

O-0036-23

TRADE MARKS ACT 1994

IN THE CONSOLIDATED MATTERS OF:

(1) APPLICATION No. 3589403 BY HYPERVAR LIMITED TO REGISTER

“FUWA FUWA”

AS A TRADE MARK IN CLASS 43

AND

OPPOSITION No. 424267 THERETO BY FUWA BRANDS INC

- AND -

(2) APPLICATION No. 3618552 BY FUWA BRANDS INC TO REGISTER



FUWA FUWA
Japanese Pancakes
ふわふわパンケーキ専門店

AS A TRADE MARK IN CLASSES 30 AND 43

AND

OPPOSITION No. 428303 THERETO BY HYPERVAR LIMITED

- AND -

(3) REGISTERED TRADE MARK No. 918145737:



FUWA FUWA
Japanese Pancakes
ふわふわパンケーキ専門店

IN THE NAME OF FUWA BRANDS INC

AND

CANCELLATION No. 504082 BROUGHT BY HYPERVAR LIMITED

BACKGROUND AND PLEADINGS

1. This decision concerns three consolidated proceedings where the parties are:
 - (a) Hypervar Limited (“**Hypervar**”) - owner/operator of cafés/restaurants under the name FUWA FUWA, claiming to have traded in the UK since November 2017;

and
 - (b) Fuwa Brands Inc (“**FBI**”) - a Canadian restaurant brand, apparently with plans to open restaurants in the UK.¹

2. The proceedings are:
 - (i) an opposition by FBI (**No. 424267**) against Hypervar’s application to register FUWA FUWA as a UK trade mark in Class 43, where FBI relies on an earlier trade mark registration;

 - (ii) an application (**No. 504082**) by Hypervar to invalidate that earlier trade mark registration relied on by FBI;

and

 - (iii) an opposition (**No. 428303**) by Hypervar against a subsequent trade mark application by FBI.

3. The table below provides a useful chronology of events:

November 2017	Hypervar begins to provide restaurant services in the UK by reference to the sign FUWA FUWA.
31 October 2019	FBI applied for UK trade mark No. 918145737 (“ FBI’s earlier trade mark ”):

¹ According to the evidence filed on the part of FBI - see Witness statement of Benson Lau, [16] and [19].



which became **registered** on **6 March 2020** in respect of the following goods in Classes 29, 30 and 32:

Class 29

Dairy products and dairy substitutes; Birds eggs and egg products.

Class 30: *Pastries, cakes, tarts and biscuits (cookies); Chocolate flavourings; Chocolate for confectionery and bread; Chocolates; Chocolate for toppings; Tiramisu; Chocolate based products; Chocolate topping; Japanese sponge cakes (kasutera); Chocolate coated fruits; Coffee flavourings; Chocolate-based beverages with milk; Coffee-based beverages; Cocoa-based beverages; Coffee-based beverage containing milk; Tea-based beverages; Tea-based beverages with fruit flavoring; Cocoa; Flavoured coffee; Iced coffee; Prepared coffee and coffee-based beverages; Frappes; Chai tea; Sweet glazes and fillings; Syrups and treacles; Foodstuffs made of sugar for making a dessert; Fruit sugar; Fructose for food; Grape sugar; Honey; Treacle; Sweet spreads [honey]; Ice, ice creams, frozen yogurts and sorbets; Coffee, teas and cocoa and substitutes therefor; Dessert souffles; Chocolate-based spreads; Chocolate spreads containing nuts; Chocolate spreads; Frozen dairy confections; Pancakes; Salts, seasonings, flavourings and condiments.*

Class 32: *Soft drinks.*

<p>3 February 2021</p>	<p>Date of application (No. 3589403) to register the word mark FUWA FUWA as a UK trade mark in Class 43 (“Hypervar’s trade mark application”).²</p> <p>Its full specification is set out in an annex at the end of this decision, but, put broadly, Hypervar’s trade mark application is in respect of <i>restaurant services</i>, including <i>Japanese restaurant services</i>, <i>selling food and drink in restaurants and bars</i>, <i>self-service and take-out restaurant services</i>.</p>
<p>30 March 2021</p>	<p>FBI filed a subsequent trade mark application No. 3618552 for:</p> <div data-bbox="826 846 1098 1025" data-label="Image"> </div> <p>Class 30: <i>Pancakes.</i></p> <p>Class 43: <i>Washoku restaurant services; food and drink catering; café services; cafeteria services; canteen services; restaurant services; self-service restaurant services; snack-bar services.</i></p>
<p>7 May 2021³</p>	<p>FBI filed a Form TM7, opposing Hypervar’s trade mark application, based on grounds under of the Trade Marks Act 1994 (“the Act”). Both grounds rely on FBI’s earlier trade mark.</p> <p>The section 5(2)(b) ground is founded on the claimed high similarity between the parties’ marks, and similarity between the parties’ goods and services, giving rise to a likelihood of confusion.</p>

2 The application was originally filed by Fuwa Fuwa Holdings Limited, but (as is recorded on the Register) was subsequently assigned to Hypervar on 12 July 2021.

3 The TM7 form opposing ‘403 was subsequently amended on both 21 and 22 June 2021.

	<p>FBI's claim under section 5(3) is expressed briefly in the statement of grounds, which states: that the parties' marks are identical or similar; FBI's earlier trade mark has acquired a reputation in the UK and in the European Union and its use without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of FBI's earlier trade mark.</p>
<p>19 August 2021</p>	<p>Hypervar filed an application under the provisions of section 47 of the Act, requesting that FBI's earlier trade mark be declared invalid. As the basis of its cancellation application Hypervar claims that at the filing date of FBI's earlier trade mark – 31 October 2019 ("the relevant date") - Hypervar was the owner of an earlier unregistered right, arising from use, in London, of the sign FUWA FUWA for the following claimed services:</p> <p><i>Restaurant services; Fast food restaurants services; Japanese restaurant services; Washoku restaurant services; takeaway restaurant serves; pop-up restaurant services; street food services; cafeteria services; services for the provision food and drink.</i></p> <p>Hypervar claims that use of FBI's earlier mark was liable to have been prevented by the law of passing off and should be invalidated on the basis of section 5(4)(a) of the Act.</p>
<p>19 November 2021</p>	<p>Hypervar filed an opposition (No. 428303) against FBI's subsequent trade mark application, based again on its objection under section 5(4)(a), but additionally on a claim of a likelihood of confusion under section 5(2)(b) of the Act, relying on Hypervar's trade mark application.</p>

4. The following paragraphs provide a little more detail on the parties' claims, which in part informs the approach I take in setting down this decision.

Hypervar's claim to an earlier right under section 5(4)(a) of the Act

5. In seeking to invalidate FBI's earlier trade mark (and as part of its opposition against FBI's subsequent trade mark application) Hypervar claims that the name FUWA FUWA has been used extensively in London since 2017 in connection with the services referenced in the table above. In particular, in August 2018, Hypervar opened a restaurant called FUWA FUWA at the Brunswick centre, a popular shopping mall in central London. By virtue primarily of continuous trading from those premises since that date, Hypervar had, by the relevant date, developed an exclusive and substantial reputation for its services in the name FUWA FUWA among the general public in the UK. This reputation is claimed to be particularly strong among members of the public who enjoy Japanese pancakes, which are Hypervar's speciality.
6. Hypervar claimed that since its services comprise the provision of food and drink (notably, the provision of Japanese pancakes), use of FBI's earlier mark – which comprises FUWA FUWA Japanese pancakes and device - in relation to the goods in Classes 29, 30 and 32 would likely deceive members of the public into thinking that Hypervar is the source of such goods. Hypervar claims that use of FBI's earlier mark would therefore amount to a misrepresentation to the public that is likely to damage Hypervar's brand and its economic interests (particularly since Hypervar has no control of the use of the mark nor the quality of such goods) and that accordingly, use of FBI's trade mark as registered would amount to passing off.

FBI's opposition to Hypervar's trade mark application

7. In framing its objection based on its earlier trade mark, FBI notes in its statement of grounds that its own registered goods and services and the services applied for by Hypervar "pertain to the food, beverage, and restaurant industry". FBI claims that the goods and services offered by the parties "are similar in nature and use, and are in direct competition, such that the public may see them as related and assume that they originate from the same entity." FBI claims that "the likelihood of confusion is high, especially

considering that [the marks at issue] are being used in the same industry and in the same line of business.”

Hypervar’s defence and counterstatement

8. Hypervar filed a defence of its trade mark application, including a counterstatement, which set out its primary position that FBI’s earlier trade mark, which forms the sole basis for FBI’s opposition claims under sections 5(2)(b) and 5(3) of the Act, is invalid (and is attacked accordingly). If Hypervar’s application for a declaration of invalidity succeeds (based on Hypervar’s section 5(4)(a) objection and its claimed acquired earlier rights through use), it follows that FBI’s opposition would fail.
9. Hypervar’s secondary position is that if and to the extent that FBI’s mark were held to be valid, Hypervar denies a likelihood of confusion between the marks under section 5(2)(b).
10. Hypervar also denies that FBI’s earlier trade mark has a reputation in the UK and put FBI to strict proof of that section 5(3) claim. Moreover, Hypervar denies the claims of unfair advantage or causing detriment to the alleged reputation of FBI’s earlier trade mark, not least because Hypervar was using its mark in the UK before FBI applied for its trade mark.

FBI’s defences and counterstatements

11. FBI filed defences both in respect of (i) Hypervar’s invalidity attack against FBI’s earlier registered trade mark and (ii) in respect of Hypervar’s opposition to FBI’s subsequent trade mark application.
12. In response to Hypervar’s invalidity attack, FBI’s counterstatement argues that Hypervar’s services for the provision of food and drink under Class 43 are *dissimilar* to FBI’s goods registered in Classes 29, 30 and 32. FBI argues that “the mere fact that food can be consumed in a restaurant or café is not enough reason to find any similarity between such services and the goods which might be the subject of such services, let alone that the use of FBI’s mark would amount to any alleged passing off.” In support of that argument, FBI’s counterstatement cited the adoption of such a principle as long adopted in EU case law. I’ll revisit this point later in this decision. FBI also denied that the Hypervar’s claimed use of its mark since 2017 is insufficient “to have developed an exclusive and substantial reputation/goodwill in the name FUWA FUWA for its services among the general public in the UK, as less than three years is insufficient to demonstrate that the subject mark has

been used to a sufficient extent to demonstrate independent recognition within the United Kingdom marketplace. using the mark in London alone instead of a widespread nationwide use in the UK must not have resulted in a protectable goodwill. The number of customers in London alone must be very limited” and Hypervar’s “goodwill will not be considered sufficient to entitle it to restrain [FBI’s] trade.” It also denied any misrepresentation as to the origin of the goods, since the relevant public would “never believe that there is a business connection between the parties or that the source is the same.” The latter position is again based on FBI’s position that the goods and services at issue are dissimilar (or have “a low degree of similarity”, as stated at page 2 of FBI’s counterstatement).

13. In response to Hypervar’s opposition to FBI’s subsequent trade mark application, FBI submits:
 - (i) that the parties’ marks are indeed highly similar;
 - (ii) that it is settled law that goods and services may be complementary, and that protection enjoyed by a mark in one class can extend to a complementary class. The extension occurs by reason of the high probability that the general public will believe that products bearing FBI’s earlier trade mark come from Hypervar’s restaurant/café;
 - (iii) that the likelihood of confusion is high because of the dominant features of the marks and because the goods and services have similar distribution channels and are complementary.
14. However, in view of the above admissions, FBI invokes its earlier trade mark earlier as predating the trade mark application on which Hypervar relies for its section 5(2)(b) objection. (FBI has of course opposed Hypervar’s trade mark application.) FBI’s counterstatement additionally submits that Hypervar’s trade mark application is ‘invalid’ by reference to considerations under section 5(3) of the Act (which is FBI’s second ground of opposition).
15. Insofar as Hypervar’s opposition is based on section 5(4)(a), FBI again denies that Hypervar had, by the relevant date, developed an exclusive and substantial reputation/goodwill in the name FUWA FUWA for its services among the general public in the UK.

Papers filed and representation

16. Simkins LLP are the attorneys acting for Hypervar; Accolade IP Limited are the attorneys for FBI. Both parties filed evidence, as I outline below. I have read all of the papers filed and I refer to their content as warranted for the purposes of determining the claims in these proceedings. An oral hearing was held by video conference on 6 October 2022. Hypervar was represented at the oral hearing by Christopher Hall, of counsel. FBI chose not to attend the oral hearing, and I take into account points it made in the papers it filed.

FBI's evidence



⁴ These dates are after the relevant date, so do not have a bearing in determining the invalidity claim brought by Hypervar.

Hypervar's evidence

18. Hypervar's evidence comprised a witness statement by Lee Tieu, dated 9 February 2022 with Exhibits LT 1 – LT13. Mr Tieu is the owner and sole director of Hypervar Limited. His evidence sets out how his company has used the sign FUWA FUWA in the UK since 2017 to date.

4 Paragraph 16

CONSIDERATION OF THE GROUNDS

Approach in this decision

19. Since FBI's opposition claims under sections 5(2)(b) and 5(3) rely exclusively on FBI's earlier trade mark, it is sensible to deal first with Hypervar's section 5(4)(a) objection to the validity of FBI's earlier trade mark. This will determine whether Hypervar enjoyed rights, acquired through use, sufficient to have objected to use of FBI's earlier trade mark at its filing date.

Hypervar's application (No. 504082) to invalidate FBI's earlier trade mark

The section 5(4)(a) claim

20. Section 47 of the Act deals with invalidity. Section 47(2)(b) provides that registration of a trade mark may be declared invalid on the ground that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied.
21. Section 5(4)(a) of the Act provides that: "*... a trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented 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.*

(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"

22. Section 5(4) also states that "*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'.*"
23. The essential requirements that a claimant must establish to sustain a passing off claim are:⁵
 - (a) a protectable goodwill in the UK owned by the claimant at the relevant date;
 - (b) a misrepresentation made by the defendant which is liable to deceive the public; and
 - (c) damage to the claimant's goodwill caused by the misrepresentation.

⁵ The "classical trinity" per Lord Oliver in *Reckitt & Colman Product v Borden* [1990] 1 WLR 491 HL, [1990] RPC 341 HL, the "Jif Lemon" case.

24. The **relevant date** for the purposes of determining whether a trade mark is validly registered is the date on which the application was filed to register it, hence in the present case the relevant date is 31 October 2019. Where an applicant for a trade mark has used the mark before the date of the trade mark 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 trade mark application was made.⁶ As I have noted, there is no evidence that FBI's earlier trade mark had been used in the UK before the relevant date. The evidence of use in Canada is of no assistance to FBI in this regard.

Did Hypervar have actionable goodwill at the relevant date?

25. The concept of goodwill has been described as "*the benefit and advantages of the good name, reputation and connection of a business*" and "*the attractive force which brings in custom*".⁷

26. In *Hart v Relentless Records*,⁸ Jacob J. (as he then was) stated that: "*In my view the law of passing off does not protect a goodwill of trivial extent. one is looking for more than a minimal reputation.*" On the other hand, case law such as *Stannard v Reay*,⁹ and *Stacey v 2020 Communications Plc*,¹⁰ shows that even a modest goodwill may support an action for passing off.

27. Just how modest such goodwill can be was tested in *Lumos Skincare Ltd v Sweet Squared Ltd*,¹¹ which was among the cases cited in the skeleton argument on behalf of Hypervar. Lumos Skincare's share of the huge market for women's skincare products averaged about £2000 per quarter from the beginning of 2008 until September 2009, and then gradually rose to about £10,000 per quarter in September 2010. The claimant was selling about 100 bottles of its product a quarter, mainly to the trade, and the judge at first instance described it as "very modest use" and "very small in absolute terms" and "as a

6 SWORDERS TM (O-212-06), per Allan James

7 House of Lords in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217

8 [2002] EWHC 1984 (Ch) at paragraph 62 of that judgment.

9 [1967] RPC 589

10 [1991] FSR 49

11 *Lumos Skincare Ltd v Sweet Squared Ltd, Famous Names LLC and Sweet Squared (UK) LLP* [2013] EWCA Civ 590

proportion of the skincare industry." Even so, the Court of Appeal (by a majority) was prepared to protect the goodwill in that business under the law of passing off.

28. FBI pleads that Hypervar had not generated actionable goodwill because “*less than three years is insufficient to demonstrate that the subject mark has been used to sufficient extent to demonstrate independent recognition...*” and because the “*mark has just been used in London only instead of throughout the UK*”. It is clear that each case turns on its facts to determine whether or not a business has generated sufficient goodwill distinguished by a particular sign. Mr Tieu provides evidence to this end, which is neatly and fairly described in summary in Mr Hall’s skeleton argument.
29. Mr Tieu explains (in paragraph 3 of his witness statement) that his business is a café specialising in Japanese soufflé-style pancakes, ice cream and beverages (‘fuwa fuwa’, we are informed, translates as ‘fluffy’). Mr Tieu’s evidence is that his was the first business to sell Japanese soufflé pancakes in the UK back in 2017 and that Hypervar was the first user of the FUWA FUWA mark in the UK.¹² His evidence and the supporting exhibits demonstrates that the business was well established by 31 October 2019. Mr Hall sets out milestones in the business in a table as follows:

Date	Event	Reference
22 September 2017	Instagram account ‘fuwafuwalondon’ created	Tieu 41
22 September 2017	First Tweet from ‘@fuwafuwalondon’	Tieu 49 Exhibit LT11
24-26 November 2017	FUWA FUWA PANCAKES stall at Hyper Japan Christmas Market, Tobacco Dock, London	Tieu 13
27 November 2017	First Facebook post from ‘Fuwafuwa’	Tieu 48 Exhibit LT10
12 March 2018 – 9 June 2018	Pop-up Fuwa Fuwa café in Westfield Stratford City shopping centre	Tieu 15
30 April 2018	Accounts showing £16,147 turnover	Tieu 31 Exhibit LT7
16 August 2018	Permanent Fuwa Fuwa café in Brunswick Centre, Bloomsbury	Tieu 18 Exhibit LT3
5 September 2018	Review in <i>The Guardian</i>	Tieu 38 Exhibit LT4

¹² Paragraph 4 of his witness statement.

18 February 2019	First YouTube video from 'Fuwa Fuwa Café'	Tieu 50 Exhibit LT12
February 2019	Moved to larger premises in the Brunswick Centre	Tieu 20
27 February 2019	<i>Evening Standard</i> review	Tieu 38 Exhibit LT4
5 March 2019	<i>Vice Magazine</i> review	Tieu 39 Exhibit LT5
30 April 2019	Accounts showing £196,747 turnover	Tieu 31 Exhibit LT7
June 2019	Stand at Taste of London Festival in Regents Park	Tieu 23 Exhibit LT4
3 September 2019	Re-post from Time Out Instagram video, goes on to reach over 240,000 views	Tieu 46 Exhibit LT9
29 September – 30 October 2019	Collaboration with Saniro, running <i>Hello Kitty</i> -themed promotion	Tieu 27
31 October 2019	Filing date of FBI's earlier trade mark– relevant date for passing off	n/a
30 April 2020	Accounts showing £516,525 turnover	Tieu 31 Exhibit LT7
2020	Pop-up Fuwa Fuwa café in Notting Hill	Tieu 24

30. I agree with Mr Hall's submission that the evidence indicates a growing business, with turnover going from £16,147 in its first year to over £0.5m in its third. By the relevant date, Fuwa Fuwa cafés had operated from three different locations in London. The Hyper Japan Christmas Market in November 2017 was a 3-day festival attended by over 50,000 people,¹³ and the Westfield shopping centre, which is adjacent to Stratford International mainline station, is the largest shopping mall in Europe,¹⁴ had been picked up by the local and national press, and had generated hundreds of thousands of pounds in turnover:

Accounting Year	Turnover
30 April 2018	£16,147
30 April 2019	£196,747
30 April 2020	£516,525

31. The relevant date of 31 October 2019 falls almost in the middle of the financial year ending 30 April 2020. Given the trajectory one can reasonably accept that a significant chunk of the £516,525 was generated in the first half of the financial year.¹⁵ A Fuwa Fuwa pancake

13 See Tieu 1 at [13].

14 Tieu [16]

15 Not least because, as Mr Tieu explains, trade in the second half was heavily impacted by the 1st COVID lockdown

costs between £6.50 and £9.90.¹⁶ If one conservatively apportions £100,000 of the £516,525 to sales made before the relevant date, that would constitute the sale of some 12,500 pancakes.

32. Mr Tieu's evidence supports such an estimate: the sales figures at Exhibit LT8 explain that in 2018 Hypervar sold over 3,000 Banana Nutella pancakes, over 3,800 Premium Original Honeycomb pancakes, and over 3,300 Summer Fruit pancakes. The trend continued in 2019, where they sold over 9,500 Banana Nutella pancakes, over 12,000 Premium Original Honeycomb pancakes and over 5,800 Summer Fruit pancakes.
33. I agree that Mr Tieu's evidence shows a significant level of custom; it is several orders of magnitude greater than in the *Lumos Skincare* case, and in my view comfortably surmounts the threshold of small-scale use. There is some evidence of Fuwa Fuwa's social media presence suggesting returning customers and customers who express an interest to return.¹⁷ I accept that by 31 October 2019 Hypervar owned actionable goodwill in the sign FUWA FUWA in relation to café services specialising in the preparation and sale of Japanese pancakes, operating from a Central London location.
34. I noted at my paragraphs 12 and 28 above that FBI denies that Hypervar's use of its FUWA FUWA sign only in London alone (as opposed to across the UK) afforded Hypervar goodwill sufficient to entitle it to restrain FBI's trade. However, FBI's contested earlier trade mark (as well as its contested subsequent trade mark application, if registered) may prima facie be used nationwide, including indeed in precisely the same location(s) in which Hypervar has operated its business. That Hypervar has operated only in London is therefore no bar to its pursuing its claim under section 5(4)(a).¹⁸

Misrepresentation

35. In relation to the second requirement for passing off – misrepresentation or deception - a court must assess whether 'a substantial number' of the claimants' customers or

16 Tieu [30]; the Fuwa Fuwa menu is at Exhibit LT3

17 See LT9: 22 (middle post); 23 (top); 24 (middle and bottom); 30 (bottom); 31 (bottom); 34 (bottom); 36 (middle); 39 (top and middle); 40 (middle); 42 (middle).

18 See *Caspian Pizza Ltd v Shah* [2017] EWCA (Civ) 1874 where the opponent's earlier right in the Worcester area was held to be sufficient to prevent the applicant from acquiring a national trade mark that was valid throughout the UK. (See too *Chelsea Man Menswear Limited v Chelsea Girl Limited and Another* - [1987] RPC 189 (CA), Dillon L.J.)

potential customers are deceived, but it is not necessary to show that all or even most of them are deceived.¹⁹ Halsbury's Laws of England Vol. 97A (2012 reissue) provides further guidance with regard to establishing the likelihood of deception. In paragraph 309, it is noted (with footnotes omitted) that:

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

- (1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and*
- (2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.*

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

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

- (a) the nature and extent of the reputation relied upon;*
- (b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;*
- (c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;*
- (d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and*

¹⁹ *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21; see too Morritt LJ in *Neutrogena Corporation and another v Golden Limited and another* [1996] RPC 473:

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

In assessing whether confusion of 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.”

36. In his submissions on misrepresentation, Mr Hall noted that the specification of Hypervar’s trade mark application is comparable with the restaurant / café services for which Hypervar has goodwill, such that one may treat the issue of misrepresentation under the section 5(4)(a) ground of opposition as being broadly comparable with the issue of likelihood of confusion under section 5(2)(b). I agree. The considerations are not formally the same: it is sufficient for passing off purposes that “*a substantial number*” of the relevant public are deceived, which might not mean that the average consumer is confused. However, in the present case, I see no reason why the difference between the legal tests would produce different outcomes. This is because they are both normative tests intended to exclude the particularly careless or careful, rather than quantitative assessments.²⁰
37. It appears that Mr Hall made this point about this degree of equivalence between Hypervar’s section 5(4)(a) claim and the section 5(2)(b) ground (which is invoked by both parties in the other consolidated proceedings) in order to cite FBI’s own pleaded position on the likelihood of confusion as I have set out previously at my paragraphs 7 and 13 above. On the other hand, I have also noted, at my paragraph 12 above, that in defence against Hypervar’s invalidity claim, FBI has submitted the directly opposite argument that Hypervar’s provision of food and drink services (which fall in Class 43 and which are the embraced in its goodwill) are *dissimilar* to FBI’s goods registered in Classes 29, 30 and 32. It is not uncommon (nor even necessarily unreasonable) for a party in consolidated proceedings to advance arguments that include an element of contradiction, even diametric contradiction. A tribunal will take into account parties’ submissions, even if

20 See judgment of Kitchin LJ in the Court of Appeal (infringement case) *Comic Enterprises Ltd v Twentieth Century Fox Film Corporation* [2016] EWCA Civ 41.

varied, and will then reach its own view conclusions. I therefore consider the question of misrepresentation taking account particularly of the guiding factors (a) – (e) listed in my paragraph 34 above.

38. I accept, in line with FBI's submissions, that the mere fact that food or drink may be consumed in a restaurant or café may not be sufficient of itself to find similarity between all or any food or drinks goods offered as part of the services of a café / restaurant. The issue must be determined according to the specifics of each case.
39. For instance, it may not be uncommon for a restaurant and café brand name to sell branded food and drink items away from their premises: Mr Tieu referred to Jamie Oliver or Heston Blumenthal, and Mr Hall referred to other goods widely sold in supermarkets by brands such as Costa Coffee, Pizza Express or Nando's. However, it must be noted that those brands may be differentiated as having especially high profiles.
40. It is also the case that certain food or drink goods are more readily apt to be linked with the services of a provider of food / drink services: perhaps a pub or brewery with a beer name; a pizza restaurant with pizza goods; an ice-cream parlour with ice-cream goods.
41. In the present case, applying the guiding factors, Hypervar is shown to have had at the relevant date a rising reputation, where its Japanese pancake offerings had been praised in national press. The respective fields of activity of the parties are essentially the same (as FBI accepts). FBI's earlier trade mark is very similar to the sign under which Hypervar had established goodwill. Importantly, to the average member of the public in the UK the brand name "FUWA FUWA" is a highly distinctive 'made-up' term. FBI's contested sign not only reproduces FUWA FUWA in full, but also specifically depicts soufflé-style pancakes and incorporates the express words 'Japanese Pancakes'. These 'Japanese pancake' aspects of FBI's mark, though of themselves of little or no distinctiveness for the goods and services at issue, do tend to reinforce the connection to the business activity in respect of which Hypervar had established goodwill.
42. Mr Hall outlined a scenario in which a person who has visited Hypervar's FUWA FUWA café, or who knows of it perhaps by reading about it in *The Guardian* or on social media, and is therefore familiar with its reputation for soufflé-style Japanese pancakes, then sees in, say, a supermarket, the food and drink goods specified in class 29, 30 and 32 under



43. In my view, it is entirely likely that such a person would understand the goods and services offered by the parties to be related and assume (wrongly) that they originate from the same source; a substantial number of Hypervar’s customers or potential customers will be deceived or confused.

Consequent damage

44. In the Recup appeal case,²¹ the Appointed Person, Thomas Mitcheson QC (as then was), having reviewed the evidence relied on to establish the existence of a protectable goodwill and concluded that: “.. a successful claimant in a passing off claim needs to demonstrate more than nominal goodwill. It needs to demonstrate significant or substantial goodwill and at the very least sufficient goodwill to be able to conclude that there would be substantial damage on the basis of the misrepresentation relied upon.” The Appointed Person in that case found that, coupled with the limited distinctiveness of the Recup mark, the low levels of sales of paper cups (sales far lower than Hypervar’s figures in the present case) were not sufficient to have generated protectable goodwill.
45. For the reasons I have given, my finding in the present case is that Hypervar did have protectable will at the relevant date, distinguished by the distinctive sign “Fuwa Fuwa” and that use of FBI’s earlier trade mark would amount to a misrepresentation. In the present circumstances, where the parties share the same trading activity, I find that a risk of substantial damage to Hypervar’s goodwill may be inferred. Damage may include, for example, a diversion of sales, where a consumer may buy goods (or café services) from FBI rather than from Hypervar’s Fuwa Fuwa café and Hypervar would also face a loss of control over the goodwill it has generated under its highly distinctive sign and the early presence of its fluffy pancake provision on the UK market.

21 *Smart Planet Technologies, Inc. v Rajinda Sharma* [BL O/304/20]

46. **Outcome:** Hypervar's application (No. 504082) to invalidate FBI's earlier trade mark, succeeds based on section 5(4)(a) of the Act. FBI's **UK trade mark No. 918145737 is invalid and is cancelled as from its filing date (31 October 2019)**, as if the trade mark application had never been made.

Consequences for the other proceedings

Opposition No. 424267

47. As I have found FBI's earlier trade mark to be invalid, and since it formed the sole basis for FBI's opposition claims under sections 5(2)(b) and 5(3) of the Act, it follows that FBI's opposition No. 424267 must fall away. Consequently, Hypervar's **application No. 3589403** to register Fuwa Fuwa as a trade mark in class 43 **may proceed to registration** for the services it has specified in Class 43 (as set out in the **annex** at the end of this decision). (It seems incontestable that FBI's section 5(3) ground of opposition would have failed in any event because the evidence filed does not show a reputation in the UK.)

Opposition No. 428303

48. In line with my finding that FBI's earlier trade mark is invalid on the basis of section 5(4)(a), I reach the same conclusion insofar as Hypervar invokes the same ground in opposition No. 428303 against Application No. 3618552 for pancakes in Class 30 and café/restaurant services in Class 43.
49. Moreover, again in clear line with reasons outlined earlier in this decision, Hypervar's opposition also succeeds based on its trade mark application No. 3589403 and the claim under section 5(2)(b) of the Act. Hypervar's trade mark application has an earlier filing date than FBI's contested subsequent trade mark application. Hypervar therefore has an earlier mark for the purposes of bringing its section 5(2)(b) claim. It is also clear that the respective marks are highly similar based on their distinctive and dominant components; the café / restaurant services in Class 43 are identical or highly similar (based on the usual factors such as nature, purpose, method of use, user and that the services may compete) and the goods in Class 30 are highly similar based on shared users, channels

of trade and on their being complementary in the sense described in case law.²² There is a likelihood of confusion. **Opposition No. 428303 succeeds in full.**

COSTS

50. Hypervar is the successful party under each of the three consolidated proceedings and is entitled to a contribution towards its costs. Costs are payable in line with the scale set out in Tribunal Practice Notice 2/2016.

Official fee for filing the application for invalidity Form TM26(l):	£200
Official fee for filing the opposition Form TM7 for invalidity:	£200
Preparing statements of grounds and reviewing the counterstatements:	£500
Preparing evidence and considering and commenting on the other side's evidence:	£1200
Preparing for and attending hearing:	£900
Total	£3000

- (i) I order Fuwa Brands Inc to pay Hypervar Limited the sum of £3000, to be paid within 21 days of the end of the period allowed for appeal or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings (subject to any order of the appellate tribunal).

Dated this 13th day of January 2023

Matthew Williams

For the Registrar

²² Complementary on the basis that “*there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking*” *Boston Scientific Ltd v OHIM*, Case T-325/06, paragraph 82. Complementarity is an autonomous criterion capable of being the sole basis for the existence of similarity: *Kurt Hesse v OHIM*, Case C-50/15 P.

Annex

Hypervar's services under trade mark application No.

Class 43: Restaurants; Restaurant services; Delicatessens [restaurants]; Tourist restaurants; Reservation of restaurants; Ramen restaurant services; Fast food restaurants; Providing restaurant services; Self-service restaurants; Hotel restaurant services; Restaurants (Self-service -); Sushi restaurant services; Restaurant reservation services; Mobile restaurant services; Japanese restaurant services; Tempura restaurant services; Take-out restaurant services; Fast-food restaurant services; Salad bars [restaurant services]; Restaurant and bar services; Providing reviews of restaurants; Providing information about restaurant services; Restaurant services provided by hotels; Udon and soba restaurant services; Restaurant services incorporating licensed bar facilities; Providing reviews of restaurants and bars; Provision of information relating to restaurants; Provision of food and drink in restaurants; Serving food and drink for guests in restaurants; Serving food and drink in restaurants and bars; Making reservations and bookings for restaurants and meals; Reservation and booking services for restaurants and meals; Providing food and drink for guests in restaurants; Providing food and drink in restaurants and bars; Restaurant services for the provision of fast food; Grill restaurants; Restaurant information services; Washoku restaurant services; Spanish restaurant services; Self-service restaurant services; Travel agency services for booking restaurants; Carvery restaurant services; Carry-out restaurants; Bar and restaurant services; Booking of restaurant seats; Agency services for reservation of restaurants.
