

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION NUMBERS 2615669, 2622907  
AND 2622913 BY TOKYO AKAFUDAYA LTD

AND IN THE MATTER OF CONSOLIDATED OPPOSITION NUMBERS 104019,  
104248 AND 104249 BY TOKYO INDUSTRIES LIMITED



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DECISION

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**Introduction**

1. This is an appeal from the decision of Mr. George Salthouse, acting for the Registrar, dated 11 February 2014, (O-075-14), in which he partially allowed the consolidated oppositions brought by Tokyo Industries Limited (*'the Respondent'*) against three trade mark applications in the name of Tokyo Akafudaya Ltd (*'the Appellant'*).
2. On 27 March 2012 the Appellant filed a trade mark application and on 29 May 2012 the Appellant filed two further trade mark applications. Details of the trade mark applications are set out in the table below:

Trade Mark Application Number	Mark	Class	Specification
2615669	 <i>Fresh on your table</i>	41	Education; providing of training; entertainment; sporting and cultural activities.
		43	Services for providing food and drink; restaurant, bar and catering services; booking and reservation services for restaurants.
2622907	EAT TOKYO	41	Education and training all in relation to cooking, catering and restaurant services.
		43	Services for providing food and drink; restaurant, bar and catering services.
2622913		41	Education and training all in relation to cooking, catering and restaurant services.

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		43	Services for providing food and drink; restaurant, bar and catering services.
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3. The applications were examined and accepted, and subsequently published for opposition purposes on 27 July 2012 (Trade Mark Application No. 2615669) and 21 September 2012 (Trade Mark Application Nos 2622907 and 2622913) in Trade Marks Journal Nos.6950 and 6958 respectively.
4. The Respondent filed notices of opposition on 30 October 2012 (Trade Mark Application No. 2615669) and 21 December 2012 (Trade Mark Application Nos 2622907 and 2622913). The grounds of the oppositions were in summary:

- (1) That the Respondent was the owner of the following earlier trade marks (*'the Respondent's Marks'*):

Trade Mark Number	Mark	Date of application/ registration	Class	Specification
2361608A	TOKYO	22.04.04 25.03.05	41	Nightclub services; information, advisory and consultancy services relating to all the aforesaid services.
			43	Bar, restaurant and catering services; nightclub services included in this Class; public house services; information, advisory and consultancy services relating to the aforesaid services.
2361608B	TOKYO PROJECT  TOKYO PROJECT  (a series of two marks)	22.04.04 01.04.04	41	Nightclub services; information, advisory and consultancy services relating to all the aforesaid services.
			43	Bar, restaurant and catering services; nightclub services included in this Class; public house services; information, advisory and consultancy services relating to the aforesaid services.
2361608C	TOKYO INSUSTRIES	22.04.04 03.12.04	41	Nightclub services; information, advisory and consultancy services relating

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			43	to all the aforesaid services.  Bar, restaurant and catering services; nightclub services included in this Class; public house services; information, advisory and consultancy services relating to the aforesaid services.
2402177 <sup>1</sup>	TOKYO PROJECT	22.09.05 24.03.06	41	Entertainment services; nightclub services; production, distribution and promotion services in the field of musical recordings and entertainments; music publishing services; artist management services; recording studio services; information, advisory and consultancy services relating to the aforesaid services.

(2) That the marks in suit are confusingly similar to the Respondent’s Marks as they all contain the distinctive and dominant element TOKYO, and that the services are similar. In the circumstances the marks in suit should be refused pursuant to Section 5(2)(b) of the Trade Marks Act 1994 (*‘the Act’*).

(3) The Respondent also maintained that it has used the mark TOKYO in relation to *“Nightclub services; bar; restaurant and catering services; nightclub services included in this class; public house services; information, advisory and consultancy services relating to all the aforesaid services”* in the UK since 1997. The Respondent claimed to have acquired reputation and goodwill under the trade mark TOKYO. The Appellant’s marks all contained the distinctive and dominant element TOKYO and so it was submitted that the use of the marks in suit would amount to passing off and therefore should be refused pursuant to Section 5(4)(a) of the Act.

5. On 18 January 2013 (Application No. 2615669) and 12 March 2013 (Application Nos. 2622907 and 2622913) respectively the Appellant filed counterstatements denying all the grounds. They put the opponent to strict proof of use of its mark, and also its reputation and goodwill in its marks.

6. The Oppositions were subsequently consolidated and both sides filed evidence.

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<sup>1</sup> Trade Mark No. 2402177 is also registered for various goods in Class 9, 16 and 25 but for the purposes of this appeal the classes are not set out in the Decision.

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7. Under cover of a letter dated 21 January 2014 F J Cleveland on behalf of the Appellant sent to the UK IPO:
- (1) A skeleton of argument;
  - (2) Relevant decisions; and
  - (3) Copies of the Appellant's applications to amend its specifications that had been filed at the UK IPO on the same date referred to in the preceding paragraph.
8. In paragraph 12 of the skeleton of argument dated 21 January 2014 filed on behalf of the Appellant it was expressly stated that *"for the purposes of these opposition proceedings, the [Respondent's] registered trade marks should be deemed to be registered in respect of the following services"*.

Registration No.	Deemed Specification
2361608A  TOKYO	Class 41 Nightclub services  Class 43 Nightclub bar services
2361608B  TOKYO PROJECT TOKYO PROJECT	Class 41 Nightclub services  Class 43 Nightclub bar services
2361608C  TOKYO INDUSTRIES	Class 41 Nightclub services  Class 43 Nightclub bar services
2402177  TOKYO PROJECT	Class 41 Nightclub services

9. The letter containing the application to amend the specification for Trade Mark No 2622907, in line with the position set out in the skeleton of argument, stated as follows:

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The applicant hereby requests amendment to the specification of this application so that the specification, after amendment, reads as follows:

**Class 41**

Education and training all in relation to cooking, catering and restaurant services; education and training all in relation to Japanese cooking, Japanese catering and Japanese restaurant services.

**Class 43**

Services for providing food and drink; restaurant, bar and catering services; services for providing Japanese foods and Japanese beverages; Japanese restaurant services; Japanese bar services; Japanese catering services; restaurant, bar and catering services in respect of Japanese cuisine.

We look forward to hearing from you that this amendment may be permitted.

10. The matter came on to be heard on 23 January 2014.

### **The Hearing Officer's Decision**

11. Having reviewed the evidence filed in the case the Hearing Officer went on to consider the issue of the proof of use of the earlier trade marks relied upon by the Respondent. In relation to that issue he made the following findings:

22) At the hearing Mr Houlihan also conceded that the opponent had shown use of the mark TOKYO and flower device in respect of "bar services". I believe that such concessions are reasonable and show a correct reading of the evidence filed by the opponent. I concur that the opponent has provided no evidence of use of trade marks 2361608B (TOKYO PROJECT); 2361608C (TOKYO INDUSTRIES) or 2402177 (TOKYO PROJECT). I do not consider the use of the word TOKYO with the flower device can be said to be use of these three marks. However, I do not believe that this finding actually disadvantages the opponent as it seems clear to me that its best case clearly rests in its mark number 2361608A TOKYO. As the applicant has already accepted that the evidence of use is enough for "nightclub services" in Class 41 and "bar services" in Class 43 to be retained I must consider the remaining specification. There is no evidence that the opponent has provided any information, advisory or consultancy services in relation to nightclubs to other parties and so these services in Class 41 cannot be considered as part of the specification which will form part of the comparison test. I now turn to consider the remaining services in Class 43 which are: "In Class 43: Restaurant and catering services; nightclub services included in this Class; public house services; information, advisory and consultancy services relating to the aforesaid services.

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23) I note that “nightclub services” in Class 41 do not encompass the provision of food and drink, whilst those same services in Class 43 do include the provision of food and drink. There is absolutely no evidence that any advice or consultancy services have been offered. Nor do I accept that “public house services” have been offered. There is a considerable difference between going into a public house for a drink and entering a nightclub and obtaining a drink at a bar. Public houses do not usually charge entrance fees whereas the average nightclub makes a charge simply to enter the premises. The nature of drinks offered, whilst mainly alcoholic, will also differ as will the clientele. This leaves the issue of whether food has been offered for sale under the TOKYO trade mark. Mr Mellor makes a categorical statement that food is offered in his nightclubs, but he does not specify that it is offered in those under the TOKYO trade mark. No turnover figures for food purchases have been provided, which would surely be available as most operations with a number of discreet operations under the same roof usually keep a close track on whether they are all profitable. Nor has any evidence been supplied regarding the purchase of food for the nightclubs to serve. A statement from a supplier or even invoices showing the purchase of the raw ingredients was surely within the opponent’s purview. There are mentions of plans to build a new facility in Lincolnshire which would include a restaurant, however, even though this facility appears to have been built no details of its restaurant, such as menus, staff employed, costs of the set up, etc have been provided. A menu card for the Huddersfield venue has been provided, but this is not referred to in Mr Mellor’s statement and it is not dated. Similarly, what I take to be beer mats offer toast at the York Tokyo venue but are again undated and not mentioned by Mr Mellor. Lastly, I look to the item which appears to be part of a Mintel report dated January 2012. Because of the way in which the exhibits have been filed it is not possible to certain on this, but for the purposes here I will assume that this is the correct date. It refers to the operations of Tokyo Industries and states that it operates nightclubs under a variety of brands. Amongst other things it states that a “typical Tokyo late night venue format comprises a nightclub, a bar, a restaurant ...”. Given that the same report included the story of the forthcoming Lincoln venue, it is not clear if this was slightly anticipatory in that this was what the opponent had informed Mintel was their goal. It is certainly not enough to convince me that the opponent has overcome the burden upon it to prove use of its mark in relation to “nightclub services” or “Restaurant and catering services” in class 43. In forming this view I take into account that nightclub services in Class 43 include the provision of food and drink and the opponent has not shown use in regard of the provision of food. I believe that a reasonable specification would be “nightclub services in

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Class 41 and “bar services” in Class 43. It is this reduced specification that I shall use in the comparison test.

12. The Hearing Officer then, on the basis of those findings, went on to consider whether there was a conflict under Section 5(2)(b) of the Act. He did so by reference to the original specification of Trade Mark Nos 2622907 and 262913. Having set out the relevant law and applied to the facts as he found them the Hearing Officer concluded at paragraph 46 as follows:

The opposition under Section 5(2) (b) therefore succeeds in relation to “Services for providing food and drink; restaurant, bar and catering services” in class 43 and “bar services” in Class 43 but fails in relation to “Education and training all in relation to cooking, catering and restaurant services” in Class 41.

13. Having considered the question under Section 5(2)(b) of the Act the Hearing Officer turned to consider whether there was a conflict under Section 5(4)(a) of the Act. Having set out the relevant law and applied it to the facts as he found them he concluded at paragraph 55 of his decision that the oppositions under Section 5(4)(a) should be rejected.

14. The Hearing Officer went on to summarise his conclusions as follows in paragraph 56 of his Decision:

The [Respondent] has been successful in its opposition under Section 5(2)(b) in respect of “Services for providing food and drink; restaurant, bar and catering services” in class 43 and “bar services” in Class 43. However, it fails under Section 5(2)(b) and 5(4)(a) in relation to “Education and training all in relation to cooking, catering and restaurant services” in Class 41.

15. On the basis of that finding the Hearing Officer declined to make any order as to costs (paragraph 57 of his Decision).

### **The appeal**

16. The Appellant appealed to the Appointed Person under Section 76 of the Trade Marks Act 1994. The Grounds of Appeal contend in substance that:

- (1) The Hearing Officer had made material errors in his findings as to the extent of the use of the Respondent’s Marks;
- (2) The Hearing Officer erred in failing to amend its specifications or to consider the impact of the amendment to the specifications offered by the Appellant;

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- (3) Further or alternatively, the Hearing Officer erred in failing to consider the full scope of the specification of the Appellant's application No. 2615669; and
  - (4) Further or alternatively, the Hearing Officer has failed to consider the parallel trading by the respective parties such as to amount to honest concurrent use/demonstrated that there was no likelihood of confusion between the parties' respective marks.
17. There is no challenge made to the legal principles identified by the Hearing Officer that were relevant to the decision that he was required to make.
  18. No Respondent's Notice was filed by the Respondent. In those circumstances there is no need to consider further the Hearing Officer's finding under Section 5(4)(a) of the Act.
  19. At the hearing of the appeal Ms Amanda Michaels (instructed by F J Cleveland LLP) appeared on behalf of the Appellants, Tokyo Akafudaya Limited; and Mr Aaron Mellor, the managing director of the Respondent, represented the Respondent, Tokyo Industries Limited. Both sides provided written submissions to me prior to the hearing.

### **Standard of review**

20. The appeal is by way of review. Neither surprise at a Hearing Officer's conclusion, nor a belief that he has reached the wrong decision suffice to justify interference in this sort of appeal. Before that is warranted, it is necessary for me to be satisfied that there was a distinct and material error of principle in the decision in question or that the Hearing Officer was clearly wrong. See Reef Trade Mark [2003] RPC 5, and BUD Trade Mark [2003] RPC 25.
21. More recently in Fine & Country Ltd v Okotoks Ltd (formerly Spicerhaart Ltd) [2013] EWCA Civ 672; [2014] FSR 11 Lewison LJ said at paragraph [50]:

The Court of Appeal is not here to retry the case. Our function is to review the judgment and order of the trial judge to see if it is wrong. If the judge has applied the wrong legal test, then it is our duty to say so. But in many cases the appellant's complaint is not that the judge has misdirected himself in law, but that he has incorrectly applied the right test. In the case of many of the grounds of appeal this is the position here. Many of the points which the judge was called upon to decide were essentially value judgments, or what in the current jargon are called multi-factorial assessments. An appeal court must be especially cautious about interfering with a trial judge's decisions of this kind. . . .



22. That this was the correct standard to be applied to appeals of this kind was quite properly acknowledged by the Appellant.

**Decision**

23. The thrust of the appeal before me is that the Decision in relation to the Section 5(2)(b) is flawed by reason of various errors and omissions which are apparent from the Hearing Officer's Decision itself.
24. In paragraph 22 of his Decision the Hearing Officer stated that "*At the hearing Mr Houlihan also **conceded that the opponent had shown use** of the mark TOKYO and flower device **in respect of "bar services"**. I believe that such concessions are reasonable and show a correct reading of the evidence filed by the opponent. . . . **As the applicant has already accepted that the evidence of use is enough for "nightclub services" in Class 41 and "bar services" in Class 43 to be retained** I must consider the remaining specification" (emphasis added).*
25. It is strongly disputed on behalf of the Respondent that Mr Houlihan conceded anything more at the hearing than had already been conceded in the skeleton of argument lodged i.e. that it was conceded that there had been use of "nightclub bar services" but not "bar services" more generally in Class 43. That submission was not disputed by the Respondent at the hearing or in his written submissions.
26. The Appellant submit that the Hearing Officer was mistaken in his recollection when recording the concession as he did in paragraph 22 of his Decision and that by making his assessments by reference to "bar services" in Class 43 as opposed to "nightclub bar services" he fell into material error.
27. Given the reliance upon mistaken recollections by the Hearing Officer (as to which see further below) I checked the UK IPO file for a transcript of the hearing in order that the same could have been provided to the parties. There was no transcript on file. I subsequently arranged for enquiries to be made of the UK IPO as to whether the hearing had been recorded and that it would therefore be possible to obtain a transcript. Regrettably it would appear that no recording of the hearing is available.
28. On balance it seems to me, given the clear submissions made in the written arguments on behalf of the Appellant that were before the Hearing Officer, that the Hearing Officer was mistaken in recording that the concession made by the Appellant was in respect of "bar services" in Class 43 and that finding was an error.
29. Further I should note that: (1) although the Hearing Officer also stated in paragraph 28 that the concession that he recorded as having been made "*are reasonable and show a correct reading of the evidence filed*" and (2) the Respondent maintained on

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this Appeal that there was sufficient evidence to support a finding of use in relation to “bar services” in Class 43 I am far from confident in the circumstances of this case that the Hearing Officer actually considered the issue of whether the Respondent had demonstrated use to the required standard in respect of “bar services” in Class 43 at all. That is properly to be regarded as a material error.

30. I am confirmed in my view by the fact that such a finding could be regarded as inconsistent with his reasons contained in paragraph 23 of the Decision in which he (1) did not accept that “nightclub services” in Class 43 was appropriate on the basis that such a specification included the provision of food and there was no evidence of use in relation to food; and (2) drew a distinction between going into a public house for a drink; and entering a nightclub and obtaining a drink at the bar.
31. In support of the submission that the Hearing Officer was mistaken in his recollection the Appellant noted that the Hearing Officer recorded in paragraph 5 of his Decision that at the hearing on 23 January 2014, the Respondent was represented by Mr Freeman of Messrs Novagraaf UK. However, it is said on behalf of the Appellant, and it is not disputed by the Respondent, that Mr Freeman ceased to act prior to the hearing and therefore did not attend.
32. I turn now to the issue of the proposed amendments. On this appeal, it is said that the letters of 21 January 2014 “*provide alternative terminology, in effect limiting the same to Japanese food and beverages and Japanese cooking, catering restaurant and bar services*”.
33. It is maintained on behalf of the Appellant that during the course of the hearing below the Hearing Officer was asked “*to consider the proposed amendments as a ‘fall back position’ and he agreed to do so*”. In making that submission the suggestion is (1) that the letters of the 21 January 2015 did not contain an unequivocal application to amend; and (2) that the Hearing Officer agreed to consider the alternative terminology on the basis that it would limit the specification to Japanese food and beverages and Japanese cooking, catering restaurant and bar services.
34. In paragraph 26 of the Decision the Hearing Officer stated as follows:

As I explained to Mr Houlihan at the hearing the new specification does not limit the original in any fashion. I therefore reject the request to amend the specification.

No further reasoning was given.

35. On one view the Hearing Officer is correct with this assessment. It is true that the original wording in the specification is still present in the proposed amendment and it is thus as broad as previously. However, it is maintained on this appeal that (1) the

Hearing Officer should have considered the additional wording and (2) the Hearing Officer had agreed in the course of the hearing to consider the amended specification on the basis that it proposed an alternative specification limited to Japanese food and beverages and Japanese cooking, catering restaurant and bar services. Again, the Respondent did not dispute the correctness of the position put forward by the Appellant on this issue.

36. It is clear that the Hearing Officer did not give consideration to the alternative specification in his Decision in the manner, that on balance I believe, that he indicated at the hearing that he would. That the Hearing Officer may have erred in his recollection of the issues that he had agreed to consider in his Decision with regard to the more limited specification is highlighted by the confused terms in which this part of the Decision has been written. Firstly, in paragraph 25 of the Decision it is said by the Hearing Officer that the amendments were only made after the hearing when it is clear that, not least from the skeleton of argument, they were made just prior to the hearing. Secondly, the Hearing Officer goes on in paragraph 26 of his Decision to refer to a discussion between himself and Mr Houlihan at the hearing in relation to the proposed amendments which contradicts the position set out in the preceding paragraph.
37. Finally, the Appellant relies upon the absence of any determination with regard to certain services in the specification of Trade Mark No 2615669 which differs in both classes from the specification of the other marks in issue. They are right to do so. There is no reference to any consideration or determination of these issues in the Decision.
38. It seems to me that when considering the cumulative effect of the errors referred to above that the Hearing Officer has not made an assessment under Section 5(2)(b) of the Act in an appropriately correct or complete manner. In the circumstances, it is clear that the Decision of the Hearing Officer in relation to his findings under Section 5(2)(b) cannot stand. I should add that given that this is the view that I have come to it is neither necessary nor appropriate for me to consider further the submissions as to the correct approach to any assessment under Section 5(2)(b) in this case; or the other Grounds of Appeal maintained by the Appellant.

### **Conclusion**

39. Given that my view is that the opposition under Section 5(2)(b) of the Act has not been appropriately considered and given that in a number of respects there has been no consideration at all of the issues at first instance, I do not consider that, in this case, it would be appropriate for me to do anything other than remit the outstanding matters to the Registry.

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40. I should make the following observations in relation to this appeal:
- (1) In the circumstances of the present case, I have every sympathy with both parties, who indicated to me in the course of the hearing of the appeal that ideally they would like finality in the proceedings if at all possible; and
  - (2) It is regrettable that, even if not transcribed, it would appear that a recording was not made and/or kept of the hearing before the Registrar from which a transcript could be obtained in circumstances where a dispute arose as to what was or was not said in the course of such a hearing.
41. Further I should make it clear that it would not be right for me to say anything about the merits of the Decision that I have ordered to be set aside. To make any observations would only compound the errors that I have identified above and accordingly I have not done so.
42. My decision on this appeal is, therefore as follows:
- (1) The appeal is allowed.
  - (2) The Hearing Officer's decision dated 11 February 2014 in so far as it relates to the Opposition under Section 5(2)(b) of the Act and costs is set aside.
  - (3) The consolidated oppositions under Section 5(2)(b) of the Act are remitted to the Registrar for determination by a different Hearing Officer, in accordance with the Trade Marks Act 1994 and the Rules.
  - (4) The costs of the proceedings to date (including the costs of this appeal) are reserved to the Registrar upon the basis that the question of how and by whom they are to be borne and paid will be determined at the conclusion of the consolidated oppositions in accordance with the usual practice.

Emma Himsworth Q.C.

Appointed Person

28 April 2015

Ms Amanda Michaels (instructed by F J Cleveland LLP) appeared on behalf of the Appellants, Tokyo Akafudaya Limited

Mr Aaron Mellor, the managing director of the Respondent represented the Respondent, Tokyo Industries Limited.

The Registrar was not represented at the hearing and took no part in the Appeal.