O/0935/26

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NUMBER 4011300
IN THE NAME OF HOP HOSPITALITY LTD
FOR THE TRADE MARK

Chop Shop Bar & Grill

IN CLASS 43

AND

THE OPPOSITION THERETO UNDER NUMBER 447946
BY SANDMAN HOTEL GROUP (UK) LIMITED

Background and pleadings

1. Hop Hospitality Ltd ("the applicant") filed an application for the trade mark Chop Shop Bar & Grill (number 4011300) on 5 February 2024 ("the relevant date") for *Restaurant; Bar*, in class 43.

2. Sandman Hotel Group (UK) Limited ("the opponent") opposes the application under sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 ("the Act"). The opponent relies upon the following earlier trade mark registration for the section 5(2)(b) and 5(3) grounds:

3226280

Chop Bar and Grill

Filing date: 21 April 2017; registration date: 14 July 2017

Class 43: *Services for providing food and drink; restaurant and catering services; snack bar services; bar services; cafe services; provision of food and drink; bistro services; cocktail lounge services; grill restaurants; hospitality services [food and drink]; public house services; reservation and booking services for restaurants and meals; take-out restaurant services; takeaway services; wine bar services; advisory, consultancy and information services relating to all of the aforementioned services.*

3. Under section 5(2)(b), the opponent claims that the parties' services are identical and that the marks are highly similar, leading to a likelihood of confusion.

4. Under section 5(3), the opponent claims that the reputation of its mark and the similarities between the parties' marks will result in the relevant public believing that the parties' marks are used by the same undertaking or an economically connected undertaking, thereby deriving financial advantage. It claims that there will also be unfair advantage because the contested mark will gain instant market recognition which takes advantage of the opponent's reputation, free-riding on the opponent's investment without having to make its own similar investment. It also claims that there

would be detriment to the distinctive character of the earlier mark because consumers would be less able to identify the earlier mark as an exclusive indicator of origin and consumers will think that the services are offered by or endorsed by the opponent. Although the opponent has ticked the box in its notice of opposition to claim that there will be detriment to repute of the earlier mark, it has given no reasons why that would occur.

5. Under section 5(4)(a), the opponent relies upon two signs. The first is Chop Bar and Grill. The second is shown in the opponent's notice of opposition and accompanying statement of grounds as follows:



6. In its notice of opposition, the opponent states that it has goodwill in its business in relation to which both of these signs have been used since July 2018, for services provided in Scotland but advertised throughout the UK. The services in relation to which it is claimed that the signs have been used are the same as those relied upon under the earlier trade mark, as set out above. The opponent claims that use of the application would constitute misrepresentation and cause damage to its goodwill, contravening section 5(4)(a) of the Act under the law of passing off.

7. The opponent states that it has made genuine use of its earlier mark which was registered more than five years prior to the relevant date. However, the applicant has not requested the opponent to provide proof of use, meaning that the opponent can rely upon all its pleaded services for section 5(2)(b) without proving use. Reliance upon the same for the opponent's other grounds is subject to an assessment of the evidence which it has provided.

8. The applicant filed a defence and counterstatement, denying the grounds.

9. The opponent is represented by Murgitroyd & Company and the applicant represents itself. Both parties filed evidence. The opponent requested to be heard but withdrew its hearing request nine days prior to the scheduled hearing, requesting

a decision instead from the papers. The parties were then given the opportunity to file written submissions in lieu of a hearing, but no submissions were filed. I make this decision after careful consideration of all the papers on file, referring to them as necessary.

Section 5(2)(b) of the Act

10. Section 5(2)(b) states:

> "5. (2) A trade mark shall not be registered if because –
>
> […]
>
> (b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,
>
> there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark."

11. Section 5A states:

> "Where grounds for refusal of an application for registration of a trade mark exist in respect of only some of the goods or services in respect of which the trade mark is applied for, the application is to be refused in relation to those goods and services only."[1]

12. The following standard summary of the principles applicable to the assessment of the likelihood of confusion was approved by the Supreme Court in *Iconix Luxembourg Holdings SARL v Dream Pair s Europe Inc & Anor*, [2025] UKSC 25:[2]

[1] This section also applies to the grounds raised under sections 5(3) and 5(4)(a) of the Act.
[2] The provisions of the Act relied upon in these proceedings are assimilated law, as they are derived from EU law. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 (as amended by Schedule 2 of the Retained EU Law (Revocation and Reform) Act 2023) requires

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

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

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

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

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

(f) and beyond the usual case, where the overall impression created by a mark depends heavily on the dominant features of the mark, it is quite possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

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

tribunals applying assimilated law to follow assimilated EU case law. That is why this decision refers to decisions of the EU courts which predate the UK's withdrawal from the EU.

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

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

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

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

Comparison of services

Earlier mark	**Application**
Class 43: *Services for providing food and drink; restaurant and catering services; snack bar services; bar services; cafe services; provision of food and drink; bistro services; cocktail lounge services; grill restaurants; hospitality services [food and drink]; public house services; reservation and booking services for restaurants and meals; take-out restaurant services; takeaway services; wine bar services; advisory, consultancy and information services relating to all of the aforementioned services.*	Class 43: *Restaurant; Bar*

13. The underlined services in the opponent's specification are identical to the applicant's services.

Average consumer and the purchasing process

14. As the caselaw cited above indicates, it is necessary to decide who the average consumer is for the goods and services at issue and how they purchase them. "Average consumer" in the context of trade mark law means the "typical consumer."[3] The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.*, Case C-342/97. In *Lidl Great Britain Limited & anor v Tesco Stores Limited & anor* [2024] EWCA Civ 262, Lord Justice Arnold explained:

> "16. First, the average consumer is both a legal construct and a normative benchmark. They are a legal construct in that consumers who are ill-informed or careless and consumers with specialised knowledge or who are excessively careful are excluded from consideration. They are a normative benchmark in that they provide a standard which enables the courts to strike a balance between the various competing interests involved, including the interests of trade mark owners, their competitors and consumers.
>
> 17. Secondly, the average consumer is neither a single hypothetical person nor some form of mathematical average, nor does assessment from the perspective of the average consumer involve a statistical test. They represent consumers who have a spectrum of attributes such as age, gender, ethnicity and social group. For this reason the European case law frequently refers to "the relevant public" and "average consumers" rather than, or interchangeably with, "the average consumer": see, for example, Case C-252/07 *Intel Corporation Inc v CPM United Kingdom Ltd* [2008] ECR I-8823 at [34]. It follows

[3] *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited,* [2014] EWHC 439 (Ch).

that assessment from the perspective of the average consumer does not involve the imposition of a single meaning rule akin to that applied in defamation law (but not malicious falsehood). Thus, when considering the issue of likelihood of confusion, a conclusion of infringement is not precluded by a finding that many consumers of whom the average consumer is representative would not be confused. To the contrary, if, having regard to the perceptions and expectations of the average consumer, the court considers that a significant proportion of the relevant public is likely to be confused, then a finding of infringement may properly be made.

18. Thirdly, assessment from the perspective of the average consumer is designed to facilitate adjudication of trade mark disputes by providing an objective criterion, by promoting consistency of assessment and by enabling courts and tribunals to determine such issues so far as possible without the need for evidence. ....

19. Fourthly, the average consumer's level of attention varies according to the category of goods or services in question.

20. Fifthly, the average consumer rarely has the opportunity to make direct comparisons between trade marks (or between trade marks and signs) and must instead rely upon the imperfect picture of the trade mark they have kept in their mind."[4]

15. The average consumer of the services is a member of the general public who will pay a normal level of attention to the purchase, taking into account, for example, dietary preferences and food intolerances, and the occasion. The selection process is likely to be primarily visual, given that the services will be provided on physical premises, but word of mouth recommendations may also play a part in the selection, so the way the marks sound must also be considered.

[4] Approved by the Supreme Court in *Iconix Luxembourg Holdings SARL v Dream Pairs Europe Inc and anor* [2025] UKSC 25, at paragraph 30.

Distinctive character of the earlier mark

16. The assessment as to whether there is a likelihood of confusion includes considering whether the distinctive character of the earlier mark has been enhanced (i.e. more distinctiveness has been acquired) through the use made of it. If a mark has an inherently high, or an enhanced, level of distinctiveness, the likelihood of confusion is increased.[5]

17. The applicant submits (in its evidence) that there are over 60 UK registered trade marks in class 43 which include the word CHOP, and over 200 which include the words BAR and GRILL. No details are provided and, even if they were, mere presence on the trade mark register does not indicate actual use. The applicant submits that the prevalence of CHOP trade mark registrations in class 43 shows that the word "isn't seen as a distinction in this sector". No evidence is provided as to why the word is said to be popular.

18. A 'chop' is a cut of meat which can be grilled. This has a negative effect on the distinctiveness of the earlier mark for restaurants and bars (the latter also often selling food) which could serve meals incorporating chops. The earlier mark must be treated as having at least some distinctive character under section 72 of the Act, which provides a statutory assumption of validity unless a registered trade mark is subsequently invalidated under section 47 of the Act.[6] For average consumers who see this meaning, the earlier mark has, at best, a low degree of inherent distinctive character. For those who see only the meaning of 'chop' as to cut something, the distinctive character is medium as there is no direct description or allusion to the services.

19. Distinctive character is a measure of how strongly an earlier mark identifies the goods or services for which it is registered, determined, according to *Lloyd Schuhfabrik Meyer & Co.*, partly by assessing the proportion of the relevant public which, because

[5] *Sabel BV v Puma AG,* Case C-251/95.
[6] See *Formula One Licensing BV v OHIM*, Case C-196/11 P, CJEU

of the mark, identifies the goods or services as originating from a particular undertaking. At paragraph 23 of its judgment, the CJEU stated:

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

20. The opponent has filed evidence about the use it has made of its trade mark from its Managing Director, Mitch Gaglardi.[7] He provides turnover figures, as follows:

2018: £611,000
2019: £489,000
2020: £773,000
2021: £1,100,000
2022: £2,076,000
2023: £2,834,000

21. Mr Gaglardi states that the opponent spends approximately 3% of revenue on social media advertising. He provides a sample of undated menus and signage at Exhibit MRG1, such as:

[7] Witness statement dated 19 November 2024 and exhibits



(interior)



(a wine list)

22. Further examples of the logo in digital advertisements are shown in Exhibit MRG2, which appear to date from after the relevant date in 2024, although I note that Mr Gaglardi states that the earlier mark, and the logo, have been used continuously in relation to services for providing food and drink since at least as 2018. There are no exhibits showing use of just the words and, as the applicant points out, the logo shows the words “chop grill bar”, rather than “Chop Bar and Grill”, which is the earlier mark.

23. Mr Gaglardi states that the opponent has Sandman Signature hotels in Newcastle, London, Aberdeen and Glasgow and that Chop Bar and Grill services are advertised and offered to all the opponent's Signature hotel visitors. In its notice of opposition, the opponent claims that the use has been in Scotland and that its advertising is national. However, in its accompanying statement of grounds, the opponent states that its use has been throughout the UK. There is no evidence of national advertising before the relevant date. There is no explanation for the disparity between Mr Gaglardi's statement about the use of the mark and logo in hotels outside of Scotland, the opponent's statement of grounds and the opponent's pleading in its notice of opposition that the use has been inside of Scotland: "Services provided in Scotland but advertised throughout the UK."

24. In any event, given the size of the industry, the opponent's turnover figures do not support a claim to enhanced distinctiveness acquired through use. Certainly, the uptick in turnover was achieved only in the two years prior to the relevant date which is not a long length of time to demonstrate that a weakly distinctive mark has increased its distinctive character through use. Given these factors, together with the lack of corroborating evidence and the questions about where the use took place prior to the relevant date, I find that the distinctiveness of the earlier mark had not been enhanced through use at the relevant date.

Comparison of marks

25. *Sabel BV v. Puma AG*, Case C-251/95 explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

> ".....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall

impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion."

26. It is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.

27. The marks to be compared are:

Earlier mark	Application
Chop Bar and Grill	Chop Shop Bar & Grill

28. The earlier mark comprises four words. "Bar and Grill" are clearly descriptive in the context of the services at issue. I have already commented upon the potential meaning of Chop for restaurant and bar services. In my view, because of the meaning, the words comprise a complete phrase and no single element is more distinctive. The overall impression lies in the mark as a whole. The applicant's mark consists of four words and an ampersand which replaces the word 'and'. Again, the overall impression lies in the phrase of which the mark is comprised. There is slightly more dominance in relation to 'Chop Shop' because they rhyme and look repetitive in their spelling, but it is only slight because the words are meaningful in relation to the services.

29. I take into account that some average consumers may not see the meaning of 'chop' as a cut of meat and see Chop in both marks as the name of the restaurant or bar rather than a description of the offerings within. This group may see 'Shop' in the later mark as being, alongside 'Bar' and Grill', a description of the type of premises, despite the lack of a comma. This would make Chop the dominant and distinctive element of the mark. As above, there may also be a group which appreciates the rhyming and similar spelling of Chop Shop. If this group does not see Chop as descriptive and instead sees Chop Shop as a catchy unit, on account of the assonance

and similar spelling, this would make Chop Shop the dominant and distinctive part of the applicant's mark.

30. Visually, the differences between the marks are the inclusion of Shop and the ampersand compared to the word 'and'. 'Chop', Bar' and 'Grill' are common to both marks, in that order. There is a medium to high degree of visual similarity between them. The applicant points out that the opponent uses 'Chop Grill Bar' (as shown in the opponent's evidence). However, I can only compare the marks as they appear on the register.

31. Aurally, the ampersand in the later mark would be articulated as the word 'and'. The only aural difference between the marks is the inclusion of 'Shop' as the second word in the later mark. The marks are aurally highly similar.

32. Taking into account the extra word Shop which, although absent from the earlier mark, also (like Bar and Grill) describes a place where food or drink can be bought, for average consumers who see Chop as denoting a cut of meat, the marks are conceptually very highly similar. Those who do not see that meaning of Chop will still recognise Chop as meaning to cut something, in which case that is a meaning shared by both marks. Either way, the marks are conceptually very highly similar.

Likelihood of confusion

33. As stated above, I can only consider the representation of the parties' marks on the register which means I cannot take into account the applicant's evidence that, in use, its mark includes "EST.2022".[8] It is also not determinative that the parties have been operating in different localities because, especially in the case of local services such as a restaurant, lack of confusion between the marks may simply be down to the fact that consumers have only ever encountered one party's mark. However, a trade mark registration is a national right and entitles the holder to prevent use of a conflicting mark or sign anywhere in the UK.

[8] Witness statement of Liam Ridge dated 19 January 2025 and exhibits

34. Deciding whether there is a likelihood of confusion is not scientific; it is a matter of considering all the factors, weighing them and looking at their combined effect, in accordance with the authorities set out earlier in this decision. One of those principles states that a lesser degree of similarity between goods and services may be offset by a greater degree of similarity between the trade marks, and vice versa. In this case, the services are identical.

35. There are two types of confusion, direct and indirect.[9] Direct confusion occurs where marks are mistaken for one another, flowing from the principle that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them which has been retained in the mind.

36. I have made comments elsewhere in this decision about the level of distinctiveness of the earlier mark for the group of average consumers which sees the mark as denoting food establishments which serve chops. Even though the mark is weak in distinctive character, this does not mean that there is no likelihood of confusion. In *L'Oréal SA v OHIM*, Case C-235/05 P, the CJEU found that:

> "45. The applicant's approach would have the effect of disregarding the notion of the similarity of the marks in favour of one based on the distinctive character of the earlier mark, which would then be given undue importance. The result would be that where the earlier mark is only of weak distinctive character a likelihood of confusion would exist only where there was a complete reproduction of that mark by the mark applied for, whatever the degree of similarity between the marks in question. If that were the case, it would be possible to register a complex mark, one of the elements of which was identical with or similar to those of an earlier mark with a weak distinctive character, even where the other elements of that complex mark were still less distinctive than the common element and notwithstanding a likelihood that consumers would believe that the slight difference between the signs reflected a variation in the

[9] *Liverpool Gin Distillery Ltd & Ors v Sazerac Brands, LLC & Ors* [2021] EWCA Civ 1207

nature of the products or stemmed from marketing considerations and not that that difference denoted goods from different traders."

37. In *Face2FaceHR Partners Limited v Peninsula Business Services Limited*, BL O/0368/23, Emma Himsworth KC, sitting as the Appointed Person, reviewed the case law in *Whyte and Mackay v Origin* [2015] EWHC 1271 (Ch) and *Nicoventures Holdings Limited v The London Vape Co Ltd* [2017] EWHC 3393 (Ch), as well as guidance in the Common Communication on the Common Practice of Relative Grounds of Refusal - Likelihood of Confusion (impact of non-distinctive/weak components), dated 2 October 2014, which is referred to in the case law. Ms Himsworth summarised the correct approach when assessing the likelihood of confusion where the only common element between the marks in issue has no or low distinctiveness as follows, at paragraph 44:

"(1) The distinctiveness of the mark as a whole must be assessed, taking into account that a minimum degree of distinctiveness must be acknowledged.

(2) The distinctiveness of each of the components of both marks must be assessed with priority being given to the coinciding elements.

(3) The focus of the assessment of the likelihood of confusion should be on the impact of the non-coinciding components on the overall impression of the mark.

(4) Account must be taken of the similarities/differences in the non-coinciding elements of the marks.

(5) A coincidence of an element with a low level of distinctiveness will not usually lead to a likelihood of confusion.

(6) There may be a finding of a likelihood of confusion if (a) the non-coinciding elements of the mark are of lower (or equally low) degree of distinctiveness or are of insignificant visual impact and the overall impression is similar; or (b) the overall impression of the marks is highly similar or identical."

38. I have already found that a minimum degree of distinctiveness must be acknowledged. All of the components of the earlier mark are contained in the later mark and none of them, per se, are distinctive. 'Shop' in the later mark is not distinctive for restaurant and bar services and does not have a large impact on the overall impression of the applicant's mark. It is also the only real difference between the marks because 'and' and the ampersand are interchangeable and very easily mis-remembered. The elements which coincide are not distinctive and point (5) cautions that this would not normally lead to a likelihood of confusion, subject to the caveat at point (6). This is the crux of the matter in the present case. The non-coinciding element, Shop, is of equally low distinctiveness for the services but, if that is not right, then it does not have much impact and, crucially, point 6(b) bites: the overall impression of the marks is highly similar. The services are identical and, whether perceived visually or aurally, the parties' marks are highly prone to being imperfectly recalled for consumers who see 'chop' as descriptive of the services.

39. This outcome considers factors which are least favourable to the opponent (i.e. the earlier mark is low or very low in distinctive character). Where the perception of the marks is not that the services involve chops, but that chop means to cut, the marks are more prone to imperfect recollection because chop has a higher level of distinctive character. 'Shop' is low in distinctive character for goods or services which are offered commercially. It is not the first word in the mark and all the others are the same, or materially so (in the case of the ampersand). There is a likelihood of confusion for these two groups of average consumers. Even if the third group, who may see Chop Shop as the dominant and distinctive element of the later mark because of the rhyme, is not confused, the other two groups will be confused. This is sufficient to find a likelihood of confusion because a significant proportion of the relevant public is likely to be confused.

40. The section 5(2)(b) ground succeeds.

Section 5(3)

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

> "(3) A trade mark which-
>
> is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.
>
> (3A) Subsection (3) applies irrespective of whether the goods and services for which the trade mark is to be registered are identical with, similar to or not similar to those for which the earlier trade mark is protected."

42. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors,* Case C-252/07, *Intel,* Case C-408/01, *Adidas-Salomon,* Case C-487/07, *L'Oreal v Bellure* and Case C-323/09, *Marks and Spencer v Interflora* and Case C-383/12 P, *Environmental Manufacturing LLP v OHIM.* The law appears to be as follows.

> (a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors*, paragraph 24.
>
> (b) The trade mark for which protection is sought must be known by a significant part of that relevant public; G*eneral Motors*, paragraph 26.
>
> (c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman*, paragraph 29 and *Intel*, paragraph 63.

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

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

(f) the more immediately and strongly the earlier mark is brought to mind by the later mark, the greater the likelihood that use of the latter will take unfair advantage of, or will be detrimental to, the distinctive character or the repute of the earlier mark; *L'Oreal v Bellure NV*, paragraph 44.

(g) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel,* paragraphs 76 and 77 and *Environmental Manufacturing*, paragraph 34.

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

(i) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier

mark; *L'Oreal v Bellure NV,* paragraph 40. The stronger the reputation of the earlier mark, the easier it will be to prove that detriment has been caused to it; *L'Oreal v Bellure NV*, paragraph 44.

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

43. Reputation for section 5(3) of the Act constitutes a knowledge threshold.[10] There are questions around where the use of the earlier mark has taken place. The pleadings claim that sales have been achieved within in Scotland, with national advertising. There is no evidence placing the advertising before the relevant date, whether or not it was national. Only two Scottish hotel locations in Scotland are given in the opponent's evidence: Glasgow and Aberdeen. It is presumed, without explanation to the contrary, that this means that there has been use in two restaurants; i.e. that there are two hotels containing the opponent's restaurants which use the mark, one in Glasgow and the other in Aberdeen.

44. In *General Motors,* Case C-375/97, the CJEU held that:

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

[10] See the judgment of HH Judge Hacon in *Burgerista Operations GmbH v Burgista Bros Limited* [2018] EWHC 35 (IPEC) at paragraph 69: "(6) Reputation constitutes a knowledge threshold, to be assessed according to a combination of geographical and economic criteria."

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

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

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

45. In *GNAT and Company Ltd & Anor v West Lake East Ltd & Anor* [2022] EWHC 319, HHJ Hacon held that the claimants had not established a qualifying reputation for the purposes of section 10(3). The claimants had operated a restaurant at the Dorchester Hotel in Park Lane for around four years prior to the relevant date. Turnover was between £5m and £6m each year, which equated to approximately 70,000 customers served per year; advertising spend had varied significantly, from around £5,000 at its lowest to over £47,000. The claimants had provided dining vouchers worth about £17,000 to charities and there had been some press coverage and awards but only seven such articles appear to have been in evidence. The judge stated that, although it was likely that a spread of individuals across the UK would have read the articles or been made aware of the awards, the claimants' market share was tiny relative to the UK restaurant business as a whole. The advertising sums were also very small in that context and the business was in relation to a single restaurant. The judge concluded that the evidence satisfied the 'geographic' aspect of the test but not the 'economic' one, and that the use was not sufficient to establish that the claimants' mark had a reputation.

46. The opponent has not provided any evidence about the reach of its advertising and it appears that all the examples of it in the evidence date from after the relevant date. There is no evidence about the volume of customers. As mentioned earlier, the turnover figures are very small in the context of the market, and the uptick occurred relatively recently prior to the relevant date. I find, therefore, that the use of the mark had not achieved the knowledge threshold necessary to find a reputation sufficient to mount a section 5(3) claim. Without a sufficient reputation, there can be no link from which damage would arise.

47. The section 5(3) ground fails.

Section 5(4)(a)

48. Section 5(4)(a) states:

> "(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."

49. 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."

50. The three elements which the opponent must show are well known. 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)."

51. The concept of goodwill was explained in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217, at 223:

> "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."

52. There is no use of the word-only sign (which is the same as the earlier trade mark). The second sign pleaded in the notice of opposition and the accompanying statement of grounds is as follows (at 100% on a PDF viewer):



53. It is possible to see that there is something underneath "chop' in the representation, but it is far from clear. However, the applicant has referred in its own evidence and, especially, in the counterstatement to the opponent's use of this logo as including the words "GRILL BAR" beneath the word "chop". The applicant states in the counterstatement "their logo on the opponents statement of grounds which clearly highlight in order the descriptive words of CHOP GRILL BAR". I therefore consider that the applicant understands the logo to include the words GRILL BAR beneath "chop", and I will assess the section 5(4)(a) ground on this basis.

54. The evidence shows that the opponent, at the relevant date, had goodwill in Scotland in its business associated with the stylised sign in relation to restaurant and bar services. The establishment of a local goodwill is capable of preventing registration of a trade mark under section 5(4)(a) of the Act because a trade mark registration is a national right, thereby notionally covering the same geographical area. This was explained in *Caspian Pizza Ltd & Ors v Shah & Another* [2017] EWCA Civ 1874, by Lord Justice Patten:

> "23. It is, I think, implicit in these provisions that opposition under s.5(4) based on earlier use of the mark does not have to be use throughout the UK or alternatively in a geographical area which overlaps with the place where the applicant for registration actually carries on business using the same or a similar mark. As the Hearing Officer explained in *SWORDERS*, the application for a national mark operates as a notional extension of the use of the mark over the whole of the country. The only requirement is that the opponent should have established goodwill in the mark over an identifiable geographical area that would qualify for protection in passing off proceedings. Reputation may be enjoyed on such a small scale that it does not generate goodwill at all: see *Knight v Beyond Properties Pty Ltd & Ors* [2007] EWHC 1251 (Ch). But goodwill which is established in a particular locality will be capable of preventing registration of a countrywide mark."

55. Although the average consumer test is not strictly the same as the 'substantial number' test, in the light of the Court of Appeal's judgment in *Comic Enterprises Ltd v Twentieth Century Fox Film Corporation* [2016] EWCA Civ 41 it seems doubtful whether the difference between the legal tests will (all other factors being equal) produce different outcomes. This is because they are both normative tests intended to exclude the particularly careless or careful, rather than quantitative assessments. In *Neutrogena Corporation and Another v Golden Limited and Another* [1996] RPC 473, Morritt LJ 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]".

56. The parties' services are identical. Although the sign which may be relied upon for this ground is stylised, it contains the same words as for the earlier trade mark, except for the absence of 'and'. I do not think the absence of 'and' is a material difference, nor is the fact that GRILL and BAR appear in a different order to those words in the later mark. The words are descriptive of the services and the order in which they appear is likely to be mis-recalled very easily. A substantial number of the opponent's actual and potential customers will believe that the applicant's services are those of the opponent. Damage will follow, such as loss of trade, bearing in mind that the applicant's mark must be treated as notionally covering the whole of the UK.

57. The section 5(4)(a) ground succeeds.

Overall outcome

58. The opposition succeeds and the application is refused.

Costs

59. The opponent has been successful and is entitled to an award of costs, based on the scale published in Tribunal Practice Notice 1/2023. I award costs in favour of the opponent as follows:

Statutory opposition fee	£200
Preparing the notice of opposition and considering the counterstatement	£400
Preparing evidence and considering the applicant's evidence	£600
Total	£1200

60. I order Hop Hospitality Ltd to pay to Sandman Hotel Group (UK) Limited the sum of £1200. This sum is to be paid within twenty-one days of the expiry of the appeal period or within twenty-one days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 16th day of October 2026

Judi Pike
For the Registrar