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CURRENT INTELLIGENCE

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The UK IPO's decision in The Willow Tea Rooms trade mark dispute

The Willow Tea Rooms Trust v. Anne Mulhern, The Willow Tea Rooms, O-032-1, 27 January 2017

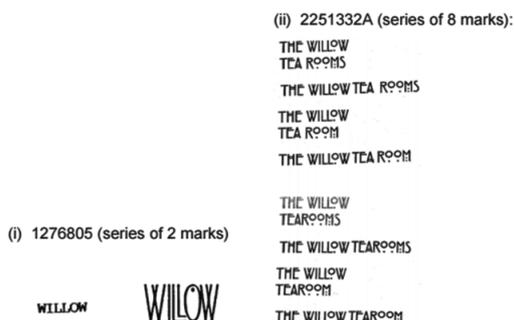
The UK Intellectual Property Office (IPO) partly accepted the opposition by Anne Mulhern (under number 405148) to the application by The Willow Tea Rooms Trust (application 3105102) to register 'The Willow Tea Rooms' as a UK trade mark.

LEGAL CONTEXT

On 22 April 2015 The Willow Tea Rooms Trust had applied to register 'The Willow Tea Rooms' as a UK trade mark in Classes 35, 41, 42 and 43 of the Nice Classification. The application was accepted and published in the Trade Marks Journal for opposition purposes on 26 June 2015. Anne Mulhern filed an opposition under Secs. 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (TMA). The UK IPO examiner (Ms J Pike) accepted the opposition in respect of Classes 35, 41 and 42. The Willow Tea Rooms Trust was ordered to pay a contribution towards Mulhern's costs.

FACTS

The building at 119-121 Sauchiehall Street in Glasgow, Scotland was designed by Scottish architect Charles Rennie Mackintosh in 1903, and hosted Kate Cranston and her celebrated tea rooms. Anne Mulhern restored the unit as a tea room in 1983, and made it one of the most famous tea rooms in Glasgow. Mulhern filed trade marks for 'Willow' in 1986 and 'The Willow Team Rooms' in 2000:



The building was acquired by The Willow Tea Rooms Trust in 2014, and closed for a two-year refurbishment. Mulhern temporarily moved her business to the third floor of the Watt Bros department store. In the meantime, The Willow Tea Rooms Trust attempted to register the trade mark 'The Willow Tea Rooms' for a new business within the building, based on the historic significance of Miss Cranston's Willow Tea Rooms. Mulhern opposed the mark on the basis that she had a similar existing trade mark and a reputation among a specific class of consumers.

ANALYSIS

Use of a Modified Trade Mark: Sec. 6A TMA

Mulhern opposed the registration under Secs. 5(2)(b) and 5(3) TMA. She based these claims on her registered trade marks 'Willow' (1276805, series of two marks in Class 42: restaurant, tea room, catering and café services; not including any services relating to the provision of alcoholic drinks) and 'The Willow Team Rooms' (2251332A, series of 8 marks for goods and services in Classes 9, 11, 16, 20, 21, 24, 30 and 43). The Trust denied all of the grounds and relied on Sec. 6A TMA requiring Mulhern to demonstrate genuine use of her marks. In particular, it questioned whether there had been use of any or all of the stylized forms of the marks, and also argued that no use had been made of the trade mark 'Willow', since it was only used in conjunction with 'The Willow Tea Rooms', i.e. a separate trade mark. Pike noted [at 34] that there was no evidence of use of the 'Willow' mark by itself. The difference in the second series of marks was the additional words 'tea' and 'rooms'. She also noted [at 50] that in *Comic Enterprises Ltd v. Twentieth Century Fox Film Corporation* [2016] EWCA Civ 455, *Kitchin* LJ stated [at 66] that:

"An application for the registration of a series of trade marks is an application to register a bundle of trade marks under a single reference number. Each of

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the marks in the series must satisfy the requirements of the 1994 Act ... namely a bundle of different marks, albeit now registered under the same reference number.”

Pike then considered [at 51] whether there was use in respect of any or all of the marks registered as a series of eight. In order to do this, she considered the sign that would be presented as the trade mark on the goods, and whether that sign would differ from the registered trade mark in elements which do not alter the latter's distinctive character [at 52, referring to *Nirvana Trade Mark*, BL O/262/06 at 33 and 34]. For example in *Hypen GmbH v. EUIPO*, Case T-146/15 the General Court held that, taking into account the intrinsic qualities and the greater or lesser degree of distinctive character of the mark, a circle around the mark in question would not be sufficient to alter the distinctive character of the mark.

As such, the relative distinctiveness of the registered mark and the components added to (or omitted from) it in use are relevant factors to consider. *Pike* stated [at 57] that the distinctive character of the mark lies, first, in the words and, secondly, in its stylization. Considering that the goods were sold within the tea rooms as merchandise, it was a reasonable assumption that the way in which the mark appeared on the goods replicated the form of use in relation to the services. Therefore, even if the mark used was only ‘Willow Tea Rooms’, the stylization of the words in the marks registered was not sufficiently distinctive so that its absence from the used mark would not alter its distinctive character, which was overwhelmingly concentrated on the words.

Passing Off: Sec. 5(4)(a) TMA

Mulhern also opposed the Trust's application under 5(4) (a) TMA, arguing that its use would constitute passing off by misrepresentation and damage to her goodwill. The Trust, however, argued that the goodwill was its own as the owner of the building, since the name The Willow Tea Rooms was associated with the historical development of the building itself, not the business carried out within it.

Pike recalled [at 86] the concept of goodwill in *Inland Revenue Commissioners v. Muller & Co's Margarine Ltd* [1901] AC 217, in Lord *Lindley* said that:

“Goodwill regarded as property has no meaning except in connection with some trade, business, or calling ... In this wide sense, goodwill is inseparable from the business to which it adds value.”

She therefore concluded [at 87] that goodwill is generated by trade, or custom, and is capable of being owned. She believed that, whilst the building might have a reputation amongst those who know of its heritage, such repute is different from actionable goodwill.

Pike turned to *Christopher Wadlow*, *The Law of Passing-Off: Unfair Competition by Misrepresentation* (5th edn) to explain the difference between goodwill and reputation:

“Goodwill as a form of legal property is also to be distinguished from mere reputation, which is primarily a matter of fact. In so far as reputation may be a legally protected interest, it is a non-proprietary one. It is true that the two are very closely related, and a business with goodwill (at least in the sense in which the term is used in passing-off) can hardly fail to have a reputation in some sense. The converse, however, is not true, and the existence of a reputation associated with a person, product, name or mark does not necessarily imply the existence of goodwill.”

Pike stated [at 89] that a building *per se* cannot have goodwill because goodwill can only exist if there is something to buy in order to generate custom. As such, the Trust could not establish goodwill on the basis of the architectural reputation of the building [92]. Consequently, the Trust was prevented from registering the mark under the law of passing off.

Mulhern successfully opposed approximately two-thirds of the application and was therefore entitled to a contribution towards her costs.

PRACTICAL SIGNIFICANCE

This case highlights two points under the TMA.

First, in relation to the non-use of the first trade mark ‘Willow’, *Pike* essentially established use of the word Willow on consideration that it cannot be separated from the mark ‘The Willow Tea Rooms.’ In such case the relative distinctiveness of the registered mark and the components added to, or omitted from it, are the relevant factors to consider, and in doing so the distinctive character of the mark lies, first, in the words and, secondly, in its stylization.

The second point is a reminder that the requirement of goodwill is not satisfied by reputation alone, but must be rather established by custom. This is an important consideration to bear in mind for businesses that are located in buildings with a reputation, and have possibly built their custom on the historical significance of the building or famous past visitors.