro's is the name. Boy, is that a reborn Morley's but they came certified.*" After reviewing the fries, wings and a chicken burger he says "*It's a new shop, nice presentation. You know they are winning by association, they look like Morley's, maybe if you were – maybe if you needed glasses and*

weren't wearing your glasses, you would think "Oh right, Morley's - what? We're in East London, alright?""

67. The Claimant also relies on a TikTok video in which the creator @m.combe07, who also reviews chicken shops, visits the Portland Rd Metro's store. As he is about to enter, he looks up at the fascia of the shop, does a double take and says, *"I thought this was Morley's!"*. He notes that there is no hygiene rating on the window, and looks it up online to find that it has a zero rating. On entering he notes the get-up of the store, saying *"Bossman has the Morley's logo... shit – shit - he is even doing it to a T, man."* He goes on to refer to the chicken that he buys as a *"deepfake Morley's"* and notes that, as is captured on camera, that the server who serves him is wearing *"a whole Morley's uniform as well"*. The creator concludes by saying that Morley's *"needs to sue their ass for trademark infringement basically"*. KK accepts that the video shows an employee serving in a Metro's store wearing a Morley's uniform, but says that is someone who also works at Morley's, and should have changed into the Metro's uniform t-shirt instead. I am willing to accept that explanation, but it leads one to wonder how often that happens.
68. The Claimant also relies on comments on X/Twitter as indicating confusion amongst the general public. These include:
- i) "A fake Morleys called Metros. Wtf."
 - ii) "WHY TF IS THERE A MORLEYS KNOCK OFF MY BLIND ASS WANTED TO ORDER MORLEYS I FRICKING ORDERED METROS, WTF IS METROS?!!"
 - iii) "Genuinely how have morleys not sued metros for their logo lol"
 - iv) "Did Morley's rebrand as metros or something"
 - v) "Odd trend lately – Morley's seem to be devolving into same-colour-new-name variants. Seen "Marley's", "Mawley's", "Maaley's", "Metro's" etc"
69. The first three of these seem to be people who have identified Metro's as being a different entity to Morley's, but considering Metro's to be so similar to the Claimant's shops to amount to "knock-offs". The second two appear to show genuine confusion about whether Metro's is a new name for Morley's, or a variant of it. I am satisfied that was KK's intention in his choice of get-up of Metro's stores, including the use of Sign 1.
70. SS says that the Defendants' use of "MMM" and "Triple M" has also caused wide spread confusion amongst customers and that the Claimant has received reports of, and witnessed,

the Defendants' use of these in relation to burgers on various delivery platforms and in Metro's stores. However in cross-examination he could not provide any details of this confusion, and I do not consider that I have evidence of actual confusion arising from this use. KK says that the use of Sign 2 and Sign 3 are mistakes which have arisen because his signwriter, used to supply signage across the Metro's franchise, in a few isolated instances mistakenly supplied old menu boards. He says that once notified of the alleged infringements by the Claimant, he took steps to remove all references to Sign 2 and Sign 3 from his menus, and instructed the 6th Defendant and 5th Defendant respectively to do the same. On balance, I think this is unlikely. I find this was an example of the Claimant seeking to bring his offering closer to that of Metro's, but realising he had gone too far.

71. As regards the other Defendants, SS's written evidence is that although the 3rd Defendant has claimed that he ceased trading in April 2021, SS recently attended his premises in Mitcham, and it remains a Metro's store. KK's evidence is that the Mitcham shop remains a Metro's, but under different ownership, the 3rd Defendant having sold the franchise to another in April 2021 and opened a new business in New Cross. KK was asked in cross-examination why, if the 3rd Defendant had left that shop in April 2021, he had disclosed a picture of the Mitcham Metro's shop front in December 2023 and KK had no real answer to give. KK's evidence is that this litigation has adversely impacted his business, as he has lost 9 franchisees who have told him they no longer want to operate because of the litigation, and he has been unable to attract franchisees for the Metro's brand because of it. His evidence is that he believes he would have 50 franchisees now if this litigation had not been hanging over his business. He says that he has also suffered financial losses in the business as he has not charged franchise fees and in some cases franchisees have refused to pay fees, while the litigation was ongoing. KK has not provided any documentary or other evidence to support these contentions. Given my concerns about the credibility and reliability of his evidence, and my findings that he has not been honest about some of his evidence in order to mislead the court and strengthen his case, I treat this evidence, too with caution. I make no findings at this stage about whether he has suffered losses as described or at all.
72. SS notes that the 4th Defendant has changed the name of his store to "META" and the 6th Defendant to "DIYA". He believes that this amounts to an acceptance by them that they have infringed the Morley's Marks and needed to change their names. The other Defendants, he believes, continue to trade as Metro's.

ISSUES

73. I find it convenient to take the first two issues out of order.

Issue 2: Who is the average consumer of the Claimant's goods and services?*Submissions*

74. I remind myself that SS's evidence was that the Claimant's average customer was aged between 13 and 32, mostly school, college and university age and families with children, as they have less disposable income and Morley's food is relatively low cost. He described a spike of activity across all Morley's stores around lunch time, tea time, and then once again later at night and for some stores with a later licence, into the early hours. The night and particularly late night customers are often impaired by alcohol.
75. The Claimant's case is that the average consumer is likely to be a member of the general public who will select a fried chicken restaurant mainly by viewing the shopfront or seeing an advert or a mention in other media, and is likely to pay a low degree of attention given the casual and relatively low-value nature of the purchasing decision.
76. The Defendants' pleaded case is that the average consumer pays a 'normal' amount of attention. Mr Pearson made the fair point that "normal" means different things in different contexts, so that a normal degree of attention for a NASA astronaut needing to select some lenses would be extremely high. He submits that a normal degree of attention in this context, namely consumers selecting a fried chicken takeaway by the shopfront, possibly at night, or from an advert on a delivery service website, is a low level of attention, and that this is supported by SS's evidence.
77. In closing, Ms Watkinson appeared to adopt SS's evidence of the majority of the Claimant's customers having the characteristics of the average consumer. She submits that such an average consumer would pay at least a medium degree of attention because they have less disposable income and so will be more careful how they spend it.

Determination

78. I accept the Claimant's submission that, per Floyd J (as he then was) at [31] of *London Taxi Corporation Ltd v Frazer-Nash Research Ltd* [2017] EWCA Civ 1729, "*...the notion of an average consumer requires the court to consider any relevant class of consumer, and not to average them.*"
79. In my judgment there are two classes of average consumer to consider in this case. One is the class made up of children, young people, students and families, who buy at lunch, at teatime and into the evening and have low disposable income. They will choose a chicken fast-food shop by convenience of location and shopfront, or from an advert on a delivery

website, with a medium to low degree of attention. I do not accept the Defendants' submission that the fact that they are low income means they will pay greater attention, as they will be selecting the shop once they have taken the decision that they can afford and will buy such a meal. There is no evidence before me that there is any significant difference in price between comparable meals from Metro's and Morley's or other such fast-food outlets.

80. The second class of average consumer is the late-night and early-morning revellers described by SS who are likely tired, hungry and a significant subset of which will be intoxicated. They will also choose by convenience of location, shopfront and what is open late, and in my judgment will pay a low degree of attention.
81. It is enough for one of those classes of average consumer to be confused for there to be a likelihood of confusion in relation to that class.

Issue 1: Do C's Marks comprise a family of marks?

Law

82. The principles relating to establishing a family of marks were set out by Arnold J, as he then was, in *W3 Ltd v easyGroup Ltd* [2018] EWHC 7 (Ch) at [234] and [235]

"234. *Family of marks*. Where it is shown that the trade mark proprietor has used a "family" of trade marks with a common feature, and a third party uses a sign which shares that common feature, this can support the existence of a likelihood of confusion. As the Court of First Instance (as it then was) explained in Case T- 287/06 *Miguel Torres v Office for Harmonisation in the Internal Market* [2008] ECR II-3817:

"79. As regards the applicant's argument that its earlier marks constitute a 'family of marks' or a 'series of marks', which can increase the likelihood of confusion with the mark applied for, such a possibility was recognised in BAINBRIDGE and confirmed in Case C-234/06 P *Il Ponte Finanziaria* [2007] ECR I-7333.

80. According to that case-law, there can be said to be a 'series or a 'family' of marks when either those earlier marks reproduce in full the same distinctive element with the addition of a graphic or word element differentiating them from one another, or when they are characterised by the repetition of the same prefix or suffix taken from an original mark (BAINBRIDGE, paragraph 123). In such circumstances, a likelihood of confusion may be created by the possibility of association between the trade mark applied for and the earlier marks forming part of the series where the trade mark applied for displays such similarities to those marks as might lead the consumer to believe that it forms part of that same series and therefore that the goods covered by it have the same commercial origin as those covered by the earlier marks, or a related origin. Such a likelihood of association between the trade mark applied for and the earlier marks in a series, which

could give rise to confusion as to the commercial origin of the goods identified by the signs at issue, may exist even where the comparison between the trade mark applied for and the earlier marks, each taken individually, does not prove the existence of a likelihood of direct confusion (BAINBRIDGE, paragraph 124). When there is a 'family' or a 'series' of trade marks, the likelihood of confusion results more specifically from the possibility that the consumer may be mistaken as to the provenance or origin of goods or services covered by the trade mark applied for and considers erroneously that that trade mark is part of that family or series of marks (*Il Ponte Finanziaria*, paragraph 63).

81. However, according to the above case-law, the likelihood of confusion attaching to the existence of a family of earlier marks can be pleaded only if both of two conditions are satisfied. First, the earlier marks forming part of the 'family' or 'series' must be present on the market. Secondly, the trade mark applied for must not only be similar to the marks belonging to the series, but also display characteristics capable of associating it with the series. That might not be the case, for example, where the element common to the earlier serial marks is used in the trade mark applied for either in a different position from that in which it usually appears in the marks belonging to the series or with a different semantic content (BAINBRIDGE, paragraphs 125 to 127)."

235. I do not understand it to be in dispute that it is not necessary for this purpose for all of the trade marks in the family to have been registered at the relevant date, provided that at least one was registered, and a number were in use."

83. There is no dispute between the parties on the legal principles set out above. Where there is a dispute is on the question of how many marks it takes to make a family or series of marks. The Claimant says two is sufficient, the Defendants say there must be at least three. Neither have put any authority before me on this point and as will become apparent below, I do not need to determine it. Accordingly I will leave that argument to another case in which it does require determination.

Submissions

84. The Claimant submits that the C's Marks have been used together since 1985 for the goods and services for which they are now registered, and they share distinctive characteristics which support a finding that they are a family of marks, including:
- i) There is a common element in the word "Morley's" in respect of the Morley's Mark and the Morley's Red and White Mark;
 - ii) The Morley's Mark is nearly identically incorporated into the Morley's Red and White Mark, save for a colour difference and subtle differences in the fonts such that it is nearly subsumed in the Morley's Red and White Mark;

- iii) The distinctive form of the letter “M” in the word “Morley’s” is present in both the Morley’s Mark and the Morley’s Red and White Mark ;
 - iv) The triple “M” in the Morley’s Red and White Mark is identical in concept to the Triple M Mark and could be said in the same way which would make them orally and conceptually identical;
 - v) The “M” in the Triple M Mark makes reference to the distinctive “M” in the Morley’s Mark and the Morley’s Red and White Mark;
 - vi) C’s Marks have been used across all Morley’s restaurant franchises in a variety of manners, including but not limited to signage, menu cards and boards, marketing and promotional material;
 - vii) The same logos, marks and branding have been used, together, in the Morley’s fast food business, since 1985. SS’s evidence is that they “*were, and still are, synonymous with each other*”.
85. Mr Pearson submits for the Claimant, “*When they see Triple M they think of “mmm...”, the triple “M” in the Morley’s Red and White Mark, they think of “M” for Morley’s, it is all connected, in my submission.*”

Determination

86. I accept, as do the Defendants, that there is a common element in the name “Morley’s” which appears in two out of three of C’s Marks. However I accept the Defendants’ submission that the common element “Morley’s” is not used in the Signs complained of so cannot support the existence of a likelihood of confusion per *W3 Ltd v easyGroup Ltd* at [234].
87. I also accept, as do the Defendants, that there is a common element of the letter “M” in all of C’s Marks. However I accept the Defendants’ submission that it does not get off the ground for connecting C’s Marks as a family as it is not sufficiently distinctive as an element itself, being merely a single letter, and nor can C’s Marks be said to be “*characterised by the repetition of the same prefix or suffix taken from an original mark*” by reason only of that common letter “M” (per *Miguel Torres v OHIM* at [80] cited in *W3 Ltd v easyGroup Ltd* above).
88. In relation to the common element of the stylised letter “M” in the Morley’s Mark and the Morley’s Red and White Mark, I accept the Claimant’s submission that this is a distinctive

form of the letter “M” present in both marks, but it cannot be said that these two marks “reproduce in full the same distinctive element with the addition of a graphic or word element differentiating them from one another” per *W3 Ltd v EasyGroup*. That is because they do not reproduce in full the same distinctive element at all. That would be the word “Morley’s” as a whole, with the addition of the “MMM... It Tastes Good” strapline as the graphic element in the Morley’s Red and White Mark differentiating them from one another. If the stylised letter “M” is taken as the full distinctive element, then what has been added includes “orley’s”, and this is not an addition which differentiates one mark from the other, because it is found in both. As I have already noted, the “Morley’s” is not used in the Signs complained of so cannot support the existence of a likelihood of confusion.

89. I do not accept the Defendants’ submission that the Triple M Mark is conceptually unrelated to the Morley’s Red and White Mark but nor do I assess it as conceptually identical as the Claimant submits. In my judgment the “MMM...” in the Morley’s Red and White Mark, found as it is in the context of a sentence forming the strapline, is likely to be seen, pronounced and conceptually understood by the average consumer as one long “mmm” sound, i.e. as the familiar expression of pleasure in something tasty. “Triple M” is a somewhat oblique reference to the “MMM...” in the strapline of the Morley’s Red and White Mark, which I am satisfied many consumers would miss. They might think the “M” relates to Morley’s and this is a triple burger, for example, or simply not think about the reason it was chosen. I am also satisfied that few if any consumers would look at the words “Triple M” and read, pronounce or understand it as “mmm”. Similarly I am satisfied that few if any consumers would look at the strapline “MMM... It Tastes Better” and read or pronounce that as “Triple M... It Tastes Better”. That seems to me to be extremely unlikely (but note that I have a different view when “MMM” is used in a different context, see the discussion in relation to Issue 7 below). I do not consider those visually and aurally different, and conceptually only obliquely similar, elements are a “common element” sufficient to found a family of marks.
90. For those reasons, I find that C’s Marks do not comprise a family of marks.

Issue 3 – Have any of C’s Marks acquired an enhanced distinctiveness through use?

91. The Defendants have conceded that C’s Marks are inherently distinctive and have enhanced distinctiveness because of the use made of them. That concession is a sensible one and without it I would have found such enhanced distinctiveness, because of: the length of use of all of C’s Marks since the very beginning of the Morley’s business; the dominant market share of the fried-chicken shop market particularly in South London but now further afield;

the attractiveness of the Morley's brand to franchisees who have opened over 100 Morley's stores; the extensive evidence I have heard about awards and plaudits gained by the Claimant, its co-branding deals with major international brands including Nike and Heinz; its importance to those growing up in South London in particular, as represented by local musicians in their music, videos and interviews; and the high value of the Morley's business disclosed in the Claimant's accounts.

92. Given that concession, Ms Watkinson in closing accepted that the evidence I heard about goodwill in C's Marks has limited relevance. As such, the issue about whether the Claimant is the owner of the goodwill in C's Marks which arose when the business was in SS's father's name appears also not to be pursued by the Defendants. If it had required determination, I would have found on the balance of probabilities that it had passed to the Claimant for the reasons that SS gave in his evidence: that all of the existing franchisees at that time continued to pay franchise fees, but paid them to the Claimant and not his father directly; that he was not aware that any complaints were made; and that the Claimant has continued trading under C's Marks for the decades since, accruing significant further goodwill since then.

Issue 4 – Is Sign 1 similar to the Morley's Red and White Mark?

Submissions

93. The Claimant submits that both are visually highly similar in that:
- i)** both use white lettering on a background in an identical or highly similar red;
 - ii)** Sign 1 uses identically the distinctive form of the letter "M" as the first letter of the main word;
 - iii)** the layouts of Sign 1 and Morley's Red and White Mark are highly similar, being a main word with highly similar structure and highly similar larger font, set above a strapline beginning after the drop of the letter "M";
 - iv)** the use of a similar strapline with shared elements (It, Taste, and an ellipse) and conveying a highly similar concept of good taste ("...It's The Real Taste" in Sign 1 and "MMM... It Tastes Better" in the Morley's Red and White Mark). It submits that on a global comparison, the signs are highly similar.
94. The Defendants deny that there is the required level of similarity between Sign 1 and the Morley's Red and White Mark. They submit that:

- i) the dominant element of Sign 1 is “Metro’s” and the dominant element of the Morley’s Red and White Mark is “Morley’s”, which are completely different brand names for entirely different brands and would be recognised as such by the average consumer;
 - ii) the colour red used in each of Sign 1 and the Morley’s Red and White Mark is very commonly used in branding for fast-food restaurants, as was the evidence of both SS and KK, and is not distinctive of Morley’s;
 - iii) within the context of a crowded marketplace such as fast food outlets, the colour red in branding will have a low level of distinctiveness in the context of a sign and the average consumer will place greater focus on any word elements to distinguish between signs;
 - iv) they dispute that the shade of red used in Sign 1 is identical to that used in Morley’s Red and White Mark.
95. Ms Watkinson in closing sought to rely on SS’s *“confirmation... that the oral pronunciation of Morley’s lies in its reputation”* – I think she meant this the other way around, i.e. that the reputation of Morley’s lies in its pronunciation – but this was not SS’s evidence. He accepted that the pronunciation of Morley’s was *“significant”* in developing that reputation, but not more.

Determination

96. I agree with all of the visual similarities identified by the Claimant and set out above. The dominant element of each of Sign 1 and the Morley’s Red and White Mark is the brand name, which although different do present similarly with a closely similar but not identical italic font, the almost identical large, stylised M being the most dominant part of that dominant feature in each case. I find both the font used and the large, stylised M to be distinctive.
97. The strapline of each, although not dominant, is by no means negligible. I find in each case that it is an important secondary element, which has a distinctive role independent of the dominant element.
98. The placement of the strapline in both Sign 1 and the Morley’s Red and White Mark, under the dominant element and within the space provided by the drop of the right leg of the letter “M”, together with the almost identical italic serif font, and the similarity in words and the

ellipse, add to the visual similarity, although the use of “MMM” in the Morley's Red and White Mark is a distinctive element of the strapline which is a point of difference with Sign 1.

99. Also adding to the visual similarity in my assessment is the use of white text on a red background. I accept that those colours are not distinctive in this fast-food arena, but I accept Mr Pearson's submission for the Claimant that the similarity in font, size and layout of the elements of both signs produces a pattern of white on red which is visually very similar and adds to the distinctiveness of the whole. I do not consider that the average consumer would perceive any difference at all in the shades of red and white used in the Morley's Red and White Mark as imperfectly held in his mind and Sign 1 as used by the Defendants. Unless compared directly side by side, I find them to be almost identical.
100. Despite the different brand names in the dominant element (the differences which are made somewhat less significant in my judgment by the almost identical dominant stylised letter “M”, very similar font and word length) and the missing “MMM” and varied strapline in Sign 1, I find Sign 1 and the Morley's Red and White Mark to be visually quite similar.
101. Aurally, I find that Sign 1 and the Morley's Red and White Mark are dissimilar. If both are read out loud, including the strapline, the only real similarity is in use of the word “taste”, but the aural differences in the rest outweigh that similarity and render it negligible, in my judgment.
102. Conceptually, the brand name “Metro's” within Sign 1 is not similar to “Morley's” in the Mark. However, I find Sign 1 and the Mark to be similar conceptually overall, because of the conceptually very similar straplines centred around good taste.
103. On a global appreciation, then, I find that Sign 1 is similar to the Morley's Red and White Mark to a medium degree.

Issue 5: If so, is there (because Sign 1 is similar to the Morley's Red and White Mark and is used by the Defendants in relation to goods and services identical with those for which the Morley's Red and White Mark is registered) a likelihood of confusion on the part of the public, which includes the likelihood of association with the Morley's Red and White Mark?

Submissions

104. The Claimant submits that the similarities between Sign 1 and the Morley's Red and White Mark are likely to lead to confusion in the mind of the average consumer viewing the signs at a glance from street level, particularly because of the use by the Defendants of the same

tones of red and white in Sign 1 as the Claimant uses in the Morley's Red and White Mark, which are the colours in which it is registered, and the way in which Sign 1 has been laid out, which means that from a distance, the average consumer, particularly that in the class of late night revellers who pay a low degree of attention and may be impaired by alcohol, may perceive Sign 1 as the Morley's Red and White Mark. The Claimant relies on SS's evidence that the similarity between Sign 1 and the Morley's Red and White Mark is enhanced when Sign 1 is seen on a lit up shop fascia at night, as it shows bright red with the layout of the white script closely resembling Morley's script and layout producing an effect very similar to the Morley's Red and White Mark, such that he told the court in oral evidence that on occasion, driving home through the streets of South London late at night, he has mistaken a Metro's for one of his own stores.

105. The Claimant also relies on instances of actual confusion set out in my review of the evidence – SS's conversation with the barista who thought the Metro's across the road was a Morley's, the TikTok and YouTube videos, and other social media comments.
106. The Claimant also relies on the context in which the Defendants have used Sign 1 as increasing the likelihood of confusion, including:
 - i) KK authorising new Metro's shops and franchises in close proximity to Morley's stores, even following Morley's to Birmingham;
 - ii) Copying Morley's in the get-up of store interiors, down to brick walls, and identical posters on the walls.
107. The Defendants submit that:
 - i) the average consumer would pay attention to the dominant element of Sign 1, being the brand "Metro's", and understand that to be a completely different brand to "Morley's";
 - ii) they rely on the evidence of the TikTok videomaker, who believed he was going to a Morley's but realised it was a Metro's before he entered the store, and so was not confused by it;
 - iii) the shade of red used in the Sign 1 is not the same as that in the Morley's Red and White Sign; and
 - iv) the Court should accept KK's evidence that he paid no attention to the location of Morley's stores when authorising the opening of new franchised or owned stores.

108. Ms Watkinson attempted to argue that the majority of similarities relied upon by the Defendants as causing a likelihood of confusion for the average consumer between Sign 1 and the Morley's Red and White Mark were present in the Settlement Sign, or are reasonable modifications of the Settlement Sign (including the general layout), but that is putting the cart before the horse, in my judgment. Having found Sign 1 and the Morley's Red and White Mark are similar, I next must make a determination about whether there is a likelihood of confusion. It is only if I find a likelihood of confusion that I need go on to consider whether that use is without consent, as is the Claimant's case, or if the 2018 Agreement provides the Claimant's consent for the Defendants' use of Sign 1, as is the Defendants' case. That is the point at which I will consider the terms of the 2018 Agreement, and consider whether Sign 1 falls within the scope of the Settlement Sign and any reasonable modifications to it.

Determination

109. I have the relevant principles in mind, and assess the likelihood of confusion through the eyes of each class of average consumer, taking account of all relevant circumstances, which include the context in which the sign is perceived by them.
110. The Defendants have accepted that C's Marks are inherently distinctive and have enhanced distinctiveness because of the use made of them. I must also take this into account, as "*the issue of a trade mark's distinctiveness is intimately tied to the scope of the protection to which it is entitled*" (per *Interflora Inc v Marks and Spencer plc* [2015] EWCA Civ 1403, [2014] FSR 10. The fact that C's Marks have a higher level of distinctiveness means that there is an increased risk of confusion in relation to each.
111. I do not find this a difficult decision to reach. The combination of the following factors:
- i) that a class of the average consumer is made up of late-night revellers a subset of whom are intoxicated and who pay a low degree of attention to their choice of fast-food shop;
 - ii) that I have found that Sign 1 is similar to the Morley's Red and White Mark to a medium degree;
 - iii) that the Morley's Red and White Mark has a higher level of distinctiveness giving rise to an increased risk of confusion;
 - iv) that part of the context of the use of Sign 1 is that it is used in and on Metro's shops with a very similar get-up to that of Morley's stores, some of which (the large wall

posters of a woman eating a burger, the brick walls, the red and white interior tiles) is visible from the street outside the stores through the shop windows;

- v) that I accept SS's evidence that the similarity between Sign 1 and the Morley's Red and White Mark is more marked when Sign 1 is viewed on a lit-up fascia at night, such that it has confused even him into mistaking a Metro's shop for one of his own;

means that I am satisfied that there is a likelihood of confusion by a substantial part of that class of average consumer. That is sufficient.

112. I note for completeness that I do not consider the fact that the TikTok video-maker noticed the Metro's branding including Sign 1 before entering the Metro's shop is of the significance that the Defendants wish me to give it. He does not fall into either class of average consumer, being someone who is a specialist food critic for fast-food chicken shops albeit on TikTok, who visited the Metro's shop to assess and review it on camera, and who I am satisfied was paying a high degree of attention to everything about the premises. Nor do I give much significance to my finding that it was not a coincidence that KK approved new Metro's shops in locations near the Claimant's shops. It seems to me that in South London it would be difficult to open a fast food chicken shop in a shopping area which was not within a kilometre or so of one of the Claimant's shops, and similar types of food and drink outlets often cluster together in places with the footfall and customer numbers to sustain them. The fact that KK opened a Metro's in Birmingham within a mile of the Claimant's new shop does not without more inform me about the likelihood of confusion. The Claimant is entitled to no monopoly on fast-food shops in Birmingham.

Issue 6: Have the Defendants or any of them infringed Sign 1?

113. The question which remains on infringement is whether the Defendants have the consent of the Claimant to the uses of Sign 1 complained of in the course of trade. In my judgment, it is necessary to draw a distinction between KK and the Franchisee Defendants when considering this point.

Pleadings

114. The Defendants' pleaded case is that the Defendants' use of Sign 1 falls within the definition of "Metro's Signs" under the 2018 Agreement "*and therefore is no more likely to cause confusion than other conduct which the Claimant has agreed does not infringe on its rights*". I have found there is a likelihood of confusion between Sign 1 and the Morley's Red and White Mark, and as I have already stated, I was required to determine that before

turning my mind to the 2018 Agreement, which goes to the question of consent rather than confusion.

115. Alternatively, it is pleaded that KK relies on the 2018 Agreement as providing the Claimant's consent to KK's acts in relation to Sign 1. This is not a pleading which relates to the Franchisee Defendants at all, but only to KK, as reflected in the drafting of Issues 18 - 21. I will return to those issues later.
116. It is not pleaded, as the Defendants sought to argue it at trial, that the Franchisee Defendants' use of Sign 1 was permitted by KK pursuant to the 2018 Agreement which did not expressly forbid him from sub-licensing or franchising it to others, and so it is not open to them to argue that now, in my judgment.
117. The Defendants do plead that there was an implied term of the 2018 Agreement, if not express, that the Claimant would not bring or threaten proceedings against any person, alternatively any person that is a Related Party to KK, for use of the Metro's Signs.

Law

118. Although not cited to me, I note that there is a helpful summary of the principles relating to the implication of terms, deriving from the leading authority of *Marks & Spencer plc v BNP Paribas Securities Services Trust Co (Jersey) Ltd* [2015] UKSC 72, [2016] AC 742 and other authorities by Carr LJ (with whom Coulson LJ and King LJ agreed) in *Yoo Design Services Limited v Iliv Realty Pte Limited* [2021] EWCA Civ 560 at [51], and I have reminded myself of those:

“[51] i) A term will not be implied unless, on an objective assessment of the terms of the contract, it is necessary to give business efficacy to the contract and/or on the basis of the obviousness test;

ii) The business efficacy and the obviousness tests are alternative tests. However, it will be a rare (or unusual) case where one, but not the other, is satisfied;

iii) The business efficacy test will only be satisfied if, without the term, the contract would lack commercial or practical coherence. Its application involves a value judgment;

iv) The obviousness test will only be met when the implied term is so obvious that it goes without saying. It needs to be obvious not only that a term is to be implied, but precisely what that term (which must be capable of clear expression) is. It is vital to formulate the question to be posed by the officious bystander with the utmost care;

v) A term will not be implied if it is inconsistent with an express term of the contract;

vi) The implication of a term is not critically dependent on proof of an actual intention of the parties. If one is approaching the question by reference to what the parties would have agreed, one is not strictly concerned with the hypothetical answer of the actual parties, but with that of notional reasonable people in the position of the parties at the time;

vii) The question is to be assessed at the time that the contract was made: it is wrong to approach the question with the benefit of hindsight in the light of the particular issue that has in fact arisen. Nor is it enough to show that, had the parties foreseen the eventuality which in fact occurred, they would have wished to make provision for it, unless it can also be shown either that there was only one contractual solution or that one of several possible solutions would without doubt have been preferred;

viii) The equity of a suggested implied term is an essential but not sufficient precondition for inclusion. A term should not be implied into a detailed commercial contract merely because it appears fair or merely because the court considers the parties would have agreed it if it had been suggested to them. The test is one of necessity, not reasonableness. That is a stringent test.”

Submissions

119. The Defendants submit that in the context of the negotiations of the agreement, it was in the contemplation of the parties that the Metro's brand was going to be franchised, and so there was an implied term that any franchisees would not be sued in the same way that KK would not be sued by reason of using the Metro's Signs as defined in that agreement.

Determination

120. In relation to whether the Franchisee Defendants can rely on the 2018 Agreement at all, I find that they cannot, as I accept the Claimant's submissions that:

- i)** It is not disputed that the Franchisee Defendants are not parties to the 2018 Agreement;
- ii)** The 2018 Agreement provides at clause 11 that its terms are not enforceable by any third party, which includes the Franchisee Defendants, under the Contracts (Rights of Third Parties) Act 1989;
- iii)** The 2018 Agreement does provide in clause 5.6 that KK will use reasonable efforts within 14 days of the effective date to procure any third party using “Mowley's” or similar signs in the course of trade to cease such use and use the Settlement Sign instead, but the evidence shows that none of the Franchisee Defendants were using “Mowley's” or similar signs in the course of trade at the date of the Settlement

Agreement, only becoming franchisees of KK at later dates, and so that does not provide them with consent;

- iv) SS's evidence, which I accept, is that KK told him only one other person was using "Mowley's" or "Metro's" and that was a man called Ameen, who is not one of the Defendants and is no longer a franchisee of KK, that at the time he signed the 2018 Agreement SS did so in the belief and intention that it would allow only KK and Ameen to use the Settlement Sign, and no one else, and that he would not have signed the 2018 Agreement if he believed it allowed KK to franchise the Metro's brand;
- v) Conversely, I reject as incorrect KK's evidence that the parties entered into the 2018 Agreement in the mutual understanding that he intended to and would be permitted to franchise the Metro's brand under the Settlement Sign or any reasonable modification thereto;
- vi) In any event, the 2018 Agreement has an entire agreement clause at clause 9 ("*9.1 This agreement constitutes the entire understanding and agreement between the parties in relation to the subject matter of this agreement. 9.2 Each party acknowledges that it has not entered into this agreement in reliance wholly or partly on any representation or warranty made by or on behalf of the other party (whether orally or in writing) other than as expressly set out in this agreement.*"). If I am wrong and there was such a mutual understanding, it should have been dealt with expressly in the agreement.
- vii) In addition, the Franchisee Defendants did not fall within the definition of Related Parties in the 2018 Agreement ("*a party's parent, subsidiaries, assigns, transferees, representatives, principals, agents, officers or directors excluding for the avoidance of doubt any third party using in the course of trade the Signs*") either when it was executed or at the time this claim was issued, and indeed appear to be specifically excluded from the definition by the reference to a third party using the Signs in the course of trade;
- viii) In addition, clause 3.2 of the 2018 Agreement provides that "*this settlement and release does not waive, release, settle or in any other way compromise any claim [the Claimant] may have against any other third party (or release them thereof) in respect of third party's dealings in the course of trade under and by reference to the Signs*". The implied term the Defendants seek would be inconsistent with this express term of

the agreement and in those circumstances will not be implied (see *Yoo Design Services Limited* at [51](v));

- ix) For all those reasons I am satisfied there is no ambiguity in the 2018 Agreement which requires to be resolved by implication of a term such as the Defendants seek. The 2018 Agreement makes clear on its face that it is intended to provide full and final settlement of the dispute relating to use of the Signs in the UK by: KK; his Related Parties, as they are closely defined not to include licensees and to specifically exclude third parties: and only such third parties which fall within the provision of clause 5.6 which the Franchisee Defendants, and any future third party franchisee, do not. It has business efficacy without requiring any such term to be implied and the implication of such a term would be inconsistent with express terms of the 2018 Agreement and undermine its purpose, in my judgment. I decline to imply such a term.

- 121. Accordingly, I find that the Franchisee Defendants have infringed the Morley's Red and White Mark by use of Sign 1, pursuant to section 10(2)(b) TMA.
- 122. I will determine this issue in respect of KK when I consider Issues 18 – 21 later in this judgment.

Issue 7: Is Sign 2 similar to the Triple M Mark?

- 123. The 6th Defendant and KK admit to using Sign 2 (“MMM”) on signboards within the Metro's shop at 180 West St, Erith and 85 Ladywell Road, Lewisham, respectively in the name of an offered “MMM Burger”, i.e. in the course of trade, in relation to identical goods. The photograph below is illustrative of the type of use complained of:



124. The Claimant submits that Sign 2 is aurally and conceptually identical to the Triple M Mark, although visually dissimilar, as one of the three ways that it says Sign 2 can be spoken is as “triple m”, (the other two being a long “mmm” sound or “em-em-em”, i.e. each letter sounded out individually).
125. The Defendants deny that Sign 2 is aurally and conceptually identical to the Triple M Mark. It accepts that Sign 2 can be referred to in three ways, but it pleads that the third way is “three-M”, not “Triple M”. It pleads that only “three-M” is aurally similar to “Triple M”, not identical.

Determination

126. The use of Sign 2 complained of is in the name of a product which must be requested orally, in store, to purchase. I accept that Sign 2 in the context of the name of a burger (as distinguished from the use of “MMM” as a word within a sentence or strapline, as in the Morley's Red and White Mark), can naturally and easily be pronounced “Triple M”, as in, “*I'll have a Triple M Burger please*”. I am satisfied that a substantial subset of each class of average consumer would refer to it in that way, although others might use the other ways in which it can be said. To that extent, I accept the Claimant's case that Sign 2 would be perceived by both classes of average consumer as aurally and conceptually identical to the Triple M Mark, although visually dissimilar.
127. On a global assessment, then, I find Sign 2 is similar to the Triple M Mark to a medium-high degree.

Issue 8: If so, is there (because Sign 2 is similar to the Triple M Mark and is used by the 6th Defendant and KK in relation to goods or services identical with those for which the Triple M Mark is registered) a likelihood of confusion on the part of the public, which includes the likelihood of association with the Triple M Mark?

Submissions

128. The Claimant submits that the high degree of similarity of Sign 2 to the Triple M Mark, and use in relation to goods and services identical to those for which the Triple M Mark is registered, together with the enhanced distinctive character of the Triple M Mark because of the use the Claimant has made of it, means that I can be satisfied that there is a high likelihood of confusion by both classes of the average consumer: the class of late night revellers who pay a low degree of attention; and also the class of daytime and evening average consumers who pay a medium-low degree of attention. It submits this would

particularly be the case if they had entered a Metro's store without paying much attention to the frontage. In that case, it submits, by looking at the board and ordering the "MMM Burger" orally as a "Triple M" burger, there is a likelihood that those average consumers would be confused into believing that it was a Morley's, particularly given the context of that purchase, which is that the Metro's store get-up is highly similar to that of Morley's stores, as I have found.

129. The Defendants submit that in the context in which the average consumer will encounter Sign 2, namely on the menu boards inside Metro's restaurant, the average consumer would not be confused as to think the MMM sign to be a reference to the goods or services of the Claimant, or associated with the Claimant in any way, because the average consumer would know that it was in a Metro's and not in a Morley's. Ms Watkinson further submits in closing that the context of similar get up between the two stores, as I have found, does not contribute to a likelihood of confusion because the average consumer would have noticed that the name above the door was different. She again relies on the evidence of the TikTok videomaker, who believed he was going to a Morley's but realised it was a Metro's before he entered the store, and so was not confused by it.

Determination

130. My finding that there is a likelihood of confusion in respect of Sign 1 undermines the Defendants' submissions that anyone who encounters Sign 2 will do so knowing they are in a Metro's shop, in my judgment. Certainly in respect of the class of average consumers who are late-night revellers, a substantial number of those may well be confused into believing they are in a Morley's, or a shop which is associated with the Claimant. My finding that the get-up of the Metro's stores are highly similar to those of the Claimant's shops means that the context in which they encounter Sign 2 will likely reinforce, not reduce, any such confusion and cause them to be further confused that Sign 2 is the Triple M Mark or is associated with the Claimant.
131. Even for an average consumer of that class who is initially not confused, because they did not look at the shop sufficiently before entering to form a view about what shop they were in, the similarity in get-up of the shop interiors, against which they see on the menu board Sign 2, which I have found a significant part will read or pronounce as "Triple M" burger, together with the enhanced distinctiveness of the Triple M Mark, is likely to cause confusion between Sign 2 and the Triple M Mark. For those reasons I am satisfied there is a likelihood of confusion on the part of the public for the purposes of section 10(2)(b) TMA.

Issue 9: Have the 6th Defendant and KK or either of them infringed the Triple M Mark?

132. Neither Defendant pleads a defence to this allegation of infringement save that there is no likelihood of confusion. My finding on Issue 8 means that I am satisfied that both the 6th Defendant and KK have infringed the Triple M Mark by use of Sign 2 pursuant to section 10(2)(b) TMA.

Issue 10: Is Sign 3 identical to the Triple M Mark?

133. I do not understand that there is any dispute that the answer to this question is yes. Sign 3 is "Triple M/ Triple "M" and the Triple M Mark is TRIPLE M/ TRIPLE-M. In case there is any dispute, I accept the Claimant's submission that the change of case between lower and upper is a difference so insignificant that it would go unnoticed by an average consumer, per Lewison J's (as he then was) finding of identity in respect of "Web-Sphere" and WEBSHERE in *International Business Machines Corp v Web-Sphere Ltd and Ors* [2004] EWHC 529 (Ch).

Issue 11: If the answer to issue 10 is yes, is Sign 3 used by the 5th Defendant and KK in relation to goods or services identical with those for which the Triple M Mark is registered?

134. Again, the answer to this question is yes. The 5th Defendant and KK have accepted that they have used Sign 3 in relation to burgers, and the Triple M Mark is registered in Class 29 including "*Meat, ... fast food products namely beef burgers, ... vegetarian burgers;*" and Class 43: "*Provision of food and drink; services for the preparation of food and drink; restaurant services for the provision of fast food; fast food takeaway services.*" Given this, Issues 12 and 13 fall away and I move to Issue 14.

Issue 14: Have the 5th Defendant and KK or either of them infringed Sign 3?

135. It follows that the answer to this question is yes. Both have infringed Sign 3 pursuant to section 10(1) TMA.

Issue 15: Is KK jointly and severally liable with the Franchisee Defendants or any of them in respect of any liability for trade mark infringement established against any of them?

Law

136. The principles relating to joint tortfeasorship were set out in *Fish & Fish Ltd v Sea Shepherd UK* [2015] A.C. 1229. The headnote provides the following summary:

“In order to be liable with a principal tortfeasor a defendant had to be proved to have combined with the principal tortfeasor to do, or to secure the doing of, acts which constituted the tort; that that required proof that the defendant had acted in a way which furthered the commission of the tort by the principal tortfeasor and that he had done so in pursuance of a common design to do, or to secure the doing of, the acts which constituted the tort; and that whether the matters relied on by a claimant had any significance to the commission of the tort would depend on the circumstances in each case.”

137. After handing down this judgment in draft, the Defendants notified me that they considered that I had paid inadequate attention to the question of KK's knowledge in the light of the Supreme Court's decision in *Lifestyle Equities v Ahmed* [2024] UKSC 17 when considering the matter of joint tortfeasorship, and so I have visited this afresh. It follows that I do so after analysing and answering all of the issues in this case, including the issue of knowledge and whether the claim for infringement against KK has made out, for which see Issues 17 – 20 below. The Supreme Court in *Lifestyle Equities* clarified that in order for persons to be held jointly liable with a tortfeasor for a tort, they must have knowledge of the essential facts which make the acts wrongful, whether or not the primary tort in question (such as trade mark infringement as it was in that case) is a strict liability offence and whether or not the accessory liability arises from procuring a tort or by a common design. As Lord Leggatt (giving the leading judgment and with whom the other members of the Court agreed) explained at [137]:

“137. Although procuring a tort and assisting another to commit a tort pursuant to a common design are distinct bases for imposing accessory liability, they must operate consistently with each other and such that the law of accessory liability in tort is coherent. Considerations of principle, authority and analogy with principles of accessory liability in other areas of private law all support the conclusion that knowledge of the essential features of the tort is necessary to justify imposing joint liability on someone who has not actually committed the tort. This is so even where, as in the case of infringement of intellectual property rights, the tort does not itself require such knowledge.”

Submissions

138. The Claimant submits that KK is the driving force behind all the other Defendants' infringements, but focusses its submissions on the infringements of Morley's Red and White Mark by the use of Sign 1. It submits that by granting licences to the Franchisee Defendants,

KK has authorised, caused, procured, enabled and assisted them, in a common design, in those infringements.

139. KK submits that no issue of joint tortfeasance arises, although he admits that he authorised and/or procured the Franchisee Defendants' use of Sign 1 pursuant to his franchise agreements with them, as part of the running of the Metro's Franchise. His submission appears to be solely based on a denial that the Franchisee Defendants are liable in trade mark infringement as alleged by the Claimant, but I have found that they are so liable for their use of Sign 1, which infringes the Morley's Red and White Mark. In circumstances where:

- i) KK was not only aware of the Morley's Red and White Mark but had been enjoined from using his previous "New Mawleys" brand as an infringement of that mark;
- ii) the Claimant had brought proceedings for infringement of the same mark against his new "Metro's" brand, where those proceedings were settled by entry into the 2018 Agreement which permitted him to use the Settlement Sign; and
- iii) I have found, as was fairly put to him in cross-examination but he denied, that he deliberately developed the get-up of his Metro's stores and Sign 1 to make them as similar to the Morley's stores and Morley's Red and White Mark as he thought he could get away with;

I am satisfied that KK had reasonable grounds for knowing, and should have appreciated, that Sign 1 was infringing Morley's Red and White Mark. Accordingly, I am satisfied that by his grant of licences of Sign 1 in the franchise agreements he has knowingly authorised and procured the infringements I have found by the use complained of, in a common design with the Franchisee Defendants, is a way that is more than *de minimis*, and so he is jointly liable, with them, for those infringements.

Issue 16: If liability for trademark infringement is established against the Defendants or any of them, did any of the liable Defendants threaten and intend to continue any acts of trade mark infringement?

140. I am satisfied that KK and some of the Franchisee Defendants are still using Sign 1, Sign 2 and Sign 3. The evidence before me at trial was that the 3rd Defendant, 4th Defendant and 6th Defendant have all ceased trading as Metro's franchisees. I will hear updated submissions on this at the consequential hearing following the handing down of this judgment, as there was a suggestion that others of the Franchisee Defendants may be considering the same.




However, I am satisfied that the Claimant is entitled to injunctive relief against those Defendants who are still using the Signs.

Issue 17: If liability for trademark infringement is established against the Defendants or any of them, did any of the liable Defendants know or have reasonable grounds to know that they were engaging in infringing activity?

141. The Defendants have made no submissions to me on this point. The Claimant submits that the Franchisee Defendants could and should have performed basic due diligence to ensure that KK had rights to sub-license the signs they came to use, and that this amounts to reasonable grounds to know. I accept that submission.
142. In relation to KK, I accept the Claimant's submission that he knew that Sign 1 was different to the Settlement Sign, and he knew that the Settlement Sign was reached in order to compromise infringement proceedings against him. I have made specific findings that in developing Sign 1 he intended to make it as similar to Morley's Red and White Mark as he thought he could get away with. In my judgment, he had reasonable grounds to know that use of Sign 1 which was materially modified from the Settlement Sign, would be infringing, particularly given his history of following a strategy of imitating the Claimant's branding and locations as closely as possible, and the Claimant's history of taking infringement actions against him.
143. I further accept the Claimant's submission that KK knew that the Franchisee Defendants were not named in the 2018 Agreement, were not within the definition of "Related Parties", and that the 2018 Agreement contained a clause excluding third party rights.

Issue 18: Does Sign 1 fall within the definition of Metro's Signs in the 2018 Agreement?

144. The 2018 Agreement provides at clause 5.8 that KK is permitted to use in the course of trade *"The Metro's Signs to include for the avoidance of doubt the application of The Metro's Signs to any packaging and any application for a registered trade mark in respect of the Metro's Signs."* Metro's Signs is defined in clause 1 as *"Metro's Fried Chicken" the logo a copy of which is included at Annex A and any reasonable modifications thereto*". Annex A contains what I have referred to as the Settlement Sign.
145. The table below sets out the Morley's Red and White Mark against Sign 1 and the Settlement Sign.

<p>Morley's Red and White Mark</p>	
<p>Sign 1</p>	
<p>Settlement Sign</p>	

146. There is no dispute that Sign 1 varies from the Settlement Sign, particularly in respect of the loss of the electric blue border on at least the lower edge, as Sign 1 has been used by the Defendants, and the addition of the strapline “...It’s The Real Taste”. The Claimant also says that the letters of the dominant sign Metro’s have also been pushed closer together, in a way which makes it more similar to the Morley’s sign, which I accept, and the electric blue of the remaining border has been dulled down to a dark blue, which I also accept. The real dispute between the parties is whether these changes are “reasonable modifications” to the Settlement Sign pursuant to the 2018 Agreement.

Law

147. The leading case relied on by the Claimant on the interpretation of contractual provisions is *Arnold v Britton* [2015] A.C. 1619. At [14] – [23] Lord Neuberger of Abbotsbury PSC (with whom Lords Sumption and Hughes JJSC agreed) provided guidance based on previous authorities. The task for the court is to identify “the intention of the parties by reference to “... “*what the reasonable person having all the background knowledge which would have been available to the parties would have understood them to be using the language in the contract to mean*”, to quote Lord Hoffman in *Chartbrook Ltd v Persimmon Homes Ltd* [2009] AC 1101, para 14. And it does so by focussing on the meaning of the relevant words... in their documentary, factual and commercial context. That meaning has to be assessed in the light of (i) the natural and ordinary meaning of the clause, (ii) any other relevant provisions of the [agreement]; (iii) the overall purpose of the clause and the [agreement]; (iv) the facts and circumstances known or assumed by the parties at the time

that the document was executed; and (v) commercial common sense, but (vi) disregarding subjective evidence of any party's intentions." (at [15]).

148. Lord Neuberger went on to emphasise a number of factors, including that commercial common sense should not be invoked to undervalue the importance of the language of the provision to be construed; it should not be invoked retrospectively; the less clear the centrally relevant words to be interpreted are, the more ready the court can properly be to depart from their natural meaning; and that the court must only take into account facts or circumstances which existed at the time that the contract was made and which were known or reasonably available to both parties.

Submissions

149. The Claimant's case is that in the context of an agreement which was intended to settle a trade mark dispute between the parties, and which necessarily required the Claimant's flexibility and tolerance in relation to a relatively similar logo to the Morley's Red and White Mark which had been used by the Claimant in the course of trade for decades, the reasonable person with all the background knowledge, including the knowledge of the Claimant's previous disputes with KK, would have understood the parties to be using the reference to "reasonable modifications" to mean modifications which did not increase the similarity of the Settlement Sign to the Morley's Red and White Mark, but only which took it further away.
150. Mr Pearson submits in his skeleton that it is helpful in this regard to look at SS's intentions at the time of entering into the 2018 Agreement, but this transgresses Lord Neuberger's warning not to take into account the subjective intentions of a party in [15] (vi) of *Arnold v Britton*, and also his guidance that the court must only take into account facts or circumstances which were known or reasonably available to *both* parties at the time of entry into the agreement.
151. The Defendants accept that the purpose of the 2018 Agreement is to prevent confusion between the brands of the two parties in light of the average consumer. They submit that both the addition of the strapline and the removal of one edge of the blue border are reasonable modifications to the Settlement Sign.
152. In relation to the strapline, Ms Watkinson submitted for the Defendants that it has no trade significance and so cannot bring the Metro's sign any closer to the Morley's Red and White Sign. I found this a difficult submission, particularly given that she accepted that the equivalent strapline in the Morley's Red and White Sign did have trade significance. I am

satisfied that it also does in Sign 1, as I have found it to be an independently distinctive element of that Sign. Ms Watkinson then modified her position to submit that the addition of the strapline to the Settlement Sign did not bring it closer to the Morley's Red and White Sign, but I do not consider that this is a tenable submission since it clearly does, in my judgment. Next, she submitted that the straplines are completely different, and SS in his evidence did not object to a strapline. On the first part of that point, I have set out the similarities between the straplines in terms of colour, placement, font, stylisation, common words and common ellipses so I do not accept that they are completely different. On the second part of that point, SS said he did not object to a strapline *per se*, but he did object to one which was so similar.

153. The Defendants concede, on KK's change of position in oral evidence, that the blue border was added during the course of negotiation of the 2018 Agreement. However they submit that the removal of one edge of the border is trivial and would barely be noticed by the public, although Ms Watkinson suggested in closing that its removal completely might be an unreasonable modification.

Determination

154. I am with the Claimant on this issue. I note that the natural and ordinary meaning of the words "*reasonable modifications*" in the context of a licence being granted to KK to use the Settlement Sign "*subject to reasonable modifications thereto*", is that KK as licensee may make modifications to the Settlement Sign but they must be reasonable when viewed through the eyes of the Claimant, acting reasonably, as the licensor. In my judgment, and taking into account that natural and ordinary meaning: in the context of this settlement agreement in which the parties sat down and produced a Settlement Sign which neither may have liked but both were prepared to compromise and live with in order to settle their trade mark dispute and get on with their businesses; where it is reasonable to assume that their focus was on the Settlement Sign and the wording of the definition of that sign; the reasonable person with all the background knowledge, including the knowledge of the Claimant's previous history of trade mark disputes involving KK, would have understood the parties to be using "*reasonable modifications*" to mean modifications which did not increase the similarity of the Settlement Sign to the Morley's Red and White Mark. It is also in accordance with commercial common sense, in my judgment. It would not make commercial common sense for KK as the licensee against whom allegations of trade mark infringement had been made, which the 2018 Agreement was intended to settle, to be permitted to make modifications to the Settlement Sign which undermined that settlement by bringing it closer in similarity to the mark alleged to have been infringed.

155. Given that construction, for the reasons I have given I am satisfied that each of: (i) the addition of the strapline; (ii) the removal of one edge of the border; (iii) the dulling of the colour of the border from electric blue to dark blue and (iv) the reduced spacing between the letters of "Metro's" are not reasonable modifications, as each of them increases the similarity of the Settlement Sign to the Morley's Red and White Mark. The electric blue border appears to be an intentional and specific agreement reached by the parties in order to distinguish the Settlement Sign from the Morley's Red and White Mark and so anything which is done to undermine that distinction is not reasonable, in my judgment. A trivial change would not undermine that distinction, but I consider that the removal of the border on one of the long sides of the sign so it is no longer entirely ringed by a band of electric blue does undermine that distinction and cannot be viewed as trivial. Both that and the dulling of the colour of that border to a dark blue combine to undermine the visual distinction provided by the border of electric blue which was agreed as part of the process of agreeing the 2018 Agreement.
156. Accordingly, I find that Sign 1 does not fall within the definition of Metro's Signs in the 2018 Agreement. It follows that KK has infringed the Morley's Red and White Mark pursuant to section 10(2)(b) TMA by use of Sign 1. It follows that Issue 19 falls away.

Issue 20: If no, is KK's use of Sign 1 in breach of the 2018 Agreement?

157. Yes, as such breaches are set out at paragraph 22.2 of the Re-re-amended Particulars of Claim.

Issue 21: Is KK's use of Sign 2 or Sign 3 in breach of the 2018 Agreement?

158. Yes, as such breaches are set out at paragraph 22.1 of the Re-re-amended Particulars of Claim.
159. Issues 22 and 23 relate to the Defendants' case for invalidation of the Claimant's Marks which is no longer pursued, and so I move to Issue 24.

Issues 24 and 25: Are the Claimant's allegations of and claims for trade mark infringement against KK/the Franchise Defendants or any of them in breach of the 2018 Agreement?

160. Given my findings in relation to trade mark infringement, the Defendants' counterclaim for breach of contract must fail, and so the answers to issues 24 and 25 are no.

Issue 26: Should any term be implied into the 2018 Agreement and if so, what term?

161. I have already determined that the implied term sought by the Defendants should not be implied into the 2018 Agreement.

SUMMARY

162. The following is a summary of the main determinations made in this judgment:

- i)** C's Marks do not comprise a family of Marks;
- ii)** Sign 1 does not fall within the definition of Metro's Signs in the 2018 Agreement;
- iii)** The Franchisee Defendants and KK have infringed the Morley's Red and White Mark by use of Sign 1 pursuant to section 10(2)(b) TMA;
- iv)** Both the 6th Defendant and KK have infringed the Triple M Mark by use of Sign 2 pursuant to section 10(2)(b) TMA;
- v)** Both the 5th Defendant and KK have infringed the Triple M Mark by use of Sign 3 pursuant to section 10(1) TMA;
- vi)** KK is jointly and severally liable with the Franchisee Defendants for their infringement of the Morley's Red and White Mark by use of Sign 1;
- vii)** KK's use of Signs 1, 2 and 3 are in breach of the 2018 Agreement;
- viii)** The Claimant is entitled to injunctive relief against those Defendants who are still using the Signs; and
- ix)** The Defendants' counterclaim against the Claimant for breach of contract is dismissed.

163. I will hear submissions on interest, costs, and any consequential orders at a hearing following the handing down of this judgment.