

O-221-17

TRADE MARKS ACT 1994

IN THE MATTER OF

TRADE MARK REGISTRATION NO 3098205

IN THE NAME OF MASALA TWIST LTD

FOR

THE TRADE MARK

Masala Twist

IN CLASSES 39 & 43

AND

**AN APPLICATION FOR A DECLARATION OF INVALIDITY THEREOF (UNDER
NO. 501013)**

BY

INDO SCOT LTD

BACKGROUND

1) Masala Twist Ltd ('the proprietor') is the proprietor of the registered trade mark 'Masala Twist' in respect of the following services:

Class 39: Transport and delivery of goods; Transport of goods; Transportation of food.

Class 43: Arranging of banquets; Arranging of wedding receptions [food and drink]; Banqueting services; Cafe services; Cafés; Catering (Food and drink -); Catering for the provision of food and beverages; Catering of food and drinks; Catering services; Catering services for the provision of food; Catering services for the provision of food and drink; Coffee shop services; Coffee shops; Delicatessens [restaurants]; Fast food restaurant services; Fast-food restaurants; Food cooking services; Food preparation; Food preparation services; food takeaway service; Mobile catering services; Mobile restaurant services; Night club services [provision of food]; Outside catering services; Pizza parlors; Preparation of food and beverages; Preparation of meals; Providing facilities for fairs and exhibitions; Provision of food and drink; Provision of food and drink in restaurants; Restaurant reservation services; Restaurant services; Restaurants; Serving food and drinks; Tea rooms.

2) The trade mark was applied for on 09 March 2015. It was subsequently published in the Trade Marks Journal for opposition purposes on 27 March 2015. No opposition having been filed, it was entered on the register on 05 June 2015.

3) Indo Scot Ltd ('the applicant') claims that the trade mark registration offends under Section 5(4)(a) of the Trade Marks Act 1994 ('the Act') and for that reason should be declared invalid. In support of that ground the applicant claims to be the proprietor of the unregistered mark 'Masala Twist' which it states has been used in Scotland and throughout the UK since 05 August 2011 in relation to services for providing food and drink, restaurant, bar and catering services, takeaway services, food delivery services, and information in relation all of the aforesaid services. The applicant states that "The registered owner's registration and use of an identical mark for

identical and similar services is therefore a misrepresentation leading or likely to lead the public to believe that the goods or services offered by the registered owner are the goods or services of the cancellation applicant. Such misrepresentation is likely to cause damage to the cancellation applicant's prior rights in its mark, which should be protected under the common law of passing off."

4) The proprietor filed a counterstatement in which it essentially denies the applicant's claim and makes a number of points including that it is situated in Manchester city centre whereas the applicant is based in Scotland.

5) Only the applicant filed evidence; the proprietor filed nothing beyond the counterstatement. Neither party requested to be heard. The applicant filed written submissions in lieu of a hearing. I now make this decision on the basis of the papers before me.

EVIDENCE

6) The applicant's evidence comes from Manish Kaushik, director of Indo Scot Ltd. It can be summarised as follows:

- The applicant began using the sign MASALA TWIST on 5 August 2011 in the UK as the name of a restaurant in Glasgow. The applicant also offers takeaway, transport and delivery of food and drink and catering services.
- Exhibits 4 and 5 consist of screenshots from the applicant's 'Facebook' and 'Twitter' accounts, advertising the Masala Twist Indian Restaurant and showing posts dating back to December 2011.
- Exhibit 6 shows pages from the website www.tripadvisor.co.uk. There have been 208 independent reviews for the restaurant 'Masala Twist West End' in Byres Road, Glasgow. The earliest review, entitled "good food n service" was posted in November 2011.
- Exhibit 7 shows pages from the website www.just-eat.co.uk. There have been 236 reviews of 'Masala Twist Indian Restaurant' on that website since

2012. It is possible to view the Masala Twist menu and order a takeaway through the website.

- Exhibit 8 shows a screenshot of a booking confirmation for the Masala Twist restaurant from 21 September 2011 from the website www.toptable.com. A further screenshot from the website www.5pm.co.uk confirms a table booking at Masala Twist for 10 September 2011.
- Exhibits 9 and 10 show customer reviews of Masala Twist restaurant, Byres Rd, Glasgow dating back to as early as 2011 on the websites www.underthegrill.co.uk and www.yelp.co.uk.
- Exhibit 13(3) shows details of the applicant's accounts from 2012 to 2016. Gross sales figures, per quarter, for the period prior to the relevant date are as follows:

Quarter	Gross sales (£)
Oct 12	70, 498.30
Jan 13	86, 832.37
Apr 13	82, 268.50
Jul 13	75, 843.92
Oct 13	84, 925.47
Jan 14	92, 894.97
Apr 14	81, 091.56
Jul 14	102,219.62
Oct 14	86,656.40
Jan 15	89,769.30
Apr 15	78,065.06

- Exhibit 14 shows a screenshot from the website www.eveningtimes.co.uk of an article dated 17 Nov 2015. Although this is after the relevant date, it states that the Masala Twist restaurant in Glasgow has been nominated for the 'Best in Scotland' category at the British Curry Awards 2015. Mr Kaushik states that the Masala Twist restaurant was also a finalist in the Scottish Curry Awards 2013.

- Exhibit 16 is an article from the Glasgow 'Evening Times' dated 18 December 2012 about 'Scotland's hottest curry' at Masala Twist restaurant.
- Exhibit 18 shows an article from the magazine 'Air Lingus' dated August 2014, advertising and reviewing the applicant's Masala Twist restaurant in Glasgow.
- Exhibits 21-24 show advertisements for the applicant's Masala Twist restaurant on websites such as www.gourmetsociety.co.uk, www.tastecard.co.uk and www.food.list.co.uk.
- Exhibit 26 is an article and advertisement from the Glasgow 'Herald and District Times' for the restaurant Masala Twist and its takeaway and home delivery service. The advert states that there will be 25% off all food orders "until 31 Jan 2013".
- Exhibit 28 is an invoice, dated 16 Nov 2014, addressed to 'Masala Twist, 192-194 Byres Road, Glasgow' from the 'Herald & Times Group', Glasgow for "Advertising in High Flyer Magazine – Half Page Full Colour - £600".

DECISION

7) Section 47(2)(b) of the Act states:

"47(2) The registration of a trade mark may be declared invalid on the ground-

(a) ...

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

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

And Section 5(4)(a) states:

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

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

(b) [.....]

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

8) Halsbury’s Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165 provides the following analysis of the law of passing off. The analysis is based on guidance given in the speeches in the House of Lords in *Reckitt & Colman Products Ltd v. Borden Inc.* [1990] R.P.C. 341 and *Erven Warnink BV v. J. Townend & Sons (Hull) Ltd* [1979] AC 731. It is (with footnotes omitted) as follows:

“The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

(1) that the plaintiff’s goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;

(2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by the defendant are goods or services of the plaintiff; and

(3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant’s misrepresentation.

The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House’s previous statement, should not, however, be treated as akin to a statutory definition or

as if the words used by the House constitute an exhaustive, literal definition of passing off, and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House.”

9) Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:

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

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

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

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

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

(a) the nature and extent of the reputation relied upon;

(b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;

(c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;

(d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.”

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

The relevant date

10) In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC as the Appointed Person considered the relevant date for the purposes of s. 5(4)(a) of the Act and concluded as follows:

“39. In *Last Minute*, the General Court....said:

‘50. First, there was goodwill or reputation attached to the services offered by LMN in the mind of the relevant public by association with their get-up. In an action for passing off, that reputation must be established at the date on which the defendant began to offer his goods or services (*Cadbury Schweppes v Pub Squash* (1981) R.P.C. 429).

51. However, according to Article 8(4) of Regulation No 40/94 the relevant date is not that date, but the date on which the application for a Community trade mark was filed, since it requires that an applicant seeking a declaration of invalidity has acquired rights over its non-

registered national mark before the date of filing, in this case 11 March 2000.'

40. Paragraph 51 of that judgment and the context in which the decision was made on the facts could therefore be interpreted as saying that events prior to the filing date were irrelevant to whether, at that date, the use of the mark applied for was liable to be prevented for the purpose of Article 8(4) of the CTM Regulation. Indeed, in a recent case before the Registrar, *J Sainsbury plc v. Active: 4Life Ltd* O-393-10 [2011] ETMR 36 it was argued that *Last Minute* had effected a fundamental change in the approach required before the Registrar to the date for assessment in a s.5(4)(a) case. In my view, that would be to read too much into paragraph [51] of *Last Minute* and neither party has advanced that radical argument in this case. If the General Court had meant to say that the relevant authority should take no account of well-established principles of English law in deciding whether use of a mark could be prevented at the application date, it would have said so in clear terms. It is unlikely that this is what the General Court can have meant in the light of its observation a few paragraphs earlier at [49] that account had to be taken of national case law and judicial authorities. In my judgment, the better interpretation of *Last Minute*, is that the General Court was doing no more than emphasising that, in an Article 8(4) case, the *prima facie* date for determination of the opponent's goodwill was the date of the application. Thus interpreted, the approach of the General Court is no different from that of Floyd J in *Minimax*. However, given the consensus between the parties in this case, which I believe to be correct, that a date prior to the application date is relevant, it is not necessary to express a concluded view on that issue here.

41. There are at least three ways in which such use may have an impact. The underlying principles were summarised by Geoffrey Hobbs QC sitting as the Appointed Person in *Croom's TM* [2005] RPC 2 at [46] (omitting case references):

- (a) The right to protection conferred upon senior users at common law;

- (b) The common law rule that the legitimacy of the junior user's mark in issue must normally be determined as of the date of its inception;
- (c) The potential for co-existence to be permitted in accordance with equitable principles.

42. As to (b), it is well-established in English law in cases going back 30 years that the date for assessing whether a claimant has sufficient goodwill to maintain an action for passing off is the time of the first actual or threatened act of passing off: *J.C. Penney Inc. v. Penneys Ltd.* [1975] FSR 367; *Cadbury-Schweppes Pty Ltd v. The Pub Squash Co. Ltd* [1981] RPC 429 (PC); *Barnsley Brewery Company Ltd. v. RBNB* [1997] FSR 462; *Inter Lotto (UK) Ltd. v. Camelot Group plc* [2003] EWCA Civ 1132 [2004] 1 WLR 955: "date of commencement of the conduct complained of". If there was no right to prevent passing off at that date, ordinarily there will be no right to do so at the later date of application.

43. In *SWORDERS TM O-212-06* Mr Alan James acting for the Registrar well summarised the position in s.5(4)(a) proceedings as follows:

'Strictly, the relevant date for assessing whether s. 5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made.'

11) In the case before me, the filing date of the proprietor's trade mark is 09 March 2015. As there is no evidence of any use by the proprietor before the filing date that is the only date I need to consider.

Goodwill

12) In *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL) the Court stated:

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

13) In terms of the evidence that is required to establish the existence of goodwill, in *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 (HC), Pumfrey J. stated:

“27. There is one major problem in assessing a passing of claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under s.11 of the 1938 Act (see *Smith Hayden & Co. Ltd's Application (OVAX)* (1946) 63 R.P.C. 97 as qualified by *BALI Trade Mark* [1969] R.P.C. 472). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed to the relevant date. Once raised, the applicant must rebut the prima facie case. Obviously, he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the

hearing officer that it is not shown on the balance of probabilities that passing off will occur.”

14) However, in *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat) Floyd J. (as he then was) stated that:

“[The above] observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be answered of passing off. I do not understand Pumfrey J to be laying down any absolute requirements as to the nature of evidence which needs to be filed in every case. The essential is that the evidence should show, at least prima facie, that the opponent's reputation extends to the goods comprised in the application in the applicant's specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application.”

15) In *Hart v Relentless Records* [2002] EWHC 1984 (Ch), Jacob J. (as he then was) stated that:

“62. In my view the law of passing off does not protect a goodwill of trivial extent. Before trade mark registration was introduced in 1875 there was a right of property created merely by putting a mark into use for a short while. It was an unregistered trade mark right. But the action for its infringement is now barred by s.2(2) of the Trade Marks Act 1994. The provision goes back to the very first registration Act of 1875, s.1. Prior to then you had a property right on which you could sue, once you had put the mark into use. Even then a little time was needed, see per Upjohn L.J. in BALI Trade Mark [1969] R.P.C. 472. The whole point of that case turned on the difference between what was needed to establish a common law trade mark and passing off claim. If a trivial goodwill is enough for the latter, then the difference between the two is vanishingly small. That cannot be the case. It is also noteworthy that before the relevant date of registration of the BALI mark (1938) the BALI mark had been used “but had not acquired any significant reputation” (the trial judge's finding). Again that shows one is looking for more than a minimal reputation.”

16) However, a small business which has more than a trivial goodwill can protect signs which are distinctive of that business under the law of passing off even though its reputation may be small. In *Stacey v 2020 Communications* [1991] FSR 49, Millett J. stated that:

“There is also evidence that Mr. Stacey has an established reputation, although it may be on a small scale, in the name, and that that reputation preceded that of the defendant. There is, therefore, a serious question to be tried, and I have to dispose of this motion on the basis of the balance of convenience.”

See also: Stannard v Reay [1967] FSR 140 (HC); *Teleworks v Telework Group* [2002] RPC 27 (HC); *Lumos Skincare Limited v Sweet Squared Limited and others* [2013] EWCA Civ 590 (COA).

17) The first hurdle that the applicant must overcome is to show that it had goodwill in a business at the relevant date of 09 March 2015 and that the sign relied upon, ‘Masala Twist’, is associated with, or distinctive of, that business.

18) It is clear that, at the relevant date, the applicant had been operating a restaurant (including a takeaway service) under the name ‘Masala Twist’ in Glasgow since 2011 and that the business was more than a trivial one. The quarterly sales figures for the period 2012 to 2015 are steady and healthy. There is evidence to show that advertising has taken place in newspapers and magazines in Glasgow and on websites such as facebook and twitter (for example). The advertisements bear a variety of dates from 2011, 2012, 2013 and 2014. There have been numerous positive customer reviews of the ‘Masala Twist’ restaurant over the period 2011-2015 on websites such as www.tripadvisor.co.uk and www.just-eat.co.uk. Mr Kaushik has also made an unchallenged statement that the applicant was a finalist in the Scottish Curry Awards 2013 and, although after the relevant date, there is also evidence to show that the applicant was nominated in the ‘Best in Scotland’ category at the British Curry Awards 2015. All of this evidence combines to satisfy me that between 2011 and the relevant date, the applicant enjoyed the requisite goodwill in its ‘Masala

Twist' restaurant and takeaway business. In terms of the geographical extent of that goodwill, although there is some evidence showing advertising outside of Glasgow, such as the advertisement in 'Air Lingus' magazine, and on a number of websites, it is not possible to ascertain how many customers used the applicant's restaurant business as a result of seeing those advertisements. There is, for example, no evidence to show that bookings were made by customers from outside of the Glasgow area. On the basis of the evidence before me, I find that the applicant had a local goodwill in Glasgow (at least).

Misrepresentation and Damage

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

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

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

The same proposition is stated in Halsbury's Laws of England 4th Edition Vol.48 para 148 . The necessity for a substantial number is brought out also in *Saville Perfumery Ltd. v. June Perfect Ltd.* (1941) 58 R.P.C. 147 at page 175 ; and *Re Smith Hayden's Application* (1945) 63 R.P.C. 97 at page 101.”

And later in the same judgment:

“.... for my part, I think that references, in this context, to “more than *de minimis*” and “above a trivial level” are best avoided notwithstanding this court's reference to the former in *University of London v. American University of London* (unreported 12 November 1993) . It seems to me that such

expressions are open to misinterpretation for they do not necessarily connote the opposite of substantial and their use may be thought to reverse the proper emphasis and concentrate on the quantitative to the exclusion of the qualitative aspect of confusion.”

20) The proprietor’s registration is a national right which includes the applicant’s locality in Glasgow. The registered mark is clearly identical to the applicant’s sign. The services covered by the registration in class 43 can all loosely be described as services for the provision of food and drink. A number of those services are identical to the services in which the applicant has goodwill or are, at least, similar to a good degree to those services given the obvious overlap in purpose, trade channels and users, for example. Insofar as the services covered by the registration in class 39 are concerned, these are broad terms and would include ‘Delivery of food by restaurants’¹. Such services are clearly in the same field of activity as the restaurant and takeaway services in which the applicant has goodwill. Bearing all of this in mind, I find that those familiar with the applicant’s business will assume that the services provided under the proprietor’s mark are the responsibility of the applicant. A misrepresentation will arise. The damage that follows is likely to be in the form of loss of sales for the applicant, with customers using the proprietor’s services instead of the applicant’s. Damage can also be wider than simply loss of custom.² The reputation of a restaurant business is no doubt very important. Placing that reputation in the hands of another could have a serious negative impact on the applicant’s business and is another form of damage that must be guarded against.

21) The proprietor is liable to be prevented from use of the trade mark under the law of passing-off. The ground under section 5(4)(a) of the act therefore succeeds against all of the services of the registered mark.

¹ See the classification database ‘TMclass’ at: <http://euipo.europa.eu/ec2/search/find.jsessionid=DE7CE1956EBC0A0D9C8DB4DA03FEF162.ec2t1?language=en&text=pizza+delivery&niceClass=&size=25&page=1&harmonised=true&searchMode=WORDSPREFIX&sortBy=relevance>

² See, for instance, *Ewing v Buttercup Margarine Company, Limited*, [1917] 2 Ch. 1 (COA), where Warrington L.J. stated that: “To induce the belief that my business is a branch of another man’s business may do that other man damage in various ways. The quality of goods I sell, the kind of business I do, the credit or otherwise which I enjoy are all things which may injure the other man who is assumed wrongly to be associated with me.”

22) I should add that, in reaching this finding, I have borne in mind that, notionally speaking, the specification of the proprietor's registration covers transportation and delivery services of all kinds of goods (not just delivery of food by restaurants). However, despite being provided with the opportunity to do so³, the proprietor has not put forward any form of revised specification for consideration. Moreover, it is clear from the counterstatement that the type of services the proprietor is interested in are the same as those provided by the opponent i.e. restaurant and takeaway services. It makes no mention of any interest in the delivery or transport of goods other than food which it delivers to customers from its restaurant. Accordingly, I see no need to consider any fall-back position.

Summary

23) The application for invalidation succeeds in full.

COSTS

24) As the applicant has been successful, it is entitled to a contribution towards the costs it has incurred in these proceedings. Using the guidance in Tribunal Practice Notice 4/2007 (which was in force at the time of commencement of these proceedings), I award the applicant costs on the following basis:

Preparing a statement and considering the counterstatement	£200
Official fee	£200
Preparing evidence	£800
Written Submissions	£300
Total:	£1500

³ The official letter of 30 August 2016 refers.

25) I order Masala Twist Ltd to pay Indo Scot Ltd the sum of **£1500**. This sum is to be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 11TH day of May 2017

**Beverley Hedley
For the Registrar,
the Comptroller-General**