

O/196/19

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO. UK00003276971 BY  
SEKOYA HOTELS & RESORTS LTD.  
TO REGISTER THE FOLLOWING MARK:**



**S O H O G A R D E N**

**IN CLASSES 41 AND 43**

**AND**

**IN THE MATTER OF OPPOSITION THERETO  
UNDER NO. 412166 BY  
SOHO HOUSE LIMITED**

## BACKGROUND AND PLEADINGS

1. On 13 December 2017, SEKOYA Hotels & Resorts Ltd (“the applicant”) applied to register the mark shown on the cover page of this decision in the UK. The application was published for opposition purposes on 12 January 2018 and is for the following services:

Class 41 Arranging and conducting of concerts; entertainment or education club services; disc jockey services; discotheque services; night clubs; night-club services; impresario services; organisation of shows, concerts, plays and operas; party planning; presentation of live performances.

Class 43 Bar services; cafes; catering services; provision of food and drink; hotels; restaurants; snack-bars.

2. The application was opposed by Soho House Limited (“the opponent”). The opposition is based upon sections 5(2)(b) and 5(3) of the Trade Marks Act 1994 (“the Act”). The opponent relies on EUTM registration no. 12214251 for the mark **SOHO HOUSE** which was applied for on 10 October 2013 and registered on 23 May 2014.

3. For the purposes of its opposition under section 5(2)(b), the opponent relies on all services for which the earlier mark is registered (as set out in paragraph **32** below). The opponent claims that there is a likelihood of confusion because the respective services are identical or similar and the marks are similar.

4. For the purposes of its opposition under section 5(3), the opponent claims that the earlier mark has a reputation in respect of “entertainment” and “club services (entertainment or education)” in class 41 and all services for which the mark is registered in class 43. The opponent claims that use of the applicant’s mark would, without due cause, take unfair advantage of, or be detrimental to, the distinctive character and/or repute of its earlier mark.

5. The applicant has filed a counterstatement denying the grounds of opposition.

6. The opponent is represented by Ancient Hume Limited and the applicant is represented by HGF Limited. The opponent filed evidence in chief in the form of two witness statements by Peter McPhee, both dated 20 August 2018. These were accompanied by written submissions, also dated 20 August 2018. The applicant filed evidence in the form of the witness statement of Rachel Denholm dated 5 November 2018. The opponent filed evidence in reply in the form of the third witness statement of Peter McPhee, dated 21 December 2018. Neither party requested a hearing and both parties filed written submissions in lieu. This decision is taken following a careful perusal of the papers.

## **EVIDENCE**

### **Opponent's Evidence in Chief**

7. As noted above, the opponent's evidence in chief consists of two witness statements by Peter McPhee, both dated 20 August 2018. The first is accompanied by 22 exhibits. The second related to turnover figures as well as details of advertising and PR spending. However, this was accompanied by a request for confidentiality which was granted by the Tribunal. A confidentiality order was issued on 4 September 2018, confirming that the second statement should remain confidential from the public, although it would be available for the applicant.

8. Mr McPhee is the Director and Global Chief Financial Officer for the opponent; the latter is a position he has held since February 2016. Mr McPhee states that the opponent was incorporated in 1996 as the legal vehicle for Nick Jones' private members' club enterprise which began in 1995. Mr McPhee states that the first 'House' was opened at 40 Greek Street, London in 1995 and there are now 22 clubs worldwide (9 in the UK, 1 in Berlin, 2 in Barcelona, 1 in Amsterdam and 9 in the USA)<sup>1</sup>. The venues which use the SOHO HOUSE mark are Soho House Barcelona, Soho House 40 Greek Street, Soho House 76 Dean Street, Soho House Berlin, Soho House Chicago, Soho House West Hollywood, Soho House Istanbul, Soho House New York, Soho House Toronto, Soho House Amsterdam and Soho House Mumbai. The other

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<sup>1</sup> Exhibit PM2

UK based venues are called Little House Mayfair, Babington House, Shoreditch House, Soho Farmhouse, Electric House, High Road House and White City House. Mr McPhee states that the business was established to target those in the fashion, film, media and creative industries.

9. The opponent has been referenced in a number of articles, including in an article in the Financial Times dated 1 April 2016, which confirms that the opponent's revenue had risen to £280million in 2015 (although discusses concerns over finances)<sup>2</sup> and in an article on the website 'The Caterer' dated 12 October 2017, which confirms that the opponent's turnover had increased to £293.4million (although notes revenue for the core business of food, beverage, bedrooms and membership was £273.6million) for 2016<sup>3</sup>. Other articles have featured in the Independent<sup>4</sup>, the Mail<sup>5</sup> and the Evening Standard<sup>6</sup>.

10. In addition to being able to access the club houses themselves, Mr McPhee states that members are also invited to high-profile events which are organised under the SOHO HOUSE mark. Mr McPhee states that events take place at the club houses throughout the year. Mr McPhee states that celebrities are often spotted at the club houses, with the London Eater reporting on 22 December 2017 that Meghan Markle had been spotted at the Little House premises in London (which the article states is part of the Soho House portfolio)<sup>7</sup> and on 19 January 2017 that:

“Soho House has returned home to its Greek Street base after a huge refurb, and opened its doors on Thursday night. Guests included 50 Shades of Grey actor Jamie Dornan, presenter Fearne Cotton and singer Sophie Ellis-Bextor.<sup>8</sup>”

11. The opponent has entered into an events-based partnership with automotive producer BMWi, which has been ongoing since 2014<sup>9</sup>. Mr McPhee states that this is

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<sup>2</sup> Exhibit PM4

<sup>3</sup> Exhibit PM5

<sup>4</sup> Exhibit PM6

<sup>5</sup> Exhibit PM7

<sup>6</sup> Exhibit PM8 and PM16

<sup>7</sup> Exhibit PM9

<sup>8</sup> Exhibit PM10

<sup>9</sup> Exhibit PM11

an example of the opponent's reputation for innovation, with the Senior Vice President of BMW quoted as saying:

"BMW and Soho House share a common mindset: both brands strive for innovation, creativity as well as a special sense for aesthetic setting new design standards. What I look forward to most about our partnership is our determination to create memorable and sophisticated experiences together."

12. Mr McPhee states that the opponent has jointly hosted the BRIT Awards afterparty every year since 2012. Mr McPhee has provided a copy of an article taken from what appears to be the opponent's own website commenting on the success of the event in 2016<sup>10</sup> and an article from Tatler dated 23 February 2017, commenting on the success of the event in 2017<sup>11</sup>.

13. Mr McPhee states that since 2006, the opponent has run an event called 'House Festival', which is a charity event in London. SOHO HOUSE is listed as a "Friend of the Festival" on the print-out of the event's website dated 2016, but does not appear to be listed for the print-out dated 2017<sup>12</sup>.

14. Mr McPhee explains that each club house has full service bars and lounges, with restaurants either in or near to the club houses. He states that those restaurants that are near to (rather than in) the club houses are open to the public as well as to members. An article dated 1 April 2016 in the Financial Times confirmed that the opponent had 56,000 members with 33,000 on the waiting list. It confirms that the opponent had 13 restaurants, had served more than 4.1million meals and had 216,000 "staying guests"<sup>13</sup>, which Mr McPhee states refers to those guests booked into the opponent's hotel rooms. In addition to operating restaurants, Mr McPhee confirms that the opponent also caters for events operated by itself and those operated with its partners.

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<sup>10</sup> Exhibit PM12

<sup>11</sup> Exhibit PM13

<sup>12</sup> Exhibit PM14

<sup>13</sup> Exhibit PM4

15. Mr McPhee states that there are currently 634 luxury hotel rooms available within the group. On 13 April 2016, "Soho House & Co" was listed by the Telegraph in an article entitled "The world's best hotel groups in pictures – Telegraph Travel Awards 2015-16"<sup>14</sup>. Mr McPhee states that Soho House Barcelona is open to the public as well as members. The Soho House Berlin won Germany's Leading Hotel Residence 2016<sup>15</sup>.

16. Mr McPhee states that the opponent's reputation is such that it does not actively advertise its brand or services, although he notes that there are "established marketing and communications teams which operate in-house for [the opponent]"<sup>16</sup>.

17. The opponent has won awards<sup>17</sup>, which include:

a. Soho House at 76 Dean Street won Best New Members Club Award at Thrillist London's Best of 2015 Awards;

b. Soho House Berlin was nominated for the Germany's Leading Hotel Residences Award at the World Travel Awards in 2015;

c. The Store x at Soho House Berlin won the Best New Retail Concept Award at the WGSN Futures Awards in 2016;

d. Soho House was awarded 14<sup>th</sup> place in the World's Best Hotel Group at the Telegraph Travel Awards in 2016;

e. Soho House was nominated for Coolest Members Club at the Cool Venue Awards in 2016;

f. Soho House New York was nominated for the World's Leading Boutique Hotel Award at the World Travel Awards in 2016; and

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<sup>14</sup> Exhibit PM15

<sup>15</sup> Exhibit PM17

<sup>16</sup> Witness Statement of Peter McPhee, para. 35

<sup>17</sup> Exhibit PM20

g. Soho House Berlin won the Germany's Leading Hotel Residences Award at the World Travel Awards.

18. As noted above, I have also reviewed the second witness statement of Mr McPhee which is confidential. I have noted the revenue figures for the UK and the EU for the years 2012 to 2017 provided in that statement, as well as the public relations expenditure for the same years. I note that these figures relate to the SOHO HOUSE brand only and are consequently lower than those figures listed in press articles referred to above.

19. The opponent's evidence in chief was accompanied by written submissions. Whilst I do not propose to summarise these here, I have taken them into consideration in reaching my decision and will refer to them below where appropriate.

### **Applicant's Evidence**

20. As noted above, the applicant's evidence consists of the witness statement of Rachel Denholm dated 5 November 2018, with three exhibits. Ms Denholm is the Trade Mark Attorney acting on behalf of the applicant. Ms Denholm's evidence largely consists of submissions about the common element of the parties' respective marks – SOHO – being a place name and therefore, she says, of low distinctive character.

21. Ms Denholm has provided an extract from the IPO's Trade Marks Manual<sup>18</sup> which deals with the treatment of geographical place names as part of a trade mark. In particular, Ms Denholm refers to the following section of the Manual which references the judgment of the CJEU in the *Windsurfing Chiemsee*<sup>19</sup> case:

“31 Thus, under Article 3(1)(c) of the Directive [equivalent to section 3(1)(c) of the UK Trade Marks Act 1994 or UKTMA], the competent authority must assess whether a geographical name in respect of which an application for registration

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<sup>18</sup> Exhibit RD1

<sup>19</sup> C-108/97 and C-109/97

as a trade mark is made designates a place which is currently associated in the mind of the relevant class of persons with the category of goods concerned, or whether it is reasonable to assume that such an association may be established in the future.

32. In the latter case when assessing whether the geographical name is capable, in the mind of the relevant class of persons, of designating the origin of the category of goods in question, regards must be had more particularly to the degree of familiarity amongst such persons with that name, with the characteristics of the place designated by the name, and with the category of goods concerned.”

22. Ms Denholm states that Soho is a well-known entertainment district in London, New York, Hong Kong and other cities and is famed in the entertainment and hospitality industry. Ms Denholm has provided print outs from the Guardian and Wikipedia which discuss the development of Soho<sup>20</sup> and she notes that the use of the name SOHO in relation to the services in issue will create a “favourable association in the minds of the relevant consumers and should not be exclusively claimed by any one trader<sup>21</sup>”. Ms Denholm notes that there are various businesses which use SOHO as part of their trading name<sup>22</sup>.

23. The applicant filed written submissions in lieu of a hearing. Whilst I do not propose to summarise these here, I have taken them into account in reaching my decision and will refer to them below as necessary.

### **Opponent’s Evidence in Reply**

24. As noted above, the opponent’s evidence in reply consists of the third witness statement of Peter McPhee dated 21 December 2018, with one exhibit. Mr McPhee acknowledges that the first club house opened by the opponent was located in the Soho district of London, but states that it has now expanded around the world and

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<sup>20</sup> Exhibit RD2

<sup>21</sup> Witness Statement of Rachel Denholm, para. 5

<sup>22</sup> Exhibit RD3

operates clubs which use the SOHO HOUSE brand followed by a place name (such as SOHO HOUSE BERLIN).

25. The opponent filed written submissions in lieu of a hearing. Whilst I do not propose to summarise these here, I have taken them into account and will refer to them below as appropriate.

### **PRELIMINARY ISSUE**

26. The applicant has made reference to other businesses which use SOHO as part of their trading names. However, my assessment must take into account only the potential conflict between the marks in issue. The existence of other trade names or registered marks is not relevant to that assessment.

### **DECISION**

27. Section 5(2)(b) of the Act reads as follows:

“5(2) A trade mark shall not be registered if because –

(a)...

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

28. Section 5(3) of the Act states:

“5(3) A trade mark which -

(a) is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a European Union trade mark or international trade mark (EC), in the European Union) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or repute of the earlier trade mark.”

29. An earlier trade mark is defined in section 6 of the Act, the relevant parts of which state:

“6(1) In this Act an “earlier trade mark” means –

(a) a registered trade mark, an international trade mark (UK) or Community trade mark or international trade mark (EC) which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks

(2) References in this Act to an earlier trade mark include a trade mark in respect of which an application for registration has been made and which, if registered, would be an earlier trade mark by virtue of subsection (1)(a) or (b) subject to its being so registered.”

30. The trade mark upon which the opponent relies qualifies as an earlier trade mark under the above provisions. As this trade mark had not completed its registration process more than 5 years before the publication date of the application in issue in these proceedings, it is not subject to proof of use pursuant to section 6A of the Act. The opponent can, therefore, rely upon all of the services it has identified.

### **Section 5(2)(b)**

31. The following principles are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer*

*Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

The principles:

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

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

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

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

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

(f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

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

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

(i) mere association, in the strict sense that the later mark brings to mind the earlier mark, is not sufficient;

(j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

(k) if the association between the marks creates a risk that the public will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

### **Comparison of services**

32. The competing services are as follows:

<b>Opponent's Services</b>	<b>Applicant's Services</b>
<u>Class 41</u> Education; Providing of training; Entertainment; Sporting and cultural activities; Academies [education]; Amusement parks; Amusements; Animal training; Arranging and conducting of colloquiums; Arranging and conducting of concerts; Arranging and conducting of conferences; Arranging and conducting of congresses; Arranging and	<u>Class 41</u> Arranging and conducting of concerts; entertainment or education club services; disc jockey services; discotheque services; night clubs; night-club services; impresario services; organisation of shows, concerts, plays and operas; party planning; presentation of live performances.

conducting of seminars; Arranging and conducting of symposiums; Arranging and conducting of workshops [training]; Arranging of beauty contests; Boarding schools; Booking of seats for shows; Bookmobile services; Calligraphy services; Cinema presentations; Circuses; Club services [entertainment or education]; Coaching [training]; Conducting fitness classes; Correspondence courses; Disc jockey services; Discotheque services; Dubbing; Education information; Educational examination; Electronic desktop publishing; Entertainer services; Entertainment information; Film production, other than advertising films; Gambling; Game services provided on-line from a computer network; Games equipment rental; Gymnastic instruction; Health club services [health and fitness training]; Holiday camp services [entertainment]; Language interpreter services; Layout services, other than for advertising purposes; Lending libraries; Microfilming; Modelling for artists; Movie studios; Music composition services; Music-halls; News reporters services; Night clubs; Nursery schools; Operating lotteries; Orchestra services; Organization of balls; Organization of competitions [education or entertainment]; Organization of

Class 43

Bar services; cafes; catering services; provision of food and drink; hotels; restaurants; snack-bars.

<p>exhibitions for cultural or educational purposes; Organization of fashion shows for entertainment purposes; Organization of shows [impresario services]; Organization of sports competitions; Party planning [entertainment]; Personal trainer services [fitness training]; Photographic reporting; Photography; Physical education; Practical training [demonstration]; Presentation of live performances; Production of music; Production of radio and television programmes; Production of shows; Providing amusement arcade services; Providing casino facilities [gambling]; Providing golf facilities; Providing karaoke services; Providing museum facilities [presentation, exhibitions]; Providing on-line electronic publications, not downloadable; Providing recreation facilities; Providing sports facilities; Publication of books; Publication of electronic books and journals on-line; Publication of texts, other than publicity texts; Radio entertainment; Recording studio services; Recreation information; Religious education; Rental of audio equipment; Rental of camcorders; Rental of cine-films; Rental of lighting apparatus for theatrical sets or television studios; Rental of movie projectors and accessories; Rental of radio and</p>	
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television sets; Rental of show scenery; Rental of skin diving equipment; Rental of sound recordings; Rental of sports equipment, except vehicles; Rental of sports grounds; Rental of stadium facilities; Rental of stage scenery; Rental of tennis courts; Rental of video cassette recorders; Rental of videotapes; Scriptwriting services; Services of schools [education]; Sign language interpretation; Sport camp services; Subtitling; Television entertainment; Theatre productions; Ticket agency services [entertainment]; Timing of sports events; Toy rental; Translation; Tuition; Videotape editing; Videotape film production; Videotaping; Vocational guidance [education or training advice]; Vocational retraining; Writing of texts, other than publicity texts; Zoological garden services.

Class 43

Services for providing food and drink; Temporary accommodation Services for providing food and drink; temporary accommodation; catering services including mobile catering services and catering services provided online from a computer database or from the Internet; restaurant services; self-service restaurant services; banqueting services; bar, public house, snack bar,

<p>wine bar, wine club services, sandwich bar, cafeteria, canteen and café services; cocktail lounge services; take away services; fast-food restaurant services; hotel services; bed and breakfast services; provision of guesthouse accommodation; reservation services and bookings services for hotels and temporary accommodation; reservation services for booking meals; rental of meeting, conference and reception rooms; providing facilities for conducting conferences, meetings, banquets, seminars, receptions, parties, and shows; rental of chairs, tables, table linen, and glassware; advisory and information services relating to the selection, preparation and serving of food and beverages; providing information and exchange of information in relation to foods, alcoholic beverages and non-alcoholic beverages including by way of the Internet; club dining services; information and advisory services in relation to all the aforesaid services, including those provided online from a computer database or from the Internet.</p>	
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33. In *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T- 133/05, the General Court (“GC”) stated that:

“29. In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category,

designated by trade mark application (Case T-388/00 *Institut for Lernsysteme v OHIM – Educational Services* (ELS) [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark.”

#### Class 41

34. “Arranging and conducting of concerts”, “discotheque services”, “night clubs”, “disc jockey services” and “presentation of live performances” appear in the specifications for both marks. These services are self-evidently identical.

35. “Entertainment or education club services” in the applicant’s specification is plainly identical to “Club services [entertainment or education]” in the opponent’s specification. “Night-club services” in the applicant’s specification is plainly identical to “night clubs” in the opponent’s specification. “Impresario services” in the applicant’s specification is plainly identical to “Organization of shows [impresario services]” in the opponent’s specification. “Party planning” in the applicant’s specification is plainly identical to “party planning [entertainment]” in the opponent’s specification.

36. “Organisation of shows, concerts, plays and operas” in the applicant’s specification falls within the broader category of “entertainment” in the opponent’s specification. These services are, therefore, identical on the principle outlined in *Meric*.

#### Class 43

37. “Services for providing food and drink” in the opponent’s specification is plainly identical to “provision of food and drink” in the applicant’s specification. “Hotel services” in the opponent’s specification is plainly identical to “hotels” in the applicant’s specification. “Restaurant services” in the opponent’s specification is plainly identical to “restaurants” in the applicant’s specification.

38. “Bar services”, “cafes” and “snack-bars” in the applicant’s specification fall within the broader category of “bar, public house, snack bar, wine bar, wine club services, sandwich bar, cafeteria, canteen and café services” in the opponent’s specification.

“Catering services” in the applicant’s specification falls within the broader category of “catering services including mobile catering services and catering services provided online from a computer database or from the Internet” in the opponent’s specification. These services are, therefore, identical on the principle outlined in *Meric*.

### **The average consumer and the nature of the purchasing act**

39. As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective parties’ services. I must then determine the manner in which these services are likely to be selected by the average consumer. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

“60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median.”

40. I have no submissions from the applicant on the identity of the average consumer or the nature of the purchasing process. In its written submissions dated 20 August 2018, the opponent states:

“3.7.5 It is submitted that the average consumer for the services at issue, which essentially are club services, entertainment services, restaurant services and hotel services are the general public. It is likely that an average level of attention will be paid in relation to the selection of the provider of the relevant services.”

41. For the majority of the services, the average consumer will be a member of the general public. However, I recognise that for some services, such as “catering services”, the average consumer may also be a business user. The costs and

frequency of purchases of the services are likely to vary significantly from “bar services” which will be of low cost and purchased fairly frequently, to “presentation of live performances” which will be of higher cost and purchased less frequently. In any event, I consider that at least an average degree of attention will be paid during the purchasing process for all of the services.

42. Generally, the services are likely to be purchased from specialist retail outlets or their online equivalents. I consider that the purchasing process is likely to be dominated by visual considerations as the average consumer is likely to select the services following inspection of the premises’ frontage on the high street, on websites and in advertisements (such as flyers, posters or online adverts). However, word-of-mouth recommendations may also play a part and so I do not discount that there will be an aural component to the selection of the services.

### **Comparison of trade marks**

43. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a trade mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the trade marks must be assessed by reference to the overall impressions created by the trade marks, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

“... it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

44. It would be wrong, therefore, to artificially dissect the trade marks, although it is necessary to take into account the distinctive and dominant components of the marks

and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.

45. The respective trade marks are shown below:

Opponent's trade mark	Applicant's trade mark
SOHO HOUSE	

46. I have lengthy submissions from both parties on the similarity of the marks and, whilst I do not propose to reproduce those here, I have taken them into consideration in reaching my decision.

47. The opponent's mark consists of the place name SOHO followed by the ordinary dictionary word HOUSE, presented in uppercase. I consider that the overall impression lies in the combination of these words, with the place name SOHO playing a lesser role as it will be seen as descriptive of a particular location rather than being indicative of the particular undertaking which is responsible for providing the services. The applicant's mark consists of a large insect device, presented above the words SOHO GARDEN in uppercase font. The device is the largest element of the mark, although the eye is naturally drawn to the wording. I consider that the device and the wording play an equal role in the overall impression of the mark, with the word SOHO alone being attributed less weight for the reasons stated above.

48. Visually, the marks both contain the word SOHO. However, they differ in the presence of the word HOUSE in the opponent's mark which has no counterpart in the applicant's mark and the presence of the word GARDEN and the insect device in the applicant's mark which have no counterparts in the opponent's mark. I consider the marks to be visually similar to a low degree.

49. Aurally, the word SOHO will be pronounced identically in both marks. However, the word HOUSE in the opponent's mark and GARDEN in the applicant's mark create a point of aural difference. Clearly, the insect device in the applicant's mark will not be pronounced by the average consumer. I consider the marks to be aurally similar to a medium degree.

50. Conceptually, the applicant's mark will be viewed as a reference to a green area which is located in the Soho district (whether of London or another city). The device will be recognised as an insect and will, therefore, convey a conceptual meaning. I note the opponent's argument that this will be linked with the concept of a garden, but it also carries conceptual meaning in its own right. The opponent's mark may be interpreted as referring to a house which is located in Soho. Alternatively, it may be a reference to a building which is named after Soho, but which is not actually located in Soho. The use of the word HOUSE is most likely to be seen as a reference to the building in which the services are provided, but in the context of some of the services, may also be seen as a play on words referring to a particular type of music. In either case, the word SOHO in the marks will be seen as a reference to a geographical area. I note the opponent's argument that the word HOUSE and the word GARDEN have a conceptual connection because houses have gardens, but in the context of the marks as a whole, the word GARDEN in the applicant's mark is more likely to be seen as a reference to a green area in Soho rather than a reference to a garden belonging to a particular house. Further, the presence of the insect device is a clear point of conceptual difference between the marks. I consider the marks to be conceptually similar to a low degree.

### **Distinctive character of the earlier trade mark**

51. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular

undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-2779, paragraph 49).

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

52. Registered trade marks possess varying degrees of inherent distinctive character ranging from the very low, because they are suggestive or allusive of a characteristic of the goods or services, to those with high inherent distinctive character, such as invented words which have no allusive qualities.

53. I have lengthy submissions from both parties on the distinctive character of the earlier mark. Whilst I do not propose to reproduce those here, I have taken them into consideration in reaching my decision.

54. I must first consider the inherent distinctive character of the earlier mark as a whole. It consists of the words SOHO HOUSE. As noted above, this will either be seen as describing a house named after the Soho area (either in London or another city) or a house located in the Soho area. The word SOHO is likely to be seen as a reference to a particular location and the word HOUSE is likely to be seen as a reference to the building in which the services are provided (although it may be seen, in the context of some of the services, as a play on words referring to a particular type of music). In my view, the mark has a low degree of inherent distinctive character, which lies in the combination of the word SOHO and HOUSE.

55. The opponent claims that its mark has acquired enhanced distinctive character through use. As the likelihood of confusion must be assessed by reference to the territory in which the applicant seeks to register its mark (in this case, the UK), the relevant market for assessing enhanced distinctive character is the UK market. The opponent's revenue for the UK market is significant. I note that the opponent's mark has been referenced in a number of articles and that it has co-hosted events; the opponent has also won awards (although not all of which relate to the UK). However, the opponent has referred to venues which it states operate under the SOHO HOUSE brand but which do not actually carry the SOHO HOUSE name. It is not clear whether the revenue figures provided by the opponent include revenue generated by these venues. Mr McPhee stated that the opponent does not actively advertise or market its brand or services, but that the opponent has provided details of PR expenditure during the relevant period.

56. I have not been provided with up to date membership figures. However, in 2016 the Financial Times reported that the opponent had 56,000 members, with 33,000 on the waiting list. The opponent also operates some stand alone restaurants which are open to the general public, but these are few in number. Despite the opponent's significant revenue figures, even assuming that membership figures have increased since 2016, when considering the size of the market for the services in respect of which the earlier mark is registered, this is a relatively low number of customers. The opponent's business is, by its nature targeted at a limited group of consumers (it being an exclusive private members' club). The revenue must be considered alongside the opponent's membership figures. Private members' club services is a small sub group of some of the broader terms for which the earlier mark is registered. Whilst I recognise that use of its services is broader than its members (and those on the waiting list to be members) because it does open some of its restaurants to the general public, in my view, this is not sufficient to demonstrate enhanced distinctiveness in anything more than private members' club services. I recognise that the opponent provides other services such as restaurant and accommodation services, but this is mainly within the context of its private members' clubs. I consider that in respect of private members' club services, the distinctiveness of the opponent's mark has been enhanced to a higher than average degree.

## Likelihood of confusion

57. Confusion can be direct or indirect. Direct confusion involves the average consumer mistaking one mark for the other, while indirect confusion is where the average consumer realises the marks are not the same but puts the similarity that exists between the marks and the goods and services down to the responsible undertakings being the same or related. There is no scientific formula to apply in determining whether there is a likelihood of confusion; rather, it is a global assessment where a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods and services and vice versa. As I mentioned above, it is necessary for me to keep in mind the distinctive character of the opponent's trade mark, the average consumer for the services and the nature of the purchasing process. In doing so, I must be alive to the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them that he has retained in his mind.

58. In reaching my decision, I bear in mind the decision of Iain Purvis Q.C., sitting as the Appointed Person, in *L.A. Sugar Limited v By Back Beat Inc*, Case BL-O/375/10, in which he described direct and indirect confusion as follows:

“16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: “The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.”

59. I have found the marks to be visually and conceptually similar to a low degree and aurally similar to a medium degree. I have found the average consumer to be a member of the general public or a business user who will select the services primarily by visual means, although I do not discount an aural component. I have concluded that at least an average degree of attention will be paid during the purchasing process for the services. I have found the parties' services to be identical.

60. I have found the opponent's mark to have a low degree of inherent distinctiveness, which has been enhanced in respect of private members' club services to a higher than average degree. The average consumer for private members' clubs will be a small subset of the average consumers for the services in issue, which are broad terms covering a variety of activities.

61. Notwithstanding the principle of imperfect recollection, for those consumers to which enhanced distinctiveness does not apply, there are sufficient differences between the marks to ensure that they will not be misremembered or mistakenly recalled as each other. The presence of the insect device is unlikely to be forgotten and the lack of counterpart device in the opponent's mark will not go unnoticed. I do not consider there to be a likelihood of direct confusion. Further, having recognised the differences between the marks, the average consumer is likely to view the use of the word SOHO in the marks as a reference to a geographical area rather than indicating a connection between the businesses. I do not consider there to be a likelihood of indirect confusion.

62. For those consumers to which enhanced distinctiveness does apply, the potential for confusion is greater due to their awareness of the opponent's reputation. However, they will be paying a higher degree of attention during the purchasing process as average consumers of private members' club services will be involved in ensuring that they meet the necessary entry requirements, perhaps needing to obtain recommendations from existing members (which I recognise may mean that aural considerations play a greater role). These are not services which will acquire customers through walk-in business. The greater potential for confusion for these consumers will, therefore, be offset by the greater level of attention being paid by them

during the purchasing process. Consequently, there will be no likelihood of direct or indirect confusion for the same reasons as stated above.

### **Section 5(3)**

63. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, Case 252/07, *Intel*, Case C-408/01, *Addidas-Salomon*, Case C-487/07, *L'Oreal v Bellure* and Case C-323/09, *Marks and Spencer v Interflora*.

The law appears to be as follows:

a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors*, paragraph 24.

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors*, paragraph 26.

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman*, paragraph 29 and *Intel*, paragraph 63.

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel*, paragraph 42

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel*, paragraph 68; whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel*, paragraph 79.

(f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel, paragraphs 76 and 77*.

(g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel, paragraph 74*.

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark; *L'Oreal v Bellure NV, paragraph 40*.

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora, paragraph 74 and the court's answer to question 1 in L'Oreal v Bellure*).

64. The conditions of section 5(3) are cumulative. Firstly, the opponent must show that the earlier mark has achieved a level of knowledge/reputation amongst a significant part of the public. Secondly, it must be established that the level of reputation and the similarities between the marks will cause the public to make a link between them, in

the sense of the earlier mark being brought to mind by the later mark. Thirdly, assuming that the first and second conditions have been met, section 5(3) requires that one or more of the types of damage claimed will occur and/or that the relevant public will believe that the marks are used by the same undertaking or that there is an economic connection between the users. It is unnecessary for the purposes of section 5(3) that the services be similar, although the relative distance between them is one of the factors which must be assessed in deciding whether the public will make a link between the marks. The relevant date for the assessment under section 5(3) is the date of application – 13 December 2017.

## **Reputation**

65. In *General Motors*, Case C-375/97, the CJEU stated:

“25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.

26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.

27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.

28. Territorially, the condition is fulfilled when, in the terms of Article 5(2) of the Directive, the trade mark has a reputation 'in the Member State'. In the absence of any definition of the Community provision in this respect, a trade mark cannot be required to have a reputation 'throughout the territory of the Member State. It is sufficient for it to exist in a substantial part of it.’”

66. In determining whether the opponent has demonstrated a reputation for the services in issue, it is necessary for me to consider whether its mark will be known by a significant part of the public concerned with the services. In reaching this decision, I must take all of the evidence into account including “the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it”.

67. I have already summarised the evidence provided by the opponent with regard to its reputation in the context of enhanced distinctiveness. The same points apply here. A reputation in the UK is sufficient to demonstrate a reputation in a substantial part of the EU<sup>23</sup>. In my view, for the reasons summarised above, I consider that the opponent has only demonstrated a reputation in respect of private members’ club services. However, this is a small subset of the broader terms for which the opponent’s mark is registered and in respect of which it claims a reputation. I am not satisfied that a reputation for private members’ club services only, will result in the opponent’s reputation extending to a substantial part of the relevant public for the services in issue. Consequently, I will go on to consider whether there will be a link made between the marks in relation to these, limited, services for which there is a reputation

## **Link**

68. As I noted above, my assessment of whether the public will make the required mental ‘link’ between the marks must take account of all relevant factors. The factors identified in *Intel* are:

### The degree of similarity between the conflicting marks

For the reasons set out earlier, I consider there to be a low degree of visual and conceptual similarity and a medium degree of aural similarity between the marks.

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<sup>23</sup> *Whirlpool Corporations and others v Kenwood Limited* [2009] ETMR 5 (HC)

The nature of the goods or services for which the conflicting marks are registered, or proposed to be registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public

For the reasons set out earlier, the services are identical.

The strength of the earlier marks' reputation

The opponent has a reasonably strong reputation in respect of private members' club services.

The degree of the earlier mark's distinctive character, whether inherent or acquired through use

As noted above, the earlier mark has a low degree of inherent distinctive character, which has been enhanced through use to a higher than average degree in respect of private members' club services.

Whether there is a likelihood of confusion

For the reasons set out above, I do not consider there to be a likelihood of confusion.

69. Notwithstanding the fact that the opponent has a strong reputation in the UK in respect of private members club services, the low level of similarity between the marks means that the relevant public will not make a link between the marks in use. The common element of the marks – the word SOHO – is far more likely to be seen as indicating a connection with a particular geographical area, rather than suggesting a link between the businesses in the mind of the consumer. I do not consider there to be a connection between the words GARDEN and HOUSE in the context of the marks as a whole which would create a link in the minds of the consumer. The opposition under section 5(3) must, therefore, fail.

## CONCLUSION

70. The opposition is unsuccessful and the application will proceed to registration.

## COSTS

71. The applicant has been successful and is entitled to a contribution towards its costs, based upon the scale published in Tribunal Practice Notice 2/2016. In the circumstances, I award the applicant the sum of **£1,250** as a contribution towards the costs of the proceedings. The sum is calculated as follows:

Preparing a statement and considering the opponent's statement	£250
Preparing evidence and considering the Opponent's evidence	£700
Preparing written submissions in lieu	£300
<b>Total</b>	<b>£1,250</b>

72. I therefore order Soho House Limited to pay SEKOYA Hotels & Resorts Ltd the sum of £1,250. This sum should be paid within 14 days of the expiry of the appeal period or, if there is an appeal, within 14 days of the conclusion of the appeal proceedings.

**Dated 11 April 2019**

**S WILSON**

**For the Registrar**