

O/0390/23

TRADE MARKS ACT 1994

CONSOLIDATED PROCEEDINGS

IN THE MATTER OF APPLICATION NO. 504160 TO
REVOKE ON THE GROUNDS OF NON-USE REGISTRATION NO.
UK00905897616 FOR THE MARK

BOUJIS

IN CLASSES 32, 33, 41 & 43

OWNED BY OZ ROYALE, INC., CALIFORNIA CORPORATION

AND

IN THE MATTER OF APPLICATION NO. UK00003654978
BY CHELSEA CLUBS LTD TO REGISTER:

BOUJIS

AS A TRADE MARK IN CLASSES 33, 41 & 43

AND IN THE MATTER OF OPPOSITION THERETO
UNDER NO. 429935 BY
OZ ROYALE, INC., CALIFORNIA CORPORATION

BACKGROUND AND PLEADINGS

1. These are consolidated proceedings between Oz Royale, Inc., California Corporation (“Oz”) and Chelsea Club Limited (“Chelsea”). I will first set out the background regarding the parties’ marks before setting out the basis of each parties’ respective proceedings.

Oz’s mark

2. On 11 May 2007, Oz applied to register the trade mark ‘BOUJIS’ in the EU. It was registered for protection in the EU on 29 August 2008 under EUTM registration number 005897616. Prior to the UK leaving the EU on 31 December 2020, Oz’s earlier EUTM enjoyed protection in the UK. In accordance with Article 54 of the Withdrawal Agreement between the UK and the European Union, the UK IPO created comparable UK trade marks for all right holders with an existing EUTM on 1 January 2021. As a result, the present comparable mark was created and, by virtue of paragraph 5(a) of Article 54 of the aforementioned agreement, it enjoys the same filing date as the earlier EUTM.

3. Oz’s mark stands registered for the following goods and services:

Class 32: Beers; mineral and aerated waters and other non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparations for making beverages.

Class 33: Wines, spirits, cocktails, cider, sherry, port, and fortified wines; alcoholic beverages other than beers.

Class 41: Club services being entertainment services; members clubs being entertainment services; nightclubs.

Class 43: Restaurant, bar, café and hotel services; catering services; provision of food and drink; accommodation services.

Chelsea's mark

4. On 14 June 2021, Chelsea applied to register the mark 'BOUJIS' in the UK for the following goods and services:

Class 33: Cocktails; Alcoholic cocktails; Alcoholic cocktail mixes; Wines; Spirits .

Class 41: Night clubs; Night club services [entertainment]; Club entertainment services; Club services [entertainment]; Night-club services .

Class 43: Private members drinking club services; Bars; Wine bars; Restaurants; Restaurant services; Wine bars.

Chelsea's revocation application

5. On 20 September 2021, Chelsea applied to revoke Oz's mark in full in accordance with section 46(1)(b) of the Trade Marks Act 1994 ("the Act"). Chelsea alleges that Oz has not used its mark in the United Kingdom during the period of 1 June 2016 and 31 May 2021 ("the relevant period") and it should, therefore, be revoked. Chelsea seeks a revocation date of 1 June 2021.

6. Oz filed a counterstatement defending its mark for all goods and services for which it is registered and confirming that evidence supporting its use shall be adduced in due course. In its defence, Oz claimed that its mark has been put to use within the specified five-year period but sets out that aside from the use as claimed, it was precluded from making genuine use of the mark for a significant timespan and, therefore, has proper reasons for non-use.

Oz's opposition

7. On 7 January 2022, Chelsea's mark was opposed by Oz. The opposition is based on sections 5(1), 5(2)(a), 5(3), 5(4)(a), 3(6) and 5(6) of the Act and is aimed at all

of Chelsea's goods and services. Under its 5(1), 5(2)(a), 5(3) and 5(6) grounds, Oz relies on the above mark, being that which is subject to revocation.

8. Under Section A of its notice of opposition, Oz selected both 5(1) and 5(2)(b) grounds. Chelsea argues that as Oz did not file separate sheets for each ground, it is not permitted to rely on both grounds. However, having reviewed the pleadings, I see no reason why they cannot be taken to be reliant upon both 5(1) and 5(2)(a) grounds. Further, I note that the requirement to use a separate sheet on the notice of opposition is when an opponent relies on separate earlier marks. Also under these grounds, I note that Oz argues that the marks are identical and Chelsea seeks registration for identical and similar services, thereby covering the requirements of both sections of the Act. I will, therefore, proceed on the basis that both grounds have been pleaded appropriately. Accordingly, Oz argues that there is an immediate and obvious likelihood of confusion between the marks. I note that in its argument in support of these grounds, Oz has failed to mention the goods at issue. However, Oz did select the option of the notice of opposition confirming that it opposes all of Chelsea's goods and services and, also, that it relies on all of its own goods and services for the basis of the opposition. As a result, I do not consider the way in which these grounds have been pleaded is fatal to the opposition of Chelsea's goods and consider it reasonable to infer that Oz considers that the goods are also identical and/or similar.
9. Under its 5(3) ground, Oz claims to have a reputation in some services only, namely "club services being entertainment services", "nightclubs", "bar services" and "provision of food and drink". Oz claims that its mark has garnered a very substantial reputation in the UK since opening in 2002 and by applying to register the identical mark and services for itself, Chelsea would unquestionably take advantage of the very strong reputation of the 'BOUJIS' mark owned by Oz thereby piggy-backing on its success for Chelsea's sole benefit and enabling it to short-circuit its own marketing efforts by creating a false and misleading association with Oz's business. Oz also argues that use of its mark by an unconnected party is outside of its control and, therefore, there is a real danger it could harm and sully the reputation of Oz's mark. I note that under the question regarding a detriment to distinctive character, Oz set out that "[a]s above, full evidence to be provided later

in the proceedings”. While this is noted, this is not a sufficient pleading in support of detriment to distinctive character and it is not appropriate for a party to simply reserve its position regarding a head of damage until the evidence rounds. Any claim to detriment to distinctive character will not, therefore, be considered.

10. Under the 5(4)(a) ground, Oz claims to have been using the sign ‘BOUJIS’ since 2002 in London, UK for “nightclub services, entertainment services, bar services and services for the provision of food and drink”. Oz claims that by virtue of its longstanding use of the sign, it enjoys a level of goodwill and that any use of Chelsea’s identical mark for identical services would be liable to deceive the relevant public into the mistaken belief that they are purchasing the opponent’s services or otherwise that there is an economic connection between them. Oz claims that this would result in the inevitable loss of future trade and cause actual or likely damage to its business. As was the case under the 5(2)(b) ground above, the pleadings under this ground only reference Chelsea’s services, however, I note that Oz has confirmed, at question three, that it opposes all goods and services.

11. Under the 3(6) ground, Oz argues that the person listed as being the person of significant control of Chelsea was never more than a paid employee of Oz’s predecessor in title and worked full time under Oz’s behest. Oz claims that Chelsea has no proprietary right and no legal entitlement to register its mark and it is clear that the application has been filed vexatiously and as a deliberate attempt to usurp Oz’s rights in its mark. Further, Oz argues that the application is being used as an instrument to disrupt Oz’s business.

12. Lastly, under the 5(6) ground, Oz claims that the person with significant control over Chelsea was an employee of Oz. In this role, the person with significant control over Chelsea was employed in a customer facing role and was tasked with the handling of customers in a social environment as well as other managerial responsibilities. As a result, this person acted in a capacity of an agent to the business and had a sense of duty and moral obligation not to encroach on Oz’s rights. Therefore, Oz claims that the application offends section 5(6) of the Act.

13. Chelsea filed a counterstatement denying the claims made and put Oz to proof of use in respect of the mark relied upon.
14. Upon the filing of Chelsea's counterstatement to the opposition, the Tribunal wrote to the parties on 6 May 2022 and confirmed that under Rule 62 of the Trade Marks Rules 2008 ("the Rules"), the proceedings would be consolidated. This was challenged by Oz and a Case Management Conference ("CMC") was held before me on 25 May 2022. The result of the CMC was to uphold the Tribunal's decision to consolidate the proceedings. At the CMC, no submissions were made in respect of costs and, in the post-CMC letter, I directed that costs in the case be reserved until a final decision.
15. Oz is represented by Stevens, Hewlett & Perkins and Chelsea is represented by Keystone Law. Both parties filed evidence in chief with Oz electing to also file evidence in reply. I note that written submissions were filed accompanying both Chelsea's evidence in chief and Oz's evidence in reply. No hearing was requested and I note that Oz elected to file written submissions in lieu of a hearing. This decision is taken following a careful consideration of the papers.
16. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Act relied on in these proceedings are derived from an EU Directive. This is why this decision continues to make reference to the trade mark case-law of EU courts.

EVIDENCE

17. Oz's evidence in chief for the separate proceedings came in the form of two witness statements, both from Mr Matthew Daniel Hermer dated 3 February 2022 and 12 September 2022. Mr Hermer is the owner and founder of Oz. In addition, I note that Mr Hermer confirms that he was the director and person having significant control over Boujis Limited (prior to it becoming insolvent in 2019). This is relevant to the present case because Boujis Limited is the predecessor in title of Oz's mark,

which was eventually assigned to Oz (and recorded as such on the EUIPO register on 9 August 2019). Mr Hermer's first statement is accompanied by 12 exhibits, being those labelled Exhibits MH1 to MH12. As for his second statement, this is accompanied by a further nine exhibits, being those labelled Exhibits MH13 to MH21.

18. Chelsea's evidence in chief came in the form of the witness statement of Mr Carlo Carello dated 8 February 2022. Chelsea confirmed during the course of these proceedings that it relies on this evidence in respect of both the revocation and the opposition.¹ Mr Carello is the sole director of Chelsea and his statement is accompanied by two exhibits, being those labelled Exhibits CC1 and CC2. As set out above, Mr Carello's witness statement was accompanied by written submissions.

19. As for the evidence in reply from Oz, this was by way of the third witness statement of Mr Hermer dated 17 November 2022. This was accompanied by a further exhibit, being that labelled Exhibit MH22. As set out above, Mr Hermer's evidence in reply was accompanied by written submissions.

20. I will refer to points from the evidence and submissions where necessary.

PRELIMINARY ISSUE

21. I note that Chelsea's evidence makes mention of an assignment document between Boujjs Limited and Oz wherein Oz's mark was assigned to it. A copy of this document is exhibited with Chelsea's evidence.² I note that this is dated 9 June 2019 and covers the assignment of the EUTM upon which Oz's comparable mark is based. Further, I note that it discusses the assignment of the goodwill of the business relating to all goods and services on which the marks are used. In Chelsea's accompanying submissions, it argues that the assignment document should be scrutinised carefully on the basis that it was made prior to HMRC's petition to the court for a winding up order on Boujjs Limited. Chelsea also claims

¹ As per correspondence from Keystone Law dated 21 November 2022

² Exhibit CC1

that the assignment was made at an undervalue and was a deliberate attempt to move assets beyond the reach of HMRC. In response to this argument, Mr Hermer has provided evidence in reply wherein he confirms that the winding up of the company was done voluntarily and the valuation was established following a fair and reasonable market assessment at the time.

22. While Chelsea's argument is noted, I am unsure as to its relevance on the present proceedings. If it is being made to support an argument that it is an invalid document then I consider it reasonable to expect Chelsea to have filed additional evidence in support of the same. Further, I consider that the allegations made against Oz on this point (that it was an 'asset strip' at an undervalue) are serious and it is beyond the purview of this Tribunal to deal with allegations of this nature. Lastly, I am of the view that Mr Hermer has provided what I deem to be a reasonable explanation via his evidence in reply wherein he confirms that the winding up of the company was done voluntarily and the valuation was established following a fair and reasonable market assessment at the time. Without anything further from Chelsea, I have no reason to consider that the assignment is anything other than a valid legal document and will assess it accordingly.

MY APPROACH

23. As discussed above, the 5(1), 5(2)(a), 5(3) and 5(6) grounds of Oz's opposition are reliant upon the mark that is subject to revocation. In the event that Oz's mark is revoked, the effective date of revocation will be 1 June 2021. The application date of Chelsea's mark is 14 June 2021, being after the potential date of revocation. Therefore, if Oz's mark is revoked, it will no longer be an earlier mark for the purposes of the opposition on the basis that it will be deemed not to have existed as at the relevant date for the opposition. That being said, the revocation of Oz's mark is not fatal to the opposition as Oz seeks to also rely on 5(4)(a) and 3(6) grounds. Neither of these grounds are reliant upon the existence of an earlier registered mark and will proceed regardless.

24. Given that the success of the revocation will result in the withdrawal of some grounds of the opposition, I consider it appropriate to deal with the revocation first.

If it is successful, I will proceed to consider the 5(4)(a) and 3(6) grounds of the opposition only. However, if it fails, I will consider the full grounds of the opposition accordingly.

DECISION

Chelsea's revocation

25. Section 46 of the Act states:

“46. - (1) The registration of a trade mark may be revoked on any of the following grounds-

(a) that within the period of five years following the date of completion of the registration procedure it has not been put to genuine use in the United Kingdom, by the proprietor or with his consent, in relation to the goods or services for which it is registered, and there are no proper reasons for non-use;

(b) that such use has been suspended for an uninterrupted period of five years, and there are no proper reasons for non-use;

(c) [...]

(d) [...]

(2) For the purpose of subsection (1) use of a trade mark includes use in a form (the “variant form”) differing in elements which do not alter the distinctive character of the mark in the form in which it was registered (regardless of whether or not the trade mark in the variant form is also registered in the name of the proprietor), and use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(3) The registration of a trade mark shall not be revoked on the ground mentioned in subsection (1)(a) or (b) if such use as is referred to in that paragraph is commenced or resumed after the expiry of the five year period and before the application for revocation is made:

Provided that, any such commencement or resumption of use after the expiry of the five year period but within the period of three months before the making of the application shall be disregarded unless preparations for the commencement or resumption began before the proprietor became aware that the application might be made.

(4) [...]

(5) Where grounds for revocation exist in respect of only some of the goods or services for which the trade mark is registered, revocation shall relate to those goods or services only.

(6) Where the registration of a trade mark is revoked to any extent, the rights of the proprietor shall be deemed to have ceased to that extent as from-

(a) the date of the application for revocation, or

(b) if the registrar or court is satisfied that the grounds for revocation existing at an earlier date, that date”.

26. As the mark subject to the revocation proceedings is a comparable mark, paragraph 8 of part 1, schedule 2A is relevant. It reads:

“8.— Non-use as defence in infringement proceedings and revocation of registration of a comparable trade mark (EU)

(1) Sections 11A and 46 apply in relation to a comparable trade mark (EU), subject to the modifications set out below.

(2) Where the period of five years referred to in sections 11A(3)(a) and 46(1)(a) or (b) (the "five-year period") has expired before [IP completion day]—

(a) the references in sections 11A(3) and (insofar as they relate to use of a trade mark) 46 to a trade mark are to be treated as references to the corresponding EUTM; and

(b) the references in sections 11A and 46 to the United Kingdom include the European Union.

(3) Where [IP completion day] falls within the five-year period, in respect of that part of the five-year period which falls before [IP completion day]—

(a) the references in sections 11A(3) and (insofar as they relate to use of a trade mark) 46 to a trade mark, are to be treated as references to the corresponding EUTM ; and

(b) the references in sections 11A and 46 to the United Kingdom include the European Union”.

27. Section 100 is also relevant, which reads:

“If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

28. In *Walton International Ltd & Anor v Verweij Fashion BV* [2018] EWHC 1608 (Ch) Arnold J summarised the law relating to genuine use as follows:

“114.....The CJEU has considered what amounts to “genuine use” of a trade mark in a series of cases: Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, *La Mer* (cited above), Case C-416/04 P *Sunrider Corp v Office for Harmonisation in the Internal Market (Trade Marks and Designs)*

[2006] ECR I-4237, Case C-442/07 *Verein Radetsky-Order v Bunderversvereinigung Kamaradschaft 'Feldmarschall Radetsky'* [2008] ECR I-9223, Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759, Case C-149/11 *Leno Marken BV v Hagelkruis Beheer BV* [EU:C:2012:816], [2013] ETMR 16, Case C-609/11 P *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR, Case C-141/13 P *Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [EU:C:2014:2089] and Case C-689/15 *W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse* [EU:C:2017:434], [2017] Bus LR 1795.

115. The principles established by these cases may be summarised as follows:

(1) Genuine use means actual use of the trade mark by the proprietor or by a third party with authority to use the mark: *Ansul* at [35] and [37].

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Leno* at [29]; *Centrotherm* at [71]; *Reber* at [29].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Leno* at [29]; *Centrotherm* at [71]. Accordingly, affixing of a trade mark on goods as a label of quality is not genuine use unless it guarantees, additionally and simultaneously, to consumers that those goods come from a single undertaking under the control of which the goods are manufactured and which is responsible for their quality: *Gözze* at [43]-[51].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations

to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14] and [22]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71]; *Reber* at [29].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Leno* at [29]-[30], [56]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is

genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72] and [76]-[77]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32].”

29. As I have explained above, the relevant period for the assessment of proof of use is 1 June 2016 to 31 May 2021. As Oz’s mark is a comparable mark based upon an earlier EUTM, use of the mark in the EU prior to IP Completion Day (being 31 December 2020) is relevant to the present assessment.³ This means that, for the majority of the relevant period (namely 1 June 2016 to 31 December 2020), the relevant jurisdiction for the proof of use assessment is the EU. However, for the period of 1 January to 31 May 2021, the relevant territory for the proof of use assessment is the UK only. On the point of use in the EU, I refer to the case of *Leno Merken BV v Hagelkruis Beheer BV*, Case C-149/11, wherein the Court of Justice of the European Union (“CJEU”) noted that:

“It should, however, be observed that ... the territorial scope of the use is not a separate condition for genuine use but one of the factors determining genuine use, which must be included in the overall analysis and examined at the same time as other such factors. In that regard, the phrase ‘in the Community’ is intended to define the geographical market serving as the reference point for all consideration of whether a Community trade mark has been put to genuine use.”

And

“50. Whilst there is admittedly some justification for thinking that a Community trade mark should – because it enjoys more extensive territorial protection than a national trade mark – be used in a larger area than the territory of a single

³ See paragraph 4 of Tribunal Practice Notice 2/2020

Member State in order for the use to be regarded as 'genuine use', it cannot be ruled out that, in certain circumstances, the market for the goods or services for which a Community trade mark has been registered is in fact restricted to the territory of a single Member State. In such a case, use of the Community trade mark on that territory might satisfy the conditions both for genuine use of a Community trade mark and for genuine use of a national trade mark.”

30. Proven use of a mark which fails to establish that “the commercial exploitation of the mark is real”⁴ because the use would not be “viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services protected by the mark”⁵ is not, therefore, genuine use.

31. I am also guided by *Awareness Limited v Plymouth City Council*, Case BL O/236/13, wherein Mr Daniel Alexander Q.C. as the Appointed Person stated that:

“22. The burden lies on the registered proprietor to prove use..... However, it is not strictly necessary to exhibit any particular kind of documentation, but if it is likely that such material would exist and little or none is provided, a tribunal will be justified in rejecting the evidence as insufficiently solid. That is all the more so since the nature and extent of use is likely to be particularly well known to the proprietor itself. A tribunal is entitled to be sceptical of a case of use if, notwithstanding the ease with which it could have been convincingly demonstrated, the material actually provided is inconclusive. By the time the tribunal (which in many cases will be the Hearing Officer in the first instance) comes to take its final decision, the evidence must be sufficiently solid and specific to enable the evaluation of the scope of protection to which the proprietor is legitimately entitled to be properly and fairly undertaken, having regard to the interests of the proprietor, the opponent and, it should be said, the public.

[...]

⁴ *Jumpman*, Case BL O/222/16

⁵ *Ibid.*

28. I can understand the rationale for the evidence being as it was but suggest that, for the future, if a broad class, such as “tuition services”, is sought to be defended on the basis of narrow use within the category (such as for classes of a particular kind) the evidence should not state that the mark has been used in relation to “tuition services” even by compendious reference to the trade mark specification. The evidence should make it clear, with precision, what specific use there has been and explain why, if the use has only been narrow, why a broader category is nonetheless appropriate for the specification. Broad statements purporting to verify use over a wide range by reference to the wording of a trade mark specification when supportable only in respect of a much narrower range should be critically considered in any draft evidence proposed to be submitted.”

32. In addition, in *Dosenbach-Ochsner Ag Schuhe Und Sport v Continental Shelf 128 Ltd*, Case BL 0/404/13, Mr Geoffrey Hobbs Q.C. as the Appointed Person stated that:

“21. The assessment of a witness statement for probative value necessarily focuses upon its sufficiency for the purpose of satisfying the decision taker with regard to whatever it is that falls to be determined, on the balance of probabilities, in the particular context of the case at hand. As Mann J. observed in *Matsushita Electric Industrial Co. v. Comptroller- General of Patents* [2008] EWHC 2071 (Pat); [2008] R.P.C. 35:

[24] As I have said, the act of being satisfied is a matter of judgment. Forming a judgment requires the weighing of evidence and other factors. The evidence required in any particular case where satisfaction is required depends on the nature of the inquiry and the nature and purpose of the decision which is to be made. For example, where a tribunal has to be satisfied as to the age of a person, it may sometimes be sufficient for that person to assert in a form or otherwise what his or her age is, or what their date of birth is; in others, more formal proof in the form of, for example, a birth certificate will be required. It all depends who is asking the question, why they are asking the question, and what

is going to be done with the answer when it is given. There can be no universal rule as to what level of evidence has to be provided in order to satisfy a decision-making body about that of which that body has to be satisfied.

22. When it comes to proof of use for the purpose of determining the extent (if any) to which the protection conferred by registration of a trade mark can legitimately be maintained, the decision taker must form a view as to what the evidence does and just as importantly what it does not ‘*show*’ (per Section 100 of the Act) with regard to the actuality of use in relation to goods or services covered by the registration. The evidence in question can properly be assessed for sufficiency (or the lack of it) by reference to the specificity (or lack of it) with which it addresses the actuality of use.”

33. I note that both parties have provided submissions in respect of the position regarding genuine use. I do not intend to reproduce these in full but confirm that I have taken them into account in making my following decision.

Sufficient use

34. As I have set out above, Oz’s mark was previously owned by Boujjs Limited. Oz’s evidence confirms that it was assigned to Oz in 2019. I note that from the evidence of Chelsea, the date of assignment is confirmed as being 19 June 2019.⁶ By Oz’s own admission, the only claimed use of its mark took place before the assignment. Any actual use was, therefore, by Boujjs Limited. While this is noted, I will, for ease of reference, refer to any use shown in the evidence as being use by Oz as the present owner of the mark at issue.

35. Oz denies that its mark has not been put to genuine use during the relevant period. On this point, I note that Oz also offers an alternative position in that if it is not deemed to have put its mark to genuine use during the relevant period (which as above is 1 June 2016 to 31 May 2021), it argues that it has proper reasons for non-

⁶ Exhibit CC1

use. For the purpose of this assessment, I will first consider whether the use described in the evidence is sufficient to be deemed genuine use. If it is, it will not be necessary to consider any alleged proper reasons for non-use. However, if no use is found, then I will proceed to consider the proper reasons for non-use.

36. The evidence of Mr Hermer sets out that the BOUJIS club first opened its doors in South Kensington, West London in 2002 and offered nightclub services, bar services and the provision of food, drink and entertainment. Mr Hermer relies on a print-out from Google UK which shows results for a search for the word BOUJIS.⁷ The print-out is undated but I note that there is a reference to pages being visited on 2 January 2022. I also note that there is reference to an article dated 4 June 2016 which is titled 'Boujjs nightclub loved by Prince William and Harry fill Dom...'. In addition, there is a section titled 'People also ask' which includes the question, 'Who owned Boujjs?' to which the answer is 'Matt Hermer' which appears to be taken from a London Evening Standard article dated 10 April 2012. I note that a copy of this article is attached to the evidence.⁸

37. Mr Hermer's evidence then goes on to speak to the success of the BOUJIS club, which he states became a regular haunt for A-list Hollywood celebrities and British Royalty. Mr Hermer sets out that the BOUJIS club garnered accolades such as 'Best Club', 'Best Night Out' and 'Best Boutique Club'. In support of Mr Hermer's claims to the success of the club, he exhibits a number of online extracts from third parties and news sources which discuss the BOUJIS nightclub.⁹ Mr Hermer claims that these articles help illustrate the nightclub's popularity and while that may be the case, they are all either undated or dated outside of the relevant period. As such, they do not contribute to the issue of genuine use during the relevant period and I see no reason to discuss them in any further detail at present.

38. It is clear to me that the club was in operation over a number of years prior to the commencement of the relevant period. While that may be the case, the evidence goes on to discuss the events surrounding the closure of the club. First, Mr Hermer describes an incident that occurred at the BOUJIS club on an unspecified date in

⁷ Page 12 of Exhibit MH1

⁸ Pages 13 to 15 of Exhibit MH1

⁹ Exhibit MH2

2015. Mr Hermer claims that this incident quickly escalated due to poor handling by the staff and management and because the club was very high profile at the time, it was picked up by the press. Mr Hermer states that this issue culminated with the loss of BOUJIS's business licence to serve alcohol a year later in April 2016. As a result of the loss of its licence, the club was only allowed to operate by law as a private Members' Club under strict conditions. Mr Hermer explains that, for various business reasons, a decision was made to close the London venue.

39. Prior to the closure of the club, it was decided that Oz would hold a farewell event for friends, family, staff and invited guests. This was held on 9 December 2016, being within the relevant period. Mr Hermer sets out that this event was attended by several hundred people and mobile phone screenshots showing the electronic invites for the event are provided.¹⁰ I note that these invites refer to the event as being a private event. Also attached are attendee responses confirming their intention to attend the event.¹¹ The names on the responses have been partially redacted for reasons of data protection. I note that the screenshot shows that there were 103 responses wherein the invitee confirmed they would attend. Each affirmative response includes the total number of guests that will be attending. Having calculated the total responses, it shows that approximately 208 people would be in attendance. While noted, there is nothing sufficiently solid before me to confirm whether the people who responded in the affirmative actually attended the event. Mr Hermer then goes on to discuss social media comments after the event and exhibits a number of screenshots taken from Facebook.¹² I note that these include two posts, the first of which being a status update with the other being a photograph together with a caption. Both posts are dated 9 December 2016 and were posted by an individual that attended the party. In terms of a response to these posts, I note that the status update has 60 likes and 14 comments and the photo has 31 likes and one comment.

¹⁰ See pages 33 to 35 of Exhibit MH3

¹¹ See pages 36 to 41 of Exhibit MH3

¹² Exhibit MH4

40. This concludes the evidence of use during the relevant period and Mr Hermer states that the BOUJIS mark was used on 9 December 2016 in relation to various services, not least including entertainment services and nightclub services.

Conclusions on genuine use

41. While the business was allowed to continue as a private Members' Club after April 2016, the decision to shut the club came at around the same time as the loss of the business licence, being in April 2016. For the avoidance of doubt, I appreciate that the club was in operation continuously since 2002 until April 2016 (despite some temporary closures), however, there is nothing before me to suggest that any use took place between 31 May 2016 (being the start of the relevant date) and the farewell party of 9 December 2016. This party, therefore, represents the totality of Oz's claims of use during the relevant period. As I have explained above, this was a private event and the BOUJIS mark was present on the invite that was sent out to potential guests. Mr Hermer states that several hundred people attended the event and I note that, of the invites sent out, 208 people said they would be attending.

42. Having considered this single event, my primary finding is that it does not qualify as the offering of a service to members of the general public. This is because it was a one off private event that is described in the evidence as a 'farewell event' for the club that was open to friends, family, staff and invited guests only. On this point, I note that in his evidence in reply (in response to Chelsea's evidence arguing that no alcohol was sold at the event), Mr Hermer states that alcohol and entertainment was provided free of charge at the event. It is my view that the running of a private event at the club's premises where entertainment and drinks are provided free of charge is not real commercial exploitation of the mark at issue. Given that it was a farewell party, it is clear that Oz's intention at the time was not to create or preserve a market share for the mark. This event is, therefore, not genuine use of the mark at issue.

43. If I am wrong to find as I have above, I make the secondary finding that the use shown is still insufficient to justify a finding of genuine use. Even if I were to

consider the event as being the actual provision of a service under the mark at issue, the only evidence before me is that the event was, as Mr Hermer claims, attended by several hundred people or that, at best, 208 people attended (provided they all turned up). The provision of a one off service (which was attended by only several hundred people) over a five year period is not sufficient use. I appreciate that, as set out by the case law above, use need not be quantitatively significant in order to be genuine and that even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned. However, in the present case, I am of the view that the nature of economic sector concerned, being nightclub services, is such that the provision of just one event is not sufficient to be deemed genuine. In such a market, I am of the view that the use shown would need to be consistently repeated over a sustained period of time for it be deemed genuine. Lastly, I repeat my point in the preceding paragraph where I set out that for use to be genuine, it must be by way of real commercial exploitation of the mark on the market for the relevant goods or services. As a farewell, one-time event, I am not satisfied that the intention of the event was to create or preserve an outlet for the services under the BOUJIS mark.

44. Taking all of the evidence into account, I find that Oz has failed to provide evidence of genuine use of its mark. However, as I have set out above, Oz has argued that it has proper reasons for non-use. I will now consider those.

Proper reasons for non-use

45. Outside of the above claimed use, which I have deemed not genuine, Oz claims that it has proper reasons for non-use. Two reasons have been given with the first being that the BOUJIS club lost its alcohol licence and the second is that any plans to reopen the club were thwarted by the COVID-19 pandemic. I do not intend to discuss the background in full regarding these issues but will briefly summarise them in turn below.

46. In respect of the losing of the club's licence, Mr Hermer explains that this stemmed from an incident at the club on 25 October 2015 that resulted in extensive news coverage and, ultimately, the suspension of its licence until 9 November 2015.

During the suspension, the Licensing Sub-Committee considered an application for a review of the licence by the police. A report was released on 24 November 2015 which set out that the BOUJIS premises would be allowed to continue in business as an entertainment venue with a licence to sell alcohol albeit subject to a strict range of new stringent measures. The evidence sets out that this decision was also made taking into account a string of other incidents at the club between 9 November 2014 and the aforementioned one on 25 October 2015. Another incident occurred in March 2016 which again resulted in a suspension of the licence. Ultimately, this additional incident resulted in the club's licence being permanently rescinded. On this point, I note that there is some inconsistency in the evidence in that it does not appear as though the licence was fully rescinded but, instead, was heavily restricted. I note that a copy of the review confirming this is enclosed within the evidence.¹³ Further, Mr Hermer sets out that the only means for the BOUJIS business to continue at this point would be in the form of a private members club, with a stronger emphasis on the provision of food at seated tables with entertainment. This required an annual fee being charged to members and also the reduction of club operating hours.

47. Mr Hermer sets out that, after this, the resumption of the BOUJIS business as it had run before was impossible. This resulted in the closing of the club while the business considered how it could convert to a new business model for private members. Mr Hermer confirms that there were significant costs involved with reopening the club as per the new licence and the business could not come up with a viable plan. As a result, it was decided that the business could no longer operate in the same location. Other ideas regarding the continuation of the business were considered but, ultimately, the lease for the BOUJIS club was surrendered.

48. The evidence sets out that it was never Mr Hermer's intention to cease all activity under the BOUJIS trade mark and that he had been thinking of ways to bring the club name back to life and operating as a business again in the UK. During this time, Mr Hermer moved to the United States and occasionally returned to London to look at various possible new sites with a view to restarting the BOUJIS business.

¹³ Exhibit MH8

Mr Hermer claims that he was beginning to formulate some plans to re-launch the business but these were thwarted by the COVID-19 outbreak which resulted in the closure of all nightclubs in the UK for a significant period of time. Mr Hermer goes on to discuss the restrictions on nightclubs during this time and I see no reason to repeat those here, save to say that between 20 March 2020 and 19 July 2021, government restrictions meant that nightclubs were not permitted to operate. During this time, Mr Hermer sets out that it would have been illegal to use the BOUJIS mark anywhere in the UK in relation to the goods and services registered.

Conclusions on proper reasons for non-use

49. I note that in respect of the proper reasons for non-use, both parties have filed submissions. It is not my intention to reproduce these in full but I confirm that I have taken them into account and will only refer to them where I consider it necessary to do so. In making my assessment on the proper reasons for non-use, I will deal with the two reasons separately. I will first look at the reasons surrounding the loss of the licence and then go on to consider the reasons surrounding the COVID-19 pandemic.

50. In considering the proper reasons for non-use, I remind myself of the case of *Armin Häupl v Lidl Stiftung & Co. KG*, Case C-246/05, wherein the CJEU held that:

52. In particular, as correctly stated by the Advocate General in [79] of his Opinion, it does not suffice that “bureaucratic obstacles”, such as those pleaded in the main proceedings, are beyond the control the trade mark proprietor, since those obstacles must, moreover, have a direct relationship with the mark, so much so that its use depends on the successful completion of the administrative action concerned.

53. It must be pointed out, however, that the obstacle concerned need not necessarily make the use of the trade mark impossible in order to be regarded as having a sufficiently direct relationship with the trade mark, since that may also be the case where it makes its use unreasonable. If an obstacle is such as to jeopardise seriously the appropriate use of the mark, its proprietor cannot

reasonably be required to use it nonetheless. Thus, for example, the proprietor of a trade mark cannot reasonably be required to sell its goods in the sales outlets of its competitors. In such cases, it does not appear reasonable to require the proprietor of a trade mark to change its corporate strategy in order to make the use of that mark nonetheless possible.

54. It follows that only obstacles having a sufficiently direct relationship with a trade mark making its use impossible or unreasonable, and which arise independently of the will of the proprietor of that mark, may be described as “proper reasons for non-use” of that mark. It must be assessed on a case-by-case basis whether a change in the strategy of the undertaking to circumvent the obstacle under consideration would make the use of that mark unreasonable. It is the task of the national court or tribunal, before which the dispute in the main proceedings is brought and which alone is in a position to establish the relevant facts, to apply that assessment in the context of the present action.

55. Having regard to the foregoing considerations, the answer to the second Proper question referred for a preliminary ruling must be that Art.12(1) of the Directive must be interpreted as meaning that obstacles having a direct relationship with a trade mark which make its use impossible or unreasonable and which are independent of the will of the proprietor of that mark constitute “proper reasons for non-use” of the mark. It is for the national court or tribunal to assess the facts in the main proceedings in the light of that guidance.

51. Further, I also refer to the case of *Naazeen Investments Ltd v OHIM*, Case T-250/13, wherein the General Court (“GC”) held that difficulties in manufacturing a product was not outside the proprietor’s control and therefore did not constitute a proper reason for non-use. The court stated that:

“66. According to the case-law, ‘proper reasons’ refers to circumstances unconnected with the trade mark proprietor rather than to circumstances associated with his commercial difficulties (see, to that effect, judgment of 9 July 2003 in *Laboratorios RTB v OHIM — Giorgio Beverly Hills (GIORGIO AIRE)*,

T-156/01, ECR, EU:T:2003:198, paragraph 41). The problems associated with the manufacture of the products of an undertaking form part of the commercial difficulties encountered by that undertaking.

67. In the present case, the marketing of the goods in question was stopped because those goods were defective. Given that it was for Gondwana to supervise and control the manufacture of the goods in question even though they were being manufactured by a third party, the interruption to the marketing of those goods cannot be regarded as independent of the will of Gondwana.

68. Furthermore, the applicant is wrong in claiming that it had no choice but to stop using the mark at issue or to put consumers' health in danger. As OHIM has observed, further products could have been manufactured and placed on the market within a reasonable period. Therefore, the applicant cannot claim that the change in strategy of the proprietor of the mark at issue made use of that mark unreasonable. The additional economic investments necessary for the manufacture of further products form, as OHIM states, part of the risks that an undertaking must face.

69. Accordingly, the applicant cannot claim that the Board of Appeal was wrong to take the view that the difficulty encountered by Gondwana concerning the manufacture of the goods in question did not constitute a proper reason for non-use of the mark at issue (paragraph 36 of the contested decision).”

52. The judgment of the GC was upheld on further appeal to the CJEU: see Case C-252/15 P.

53. As set out in the case law cited above, a proper reason for non-use may be described as something that makes use of a trade mark impossible or unreasonable, and which arises independently of the will of the proprietor of that mark. In the present case, I do not consider that the strict limitation of Oz's licence in April 2016 made it impossible or unreasonable for it to have used its mark. While Mr Hermer may consider that the new business model of a members only club was not financially viable, it was not, in my view, impossible or unreasonable to expect

Oz to seek alternative ways to use the mark at issue during the relevant period. Mr Hermer sets out in his evidence that he had thought of alternative ways to bring the club back to the UK but elected not to do so. I note that, for example, Mr Hermer confirms that he spoke to several brokers in regard to re-opening BOUJIS at a different site in 2017 and 2018 but was not able to find a suitable site at that time. By his own admission, Mr Hermer accepts that the BOUJIS nightclub could have re-opened during the relevant period but he was unable to find a suitable site to do so. I appreciate that this is an unfortunate issue for Mr Hermer, however, it was clearly not impossible or unreasonable to start using the mark again during this time. As for the issue regarding the financial viability of the business as at April 2016, I do not consider that this is of any assistance to Oz. The simple fact that the business was not viable does not, from a trade mark perspective, mean that Oz may benefit from this as a proper reason for non-use. It cannot be the case that the financial viability of a business has an effect on proper reasons for non-use of a trade mark. If it were, all businesses that are forced to close due to financial viability issues could be said to have proper reasons for non-use of their registered trade marks. This would offer proprietors too broad a scope of protection for trade marks when not in use. This line of argument is, therefore, dismissed.

54. In any event, even if I am wrong to conclude that the reasons did not make use of the mark impossible or unreasonable, I do not consider that the reasons given arose independently of the will of the proprietor. On this point, I note that the strict conditions regarding the transition of the nightclub to a members only club were agreed and even proposed by Oz.¹⁴ I appreciate that the steps that resulted in Oz's need to make the transition to a members only club were likely forced upon Oz due to the potential revocation of its licence, however, I do not consider that the events that led to the need for a review were entirely outside of the control of Oz. While I have some sympathy to Oz's position in respect of this point as the incidents were brought on by customers at its club, I do not accept that this means that the incidents were entirely outside of its control. I do not profess to have any knowledge in the operation of nightclubs but I do not consider it unreasonable to expect that some responsibility for these repeated incidents would fall on Oz, particularly given

¹⁴ See paragraphs 39, 40 and 49 of Exhibit MH8

that it was the entity responsible for appropriate security at the venue. The evidence is clear in that there were repeated issues with the operation of the nightclub and I note that Mr Hermer goes so far as to suggest that the escalation of one incident was due to poor handling by Oz's staff and management. I appreciate that this would have been outside Mr Hermer's direct control but to simply suggest that the events that led to the issues complained of were outside of Oz's control is not correct. In conclusion, even if it can be said that the lack of a licence (or the severe limitation of the same) made it impossible or unreasonable for Oz to continue using its mark, I am not satisfied that it was beyond Oz's control.

55. I turn now to consider the issues surrounding the COVID-19 pandemic. I remind myself that Oz argues that it was unable to continue the business regarding any of its goods and services during this time. Such a claim is noted but I do not consider that this is the case. I appreciate the issues for nightclub and entertainment establishment owners during this time as they were unable to operate, however, I note that Oz's mark is registered for goods in classes 32 and 33 and for services such as "restaurant services" and "provision of food and drink", for example. While I accept that the COVID-19 lockdowns would have affected businesses all over the UK regardless of their nature, providers of goods and services such as these were permitted to continue during this time (albeit in a restricted way such as, for example, restaurants being able to provide food for collection only). As a result, I see no merit in Oz's argument that the COVID-19 pandemic prevented it from using its marks in relation to all of its goods and services. That being said, I appreciate that the arguments put forward by Oz and the nature of its evidence in respect of this issue focus solely on nightclubs so I will now proceed to consider those.

56. Before considering Oz's position on this issue, I wish to briefly discuss Chelsea's evidence wherein it shows how other nightclubs sought to operate during this time.¹⁵ While noted, this shows only four examples of other club operating during this time (being The Cuckoo Club, Mahiki, Ministry of Sound and Raffles). Further, the period during the COVID-19 lockdown was a highly unprecedented time so I do not consider that the operation of other businesses can be said to reflect on

¹⁵ Exhibit CC2

how all businesses were expected to have operated. This evidence is, therefore, of no assistance.

57. The only evidence before me in support of Oz's position is via a vague assertion from Mr Hermer that plans were underway to re-launch BOUJIS but that he was stopped due to the COVID-19 pandemic in March 2020. In such circumstances, I consider it reasonable to expect that if plans were underway prior to the COVID-19 pandemic, evidence in support of the same would be available. This could have included, by way of examples, evidence of mock-ups for posters/branding for the re-launched business, evidence of enquiries being made with commercial real estate agents for the seeking of appropriate venues or initial steps being taken to acquire the appropriate licences for the operation of the business. This is not an exhaustive list of what evidence would be required and I appreciate that, as above, this was an unprecedented time for business owners, however, I do not consider it appropriate to simply accept a simple assertion as sufficient to give rise to a finding that the ongoing COVID-19 pandemic was a proper reason for non-use. Without anything sufficiently solid before me, I am not willing to accept the COVID-19 pandemic and its effects on the entertainment industry is a proper reason for non-use in the present case and this argument is, therefore, dismissed.

58. To confirm, I am not satisfied that Oz has provided any evidence of genuine use and the reasons for non-use are not sufficient. As a result, Oz's mark is hereby revoked for all goods and services for reasons of non-use in accordance with section 46(1)(b) of the Act with an effective revocation date of 1 June 2021.

Oz's opposition

59. As a result of the success of Chelsea's revocation action, Oz is now unable to rely on its mark for the 5(1), 5(2)(a), 5(3) and 5(6) grounds of its opposition. However, it may continue to rely on its 5(4)(a) and 3(6) grounds which I will assess below.

Section 5(4)(a)

60. Section 5(4)(a) of the Act reads as follows:

“(4) 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, where the condition in subsection (4A) is met,

(aa)

(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.”

61. Subsection (4A) of Section 5 states:

“(4A) The condition mentioned in subsection (4)(a) is that the rights to the unregistered trade mark or other sign were acquired prior to the date of application for registration of the trade mark or date of the priority claimed for that application.”

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

“55. The elements necessary to reach a finding of passing off are the ‘classical trinity’ of that tort as described by Lord Oliver in the *Jif Lemon* case (*Reckitt & Colman Product v Borden* [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

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

63. Halsbury's Laws of England Vol. 97A (2021 reissue) provides further guidance with regard to establishing the likelihood of deception. In paragraph 636 it is noted (with footnotes omitted) that:

"Establishing a likelihood of deception generally requires the presence of two factual elements:

- (1) that a name, mark or other distinctive indicium used by the claimant has acquired a reputation¹ 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 indicium 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 two successive hurdles which the claimant must surmount, consideration of these two aspects cannot be completely separated from each other.

The question whether deception is likely is one for the court, which 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 claimant and the defendant carry on business;

- (c) the similarity of the mark, name etc used by the defendant to that of the claimant;
- (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 deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.”

Relevant Date

64. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander Q.C., as the Appointed Person, endorsed the registrar’s assessment of the relevant date for the purposes of section 5(4)(a) of the Act, as follows:

“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.’ ”

65. Chelsea's mark does not have a priority date. Further, there is no evidence to suggest any use of Chelsea's mark prior to the application being filed meaning that the relevant date for the 5(4)(a) assessment falls on the filing date of the application at issue, being 14 June 2021.

Goodwill

66. The first hurdle for Oz under this ground is that it needs to show that, at the relevant date, it had the necessary goodwill in its business and that the sign 'BOUJIS' was distinctive and/or associated with that goodwill. I remind myself that Oz claims to have accrued goodwill in "nightclub services, entertainment services, bar services and services for the provision of food and drink".

67. Goodwill was described in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL), in the following terms:

"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."

68. 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.”

69. 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.”

70. 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.”

71. Before assessing whether there exists a protectable level of goodwill, I consider it necessary to briefly discuss the ownership of the same. Having reviewed the assignment dated 8 June 2019 wherein Boujis assigned its marks to Oz, I note that paragraph 1(a) covers the conveyance, transfer and assignment of the goodwill of the business relating to the goods and services on which the marks are used. As a result, I am satisfied that if there was any goodwill as at the cessation of the trading activities in 2016 and insofar as it still existed on 8 June 2019, it was duly assigned to Oz. Oz may, therefore, rely on any goodwill (insofar as it exists as at the relevant date) for the purposes of the present ground.

72. Goodwill arises as a result of trading activities. Oz's evidence regarding goodwill discusses the fact that, as I have set out above, the BOUJIS club closed its doors in April 2016 (save for a farewell event on 9 December 2016). Oz claims that, as at the relevant date, it enjoyed a strong residual level of goodwill in the UK. Despite being based in London, Oz claims that its reputation spread throughout the entirety of the UK thanks to its regular newspaper reports regarding celebrities and royalty entering and leaving the club. On this point, I remind myself that it has been found that goodwill in certain parts of the country is sufficient to prevent applications under the law of passing off,¹⁶ therefore, even if it can be said that any goodwill that vests in Oz is localised to London only, this will be sufficient to continue the present claim.

¹⁶ See *Chelsea Man Menswear Limited v Chelsea Girl Limited and Another* - [1987] RPC 189 (CA) and *Caspian Pizza Ltd v Shah* [2017] EWCA (Civ) 1874

73. Oz's evidence in respect of the present ground begins with a focus on press coverage of the BOUJIS nightclub from its launch in 2002 and its closure in 2016. This is where my assessment of goodwill will start. In respect of the press coverage, I note that Mr Hermer's second witness statement is accompanied by a number of articles in support of Oz's claim that it enjoys goodwill in its sign.¹⁷ I also note that Mr Hermer's first statement was accompanied by a number of press articles also.¹⁸ While his first statement was filed in relation to the revocation application, I consider that it may still be of assistance under the present ground and will consider it accordingly.

74. I do not intend to discuss the full detail of each item of evidence but will summarise them to the extent that I deem appropriate below. For the avoidance of doubt, I note that there is some overlap between the articles provided under the cover of the different statements, however, I will refer to them only once. The evidence of press coverage is as follows:

- a. An article from London Evening Standard dated 10 April 2012 which focuses on Mr Hermer. While his various nightclub endeavours are mentioned, the BOUJIS club is referred to as the 'jewel in his crown';
- b. Print-outs from the websites 'PRIVILEGE', 'London Night Guide' and 'Harper's Bazaar UK' that discuss the BOUJIS club. The first two print-outs are undated but the latter is dated 11 August 2010;
- c. An article dated 23 October 2012 from the South China Morning Post regarding the opening of a BOUJIS club in Hong Kong;
- d. Three articles regarding the attendance of Prince Harry at the BOUJIS club. The first of which is dated 11 February 2004 from 'UPI', the second is dated 26 March 2007 from 'CBS News' and the third is dated 29 February 2008 from 'The Times';
- e. There are a number of articles from both UK based publications (such as 'The Mirror Online' and 'femalefirst.co.uk') and '.com' based websites (such as 'the fan carpet' and 'RCFA') regarding the attendance of various celebrities at the BOUJIS club, namely Denzel Washington, Leonardo DiCaprio, Mickey Rourke,

¹⁷ Exhibit MH15

¹⁸ Pages 13 to 15 of Exhibit MH1 and Exhibit MH2

Hayden Panettiere and Rihanna. I note one of these articles is undated but the remaining ones are dated between 9 December 2006 and 17 June 2013;

- f. A 'Wales Online' article dated 1 May 2010 that focuses on the Cameo Club in Cardiff but makes a comparison between that and the BOUJIS nightclub in London;
- g. A 'MailOnline' article dated 4 June 2016 regarding a claim that the BOUJIS nightclub swapped £360 bottles of Dom Perignon with £9 bottles of prosecco. Within the article, the attendance of various celebrities (such as Prince, Fergie and Lewis Hamilton) and members of the Royal Family is also discussed together with the fact that the club had to close down in March of that year (being 2016). I note that this article is one that is included on the Google print-out I have referred to at paragraph 36 above;
- h. An article from 'IB Times' dated 30 October 2015 regarding the BOUJIS club shutting down after an antisemitic brawl. Given the dates involved, this appears to be the event that led to the issues discussed in the revocation above;
- i. An article from 'HELLO! Magazine' which discusses previous London hotspots that were attended by members of the Royal Family. The article discusses a number of clubs with BOUJIS being amongst them. I note that this is provided under the cover of both witness statements from Mr Hermer and that one copy is dated 19 August 2021 and one is dated 14 June 2022;
- j. An article from 'TATLER' dated 21 September 2012 that discusses a large closing party thrown by BOUJIS in the month prior to the article and the fact that, as at the time of the article, it had re-opened for its 10th birthday celebrations. This article includes a number of photographs of various celebrities;
- k. Two undated articles from 'civitas London' and 'USA Today' which both recommend the BOUJIS club amongst other recommended venues and hot-spots in London; and
- l. An article dated 5 September 2013 which does not appear to have any publication attached to it but I note that it states that the news is provided by 'Boujjs, Nightclub'. The article mentions both the London and Hong Kong clubs and makes mention of various celebrities.

75. I appreciate that the majority of the above articles are from UK publications. However, I note that some are not and I wish to address them briefly. These articles are those from CBS News and USA Today (which are American based publications) and the South China Morning Post (which is a Chinese based publication). While aimed at consumers outside of the UK, I am of the view that they can still be said to demonstrate the popularity of the club within the UK (in that they discuss attendance of celebrities and members of the Royal Family). I am also of the view that the same can be said to apply to the ‘civitatis London’ article which appears to be aimed at tourists (in that it makes reference to airport transfers in euros, thereby implying that it is a European based publication).

76. In addition to the evidence regarding press coverage, Mr Hermer also provides copies of Boujis Limited’s abbreviated accounts from 2004 to 2016.¹⁹ Having reviewed the accounts, I note that they do not specify precise turnover figures and it is incumbent upon me to extrapolate the figures in the best way that I can. Further, I note that despite a reference being made to 2016, the accounts provided conclude with the 2015 report which covers the year ending 29 March 2015.

77. Having reviewed these accounts, it appears as though the turnover of the business can be found in the ‘profit/loss’ column of each annual account. These figures are as follows:

Year ending	Profit/Loss (£)	Year ending	Profit/Loss (£)
31 March 2004:	2,034	31 March 2010:	113,298
31 March 2005:	2,204	31 March 2011:	5,101
31 March 2006:	2,337	31 March 2012:	366,655
31 March 2007:	2,509	31 March 2013:	775,818
31 March 2008:	4,021	30 March 2014:	1,087,540
31 March 2009:	105,134	29 March 2015:	77,954
Total:			2,544,605

¹⁹ Exhibit MH16

78. In respect of the above figures, it is necessary to mention that they are taken from the accounts based on my own understanding of them. I do not purport to be an expert in accounting and, as such, it is not clear to me whether the entirety of the figures from the profit/loss column accurately reflect the turnover for that year. While Oz's evidence could have benefited from some clarity in respect of the exact turnover in its business during these years, I acknowledge that in his narrative evidence, Mr Hermer confirms that the figures in the accounts are attributable to club services and entertainment services under the BOUJIS brand. Further, I note that there has been no challenge from Chelsea regarding the turnover. In light of the above, I have no reason to disbelieve the figures above as being an accurate reflection of the turnover for the BOUJIS club.

79. Mr Hermer goes on to discuss the websites for BOUJIS. He confirms that he has retained ownership and control of all the BOUJIS domains. A number of invoices from GoDaddy are enclosed with the evidence to show that they are being renewed and maintained.²⁰ Mr Hermer explains that the invoices are billed to his wife but that he has ownership and control over them. While noted, there is nothing before me as to the nature of the websites as at the relevant date and their mere existence as registered domain names is of no real assistance to Oz.

80. This represents the totality of the evidence pointing to a goodwill. I note that Oz's turnover during the operation of the BOUJIS club was approximately £2,544,605 and that the majority of this came in the three years leading up to the close of the business. While I do not consider this to be a large turnover, I remind myself that the only business activity shown in the evidence is the operation of one nightclub. In the context of such services, I am content to accept this as being a fairly sizeable turnover. I appreciate that the figures for the start of the business were low but note that they grew considerably from 2009 onwards, albeit with a considerable dip in 2015 (seemingly being the year where the BOUJIS club experienced a number of incidents, as discussed at paragraph 46 above). Further, it is clear that the trading activities associated with the business were relatively longstanding with the club opening in November 2002 before finally closing its doors in April 2016, being

²⁰ Exhibit MH17

approximately 14 years. As for the press coverage during the operation of the club I remind myself that some of the articles are taken from international publications and that, for some, it is not clear as to their intended audience. That being said, I note the presence of a number of articles from UK based publications, including national news publications such as 'The Times', 'The Mirror Online' and 'The Mail Online'. In the context of the services for which the BOUJIS sign was used, being nightclub services, I am of the view that this coverage would have acted as an attractive force to the relevant public. I say this on the basis that, as made clear by the evidence, the BOUJIS nightclub was frequently populated by celebrities and members of the Royal Family during the years of its operation. As a result, I consider that any goodwill in the business would have been strengthened due to the potential for members of the relevant public to effectively 'rub shoulders' with celebrities and Royalty at the club. Taking all of this into account, I am satisfied that there existed a sizable level of goodwill in the business as at the closure of the club in April 2016. I am also satisfied that the sign at issue, being BOUJIS, was distinctive and/or associated with that goodwill.

81. I turn now to consider the services for which this goodwill was associated with. I remind myself that Oz claims to have goodwill in "nightclub services, entertainment services, bar services and services for the provision of food and drink". It is clear from the evidence that the only service offered by Oz under its BOUJIS sign was that of a nightclub service. While I accept that the provision of a nightclub service goes hand in hand with the provision of both entertainment (in the form of music provided at the club, for example) and food and drink (on the basis that nightclubs commonly offer food and drinks to guests), I consider that a restriction to "nightclub services" only is sufficiently broad enough to cover these ancillary services. Any services beyond this would, in my view, be too broad in light of the use shown. To confirm, I find that the aforementioned goodwill vests in "nightclub services" only.

82. While I am satisfied that goodwill existed in the business when it closed in April 2016, I am now required to consider whether there was any residual goodwill as at the relevant date, being 14 June 2021.

Residual goodwill

83. It is settled case law that when a trade ceases to carry on its business, for a period of time it may retain the goodwill attached to that business and, by extension, the ability to enforce its rights.²¹ The point at which the goodwill no longer exists is a matter of fact and degree. In the present case, the period between the cessation of trade and the relevant date is approximately five years. On the issue of residual goodwill, I refer to paragraphs 14 and 15 of the case of *Minimax* (cited above) which state:

“14. More recently, in *Sutherland v V2 Music Ltd* [2002] EMLR 28, Laddie J had to consider whether the goodwill generated by a funk music band called Liberty 1, which had been formed in the late 1980s, still subsisted in March 2001. Laddie J considered the relevant principles and reviewed the authorities. At paragraph 22 he said this:

"There is one other general matter to deal with before turning to the facts, namely the size of the claimant's reputation. At some point a reputation may be respected by such a small group of people that it will not support a passing-off action. Neither Mr. Purle nor Mr. Speck were able to formulate a test for this bottom level. Mr. Purle said it was a matter of fact and degree. I agree with that. The law of passing off protects the goodwill of a small business as much as the large, but it will not intervene to protect the goodwill which any reasonable person would consider trivial".

15. It is difficult to define any minimum threshold. It will all depend on the facts. How big was the reputation when use stopped? How lasting in the public eye are the goods or services to which the mark is applied? How, if at all, has the person asserting the existence of the goodwill acted in order to keep the reputation in the public eye? The greater each of these elements is, the longer, it seems to me, it will take for any goodwill to dissipate.”

²¹ *Ad-Lib Club Limited v Granville* [1971] FSR 1 (HC)

84. As above, it is difficult to define any minimum threshold for a claim of residual goodwill to apply. In order to do so, I will consider the three factors set out in paragraph 15 of *Minimax*. For the avoidance of doubt, these are (1) the size of Oz's reputation when use stopped, (2) how lasting in the public eye nightclub services are and (3) how Oz has asserted the existence of a goodwill to keep the goodwill in the public eye. Dealing with these in turn, I remind myself that I have found that Oz enjoyed a sizeable of goodwill in its nightclub business in April 2016. Considering the second factor, I note that I have nothing before me to suggest how lasting in the public eye a nightclub service is. While I do not consider that nightclubs are the types of services that remain in the public eye for a significantly long period of time, I appreciate that they are not the type of business that a relevant consumer would forget quickly. I do not consider that it is possible to express precisely how long such a memory would last, I consider that it reasonable to suggest that it would cover a number of years.

85. The third and final factor that I must now consider is how, if at all, Oz has sought to assert the existence of its goodwill in order to keep the BOUJIS name in the public eye. On this point, I wish to briefly discuss the farewell event that Oz hosted in December 2016. This took place in the intervening period between the club's closure and the relevant date. It could, therefore, be argued that it was an event that Oz organised in order to keep the BOUJIS sign in the public eye. However, given that goodwill accrues as a result of trading activities directed at the public or the trade, I do not consider that this event (being a private event for invited friends, family and former employees only) can be said to be an activity for which any goodwill can be attributed to. As for any further attempts by Oz to keep BOUJIS in the public eye, I note that Mr Hermer's evidence states that he has attempted to re-open the nightclub in the intervening years. While I do not doubt Mr Hermer's intention to re-open the club, I have no evidence of activities undertaken by Oz that can be said to be an attempt to keep the BOUJIS name in the public eye. In my view, such evidence could have included ongoing merchandising sales or public adverts regarding any potential re-launch of the club, for example. Finally, I note that there is an article from after the relevant date from 'HELLO! Magazine' that mentions the BOUJIS club, however, this is a third party article and not something

that was done by Oz in order to keep the club's goodwill in the mind of the public. In summary, I do not consider that the evidence demonstrates any efforts by Oz to assert the existence of its goodwill in the public eye in the intervening period between closure and the relevant date. While this is a factor that weighs against Oz, it is not fatal to the existence of any residual goodwill.

86. I do not consider it to be an issue to suggest that, as a result of Oz's failure to assert its goodwill in the intervening period, the sizeable goodwill in Oz's business will have dissipated somewhat by the relevant date. While that may be the case, I remind myself that the goodwill was sizeable and the services at issue are such that the relevant public would not immediately forget them. Further, I note that the period of time between the cessation of the club and the relevant date was just over five years. I appreciate that this is not an insignificant period of time but neither is it so prolonged that a significant proportion of the relevant public would have forgotten the existence of the club entirely. Further, I appreciate that the 'HELLO! Magazine' article is evidence of just one article from after the relevant date, however, it is from a nationwide publication and can, therefore, be said to speak to the fact that the memory of the BOUJIS club still existed through the relevant date. Taking all of the above into account, I do not consider that the dissipation resulting from Oz's failure to assert its goodwill would have been so great that it resulted in the goodwill falling below a protectable level by the relevant date. Instead, I am of the view that the goodwill as at the relevant date would have dissipated to just a moderate level. As a result, Oz's 5(4)(a) claim may proceed.

Misrepresentation and damage

87. 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.”

88. 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.”

89. In considering misrepresentation, I bear in mind the questions set out in Halsbury's (reproduced at paragraph 63 above). Of the questions relevant to the present case, I remind myself that these are (1) the nature and extent of the goodwill, (2) the closeness (or otherwise) of the respective fields of activity in which the parties carry on their business and (3) the similarity of the marks at issue. Lastly, while it is not necessary to prove misrepresentation, I remind myself that I am able to place importance on whether it can be shown that Chelsea has acted with a fraudulent intent.

90. Addressing the above questions, I have found above Oz enjoyed a moderate level of goodwill in its business (being the provision of nightclub services) as at the relevant date. I have also found that the sign relied upon, being BOUJIS, is associated with and/or distinctive of that goodwill. Skipping the second question

momentarily, I note that the third question relates to the similarity of the marks/signs at issue. Clearly, in the present case, Chelsea's mark is identical to the sign relied upon by Oz. Turning back to the second question, I remind myself that under 5(4)(a) claims there is no requirement for the goods or services at issue to be similar (in the same sense that a claim for a likelihood of confusion under 5(2)(b) requires some degree of similarity between goods/services)²². Instead, I am required to have regard to the closeness or otherwise of the respective fields of activity in which the parties carry on their business. As above, I have found that Oz's goodwill relates to 'nightclub services' only. As for Chelsea's goods and services, I remind myself that these are as follows:

Class 33: Cocktails; Alcoholic cocktails; Alcoholic cocktail mixes; Wines; Spirits .

Class 41: Night clubs; Night club services [entertainment]; Club entertainment services; Club services [entertainment]; Night-club services .

Class 43: Private members drinking club services; Bars; Wine bars; Restaurants; Restaurant services; Wine bars.

91. Clearly, Chelsea's class 41 services cover the same services for which Oz enjoys goodwill. It can, therefore, be said that they operate in the same fields of activity. As for the class 43 services of Chelsea's specification, I appreciate that these are not the same as Oz's services, however, both parties' services sit within the broad hospitality industry, therefore resulting in a degree of closeness between them. Lastly, I appreciate that the field of activity relating to Chelsea's class 33 goods (being the drinks sector) is not the same as 'nightclub services' (being within the hospitality sector). That being said, I do not consider that they are disparate fields of activity. I say this because the drinks sector is closely aligned with the hospitality sector in that the drinks sector is important for the operation of the hospitality section, particularly nightclubs. On this point, I remind myself that there is no

²² *eSure Insurance v Direct Line Insurance*, [2008] ETMR 77 CA

requirement that an applicant of a mark needs to be carrying on a business which competes with that of the opposing party in order for these to be misrepresentation.²³

92. In assessing the present case, I note that Oz has filed evidence pointing to the actions of Mr Carello, being the director (and witness) of Chelsea, namely his self-identification as being a co-founder of BOUJIS. I consider this to be a relevant consideration under the present ground as I deem it to be an action with a fraudulent intent then it points further towards the existence of a misrepresentation.

93. Briefly, this evidence shows that Mr Carello has identified himself as the co-founder of BOUJIS on LinkedIn and in various press coverage.²⁴ I note that the press coverage consists of two articles, one being an article from 'LUXURY LONDON' dated 10 November 2020 and the other being from the 'Save our Nightlife - Leeds' section of 'rocksmag.com' dated 8 February 2021. In both articles, Mr Carello is identified as the co-founder of BOUJIS. While the 'LinkedIn' page is undated, it does set out that in his work experience history, Mr Carello is listed as being 'Co-Founder and Group Operations Director' of 'Boujiss and Ignite Group' between March 2006 and May 2015. I do not intend to discuss in full detail the evidence of Mr Hermer on this point but note that he confirms that he was the founder of the BOUJIS club and that Mr Carello was nothing more than a paid employee of the club during its operation. Mr Hermer confirms that Mr Carello was never a founder or a director of the BOUJIS business. I note that Mr Carello has not sought to deny that Mr Hermer was the sole founder of the BOUJIS club and neither has he asserted a further claim that he was a co-founder or sought to explain his position. Instead, I note that Mr Carello has elected to remain silent on this issue. On balance, I do not consider that the self-identification by Mr Carello of being the co-founder of BOUJIS is tantamount to a fraudulent act. However, I consider that it is a knowing misrepresentation and, in my view, a factor in support of the present ground on the basis that Mr Carello has made knowing untruths aimed at misrepresenting his business as the original BOUJIS club.

²³ *Harrods Limited v Harrodian School Limited* [1996] RPC 697 (CA)

²⁴ Exhibit MH21

94. Taking all of this into account, I am of the view that a substantial number of members of the public will be deceived into believing that the goods and services provided under the marks at issue are offered by the same or economically connected undertakings. While this decision is made primarily on the basis that the Chelsea's mark and Oz's sign are identical and the moderate level of goodwill vested in Oz, some weight is placed on the misrepresentation of Mr Carello being a co-founder of BOUJIS. I am of the view that, by misrepresenting his position, it can be said that members of the relevant public are likely to regard the new club as a continuation of the original BOUJIS club and this is, no doubt, the reason why Chelsea has selected the BOUJIS name.²⁵ Even if I am wrong to place weight on this factor, I confirm that I would have found the existence of a misrepresentation in any event. This is on the basis that, as above, the finding of a misrepresentation was made primarily due to the identity of the mark/sign and the moderate level of goodwill in Oz's business as at the relevant date.

95. Given that I have found that there is a misrepresentation in respect of all of the applicant's goods and services, I consider that damage through diversion of sales is easily foreseeable. The opposition based upon section 5(4)(a) is, therefore, successful. For the sake of completeness, I will proceed to consider the 3(6) ground.

Section 3(6): legislation and case law

96. While Oz's success under its 5(4)(a) ground means that the opposition succeeds in its entirety, I will consider briefly and for the sake of completeness, the 3(6) ground. Section 3(6) of the Act states:

“(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith”

97. In *Sky Limited & Ors v Skykick, UK Ltd & Ors*, [2021] EWCA Civ 1121 the Court of Appeal considered the case law from *Chocoladefabriken Lindt & Sprüngli AG v*

²⁵ On this point, see *Ad Lib Club Limited v Granville* [1971] FSR 1 (HC)

Franz Hauswirth GmbH, Case C-529/07 EU:C:2009:361, *Malaysia Dairy Industries Pte. Ltd v Ankenævnet for Patenter Varemærker* Case C-320/12, EU:C:2013:435, *Koton Mağazacılık Tekstil Sanayi ve Ticaret AŞ*, Case C-104/18 P, EU:C:2019:724, *Hasbro, Inc. v EUIPO, Kreativni Dogaaji d.o.o. intervening*, Case T-663/19, EU:2021:211, *pelicantravel.com s.r.o. v OHIM, Pelikan Vertriebsgesellschaft mbH & Co KG (intervening)*, Case T-136/11, EU:T:2012:689, and *Psytech International Ltd v OHIM, Institute for Personality & Ability Testing, Inc (intervening)*, Case T-507/08, EU:T:2011:46. It summarised the law as follows:

“68. The following points of relevance to this case can be gleaned from these CJEU authorities:

1. The allegation that a trade mark has been applied for in bad faith is one of the absolute grounds for invalidity of an EU trade mark which can be relied on before the EUIPO or by means of a counterclaim in infringement proceedings: *Lindt* at [34].

2. Bad faith is an autonomous concept of EU trade mark law which must be given a uniform interpretation in the EU: *Malaysia Dairy Industries* at [29].

3. The concept of bad faith presupposes the existence of a dishonest state of mind or intention, but dishonesty is to be understood in the context of trade mark law, i.e. the course of trade and having regard to the objectives of the law namely the establishment and functioning of the internal market, contributing to the system of undistorted competition in the Union, in which each undertaking must, in order to attract and retain customers by the quality of its goods or services, be able to have registered as trade marks signs which enable the consumer, without any possibility of confusion, to distinguish those goods or services from others which have a different origin: *Lindt* at [45]; *Koton Mağazacılık* at [45].

4. The concept of bad faith, so understood, relates to a subjective motivation on the part of the trade mark applicant, namely a dishonest intention or other

sinister motive. It involves conduct which departs from accepted standards of ethical behaviour or honest commercial and business practices: *Hasbro* at [41].

5. The date for assessment of bad faith is the time of filing the application: *Lindt* at [35].

6. It is for the party alleging bad faith to prove it: good faith is presumed until the contrary is proved: *Pelikan* at [21] and [40].

7. Where the court or tribunal finds that the objective circumstances of a particular case raise a rebuttable presumption of lack of good faith, it is for the applicant to provide a plausible explanation of the objectives and commercial logic pursued by the application: *Hasbro* at [42].

8. Whether the applicant was acting in bad faith must be the subject of an overall assessment, taking into account all the factors relevant to the particular case: *Lindt* at [37].

9. For that purpose it is necessary to examine the applicant's intention at the time the mark was filed, which is a subjective factor which must be determined by reference to the objective circumstances of the particular case: *Lindt* at [41] – [42].

10. Even where there exist objective indicia pointing towards bad faith, however, it cannot be excluded that the applicant's objective was in pursuit of a legitimate objective, such as excluding copyists: *Lindt* at [49].

11. Bad faith can be established even in cases where no third party is specifically targeted, if the applicant's intention was to obtain the mark for purposes other than those falling within the functions of a trade mark: *Koton Mağazacılık* at [46].

12. It is relevant to consider the extent of the reputation enjoyed by the sign at the time when the application was filed: the extent of that reputation may justify

the applicant's interest in seeking wider legal protection for its sign: *Lindt* at [51] to [52].

13. Bad faith cannot be established solely on the basis of the size of the list of goods and services in the application for registration: *Psytech* at [88], *Pelikan* at [54]”.

98. Oz's 3(6) claim relies on the fact that Mr Carello is a former employee of the BOUJIS club.²⁶ In such a circumstance, it cannot be argued that Mr Carello did not know of Oz's historical use (or that of its predecessor in title, for that matter) of the name BOUJIS. However on this point, I remind myself that the mere fact that an applicant knew of another party using a trade mark in the UK is not sufficient to establish bad faith (see *Lindt* and *Koton*). There must be something else, such as, for example, an intention to use the mark as a tool to extract payment/consideration from a third party²⁷ or to gain an unfair advantage by exploiting the reputation of a well-known name.²⁸ Oz has pleaded neither of these arguments. Instead, it appears to me that there are three arms to Oz's 3(6) claim as pleaded, namely that the application (1) is vexatious, (2) a deliberate attempt to usurp Oz's rights and (3) is being used to disrupt Oz's business.

99. I note that Oz's submissions in respect of its 3(6) claim set out that as the evidence was not challenged by Chelsea, the only conclusion that can be drawn is that Chelsea's silence is tacit acknowledgement and acceptance of Oz's bad faith allegation. While I accept that Chelsea's evidence was silent in respect of this ground and that it has not sought to rebut any claim against it in its own evidence, this is not the end of the matter. Instead, it is for an opponent bringing a bad faith claim to give rise to a *prima facie* case that an applicant is then required to rebut. A failure to rebut a *prima facie* case of bad faith will result in the success of said claim. However, in the present case, Chelsea's silence is noted but this does not automatically mean that the bad faith ground must succeed.

²⁶ See, for example, pages 211 and 231 to 234 of Exhibit MH20 wherein Mr Carello is referred to as the General Manager of Boujiss, a point that has not been rebutted by Chelsea

²⁷ *Daawat* Trade Mark, [2003] RPC 11

²⁸ *Trump International Limited v DDTM Operations LLC*, [2019] EWHC 769 (Ch).

I will first deal the claim that the application was vexatious together with the claim that it was used as a tool to disrupt Oz's business. This is on the basis that such claims are closely associated in that acting vexatiously can be said to be an action aimed at causing annoyance or frustration and, therefore, can be disrupting to a business. In order to assess a bad faith claim, I must consider the intention of Chelsea as at the relevant date. In doing this, I bear in mind that Mr Carello is a director of Chelsea (and therefore a person with control over the same),²⁹ that he was an employee of the Boujis club during its years of operation and that he has misrepresented his position as a co-founder of same on social media profiles and in interviews with the press.³⁰

100. It appears to me that the intention behind Mr Carello misrepresenting himself as the co-founder of the original BOUJIS nightclub and subsequently applying for the mark at issue was to open a nightclub that will be seen as a re-launch of the original BOUJIS nightclub. On this point, I note that no alternative explanation has been given. As the former general manager of the club, it is clear that Mr Carello has direct experience of how the old nightclub was run and is likely to use that knowledge to essentially bring the old nightclub back to life. This would, in my view, mislead those members of the relevant public that remember the old business into believing that it is the re-opening of original club. I also consider it reasonable to infer that the intention behind the application for the other goods and services (outside of the nightclub related services in class 41) was for those to also be associated with the original BOUJIS nightclub. In such circumstances, Oz (being the undertaking associated with the original business and owner of any goodwill vested in the same) would be prevented from re-opening its business on the basis that Chelsea has acquired registered rights in the mark BOUJIS and/or is operating a club under the same name. As confirmed in Mr Hermer's evidence, it is Oz's intention to re-open the BOUJIS club.³¹ Upon any attempt to do so, the presence

²⁹ A point confirmed by Mr Carello in his evidence. While Chelsea has not sought to avoid a claim of bad faith by arguing that the application was not made directly by the company itself, please see the case of *Joseph Yu v Liaoning Light Industrial Products Import and Export Corporation* (BL O-013-05) wherein it was found that a claim of bad faith is not avoided by making an application in the name of an entity that is owned or otherwise controlled by the person behind the application.

³⁰ See Exhibit MH21 wherein Mr Carello refers to himself as the co-founder of Boujis, a point that has not been rebutted by Chelsea

³¹ See, for example, paragraph 21 of Mr Hermer's second witness statement regarding a recent visit to the UK in order to re-establish the BOUJIS business.

of Chelsea' mark on the register would, clearly, be disruptive to Oz's business. As such, I consider that Oz has given rise to a *prima facie* case of bad faith against Chelsea. Without any form of rebuttal, I consider it reasonable to conclude that Chelsea acted in bad faith in making the application at issue. Therefore, Oz's 3(6) claim succeeds.

101. Given the above success, it is not necessary to consider the remaining arm of Oz's claim, namely that Chelsea sought to usurp Oz's rights. However, for the sake of completeness, I will assess it briefly. I remind myself that under the 5(4)(a) ground of this decision, I found that, at the relevant date, Oz enjoyed a protectable level of goodwill in its business and that the BOUJIS sign was distinctive of and/or associated with that goodwill. I am satisfied that, as a former general manager, Mr Carello would have been aware of the popularity of the club during the years of its operation. Further, I repeat what I have above in that Mr Carello clearly misrepresented himself as a co-founder of the BOUJIS club prior to the relevant date. Taking this into account, I consider it reasonable to conclude that by applying for an identical mark, it was Chelsea's intention to usurp Oz's rights in its sign. Such an intention gives rise to a *prima facie* case of bad faith and due to Chelsea's lack of rebuttal, I consider that the 3(6) ground succeeds under this arm of Oz's claim also.

CONCLUSION

102. In respect of the revocation application of Oz's mark, I have found that this has succeeded against all goods and services. As a result, Oz's mark is hereby revoked in full with an effective date of revocation of 1 June 2021. As for Oz's opposition, this has succeeded in its entirety and the Chelsea's application is hereby refused for all goods and services.

COSTS

103. Given the outcomes of the application for revocation and the opposition, I am of the view that the parties have enjoyed an equal measure of success in the

course of these proceedings and consider it appropriate that both parties are to bear their own costs. I, therefore, make no order as to costs.

Dated this 26th day of April 2023

A COOPER

For the Registrar