

**IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INTELLECTUAL PROPERTY LIST (Ch.D)
SHORTER TRIALS SCHEME**

Remotely heard as at
Royal Courts of Justice, Rolls Building
Fetter Lane, London, EC4A 1NL

30 April 2021

Before
MR DANIEL ALEXANDER QC
(Sitting as a Deputy Judge of the Chancery Division)

B E T W E E N

PHILIP WARREN & SON LIMITED

Claimant

- and -

- (1) **LIDL GREAT BRITAIN LTD**
- (2) **LIDL UK GmbH**
- (3) **LIDL STIFTUNG & CO KG**

Defendants

**Andrew Lomas instructed by Stobbs IP for the Claimant
Benet Brandreth QC instructed by Bird & Bird and
Tristan Sherliker of Bird & Bird for the Defendants**

Hearing dates 19, 22-23 and 25 February 2021

Covid-19 Protocol: This judgment was handed down by the judge remotely by circulation to the representatives of the parties by email and release to Bailii. The date and time for hand-down is deemed to be 15.00 pm on 30th April 2021. [L I T L] [S E P 15 21]

APPROVED JUDGMENT

MR DANIEL ALEXANDER QC

INTRODUCTION

1. This is a passing off case. The claimant (“PWS”) is a family butcher, based in Launceston, Cornwall, which has traded for a considerable period at the high-end of the local retail and wholesale market mainly under the name “PHILIP WARREN” and “PHILIP WARREN & SON” and, in more recent years, has largely used the following logo:



2. PWS claims in respect of the use by the defendants (collectively “Lidl”) the well-known supermarket operators, of the mark “WARREN & SONS”, largely in the following stylized logo form, in respect of a range of fresh meat products which were sold in its stores around the country in significant quantities for a period of about 5 years between 2015 and 2020.



3. Lidl had decided to abandon this brand before PWS first complained to Lidl and Lidl’s use of the mark ceased altogether in 2020. However, PWS pursues a claim for a substantial financial remedy, which is said to be based on a historical per item royalty or account of profits, in respect of past sales of the products so marked. Lidl’s sales run into hundreds of millions of pounds over the period and, in the letter before action, the claim was put at about £47 million, although that has since been reduced somewhat on the basis of a quantification done on a preliminary basis by an expert.
4. This trial is concerned with liability alone. It focuses on the extent and nature of PWS’s goodwill and whether the evidence is sufficient to show that Lidl’s use of its WARREN & SONS mark for the goods in question made a misrepresentation as to a relevant trade connection and, if so, whether this occurred to a significant extent.
5. The similarities and differences between the marks are obvious. The respective businesses trade mainly at different ends of the market and the evidence shows very limited overlap in their customers except in the Launceston area. That, and other circumstances of sale, make it harder for a court to predict, unguided by evidence, whether there is likely to have been significant misrepresentation as a result. It is also unusual in that, normally, where a

complaint of this kind arises, a claimant will sue relatively quickly and the problem for the court can be that there is limited opportunity in the period before trial to test whether the presence of the defendant's product is causing significant confusion in the marketplace. It is not often that it is possible, as here, to do so on the basis of some 5 years of side-by-side trading, in which there have been many tens of millions of public encounters with a defendant's product in real trading situations. In this case, PWS has identified some evidence of confusion during the period. However, it is limited, equivocal and did not remain unaffected by cross-examination, in so far as it was exposed to test.

6. Having considered all of the evidence, I have concluded that, while PWS has considerable goodwill in its brand particularly in Launceston and the surrounding area and in the high-end wholesale trade, and notwithstanding similarities in the respective marks, it has not been proved that Lidl's sale of meats under the WARREN & SONS brand constituted passing off. Put simply, there was insufficient evidence of a significant level of operative misrepresentation to any category of PWS's customers.

Parties and background to the claim

Philip Warren & Son (PWS)

7. PWS's business was built up originally by Mr Philip Warren, who is described as a master butcher. It is now substantially led by his son, Mr Ian Warren, who has taken on an increasingly prominent role over the years. PWS trades at the higher end of the market. Its current turnover is in excess of £11m per year and it has about 100 staff. By 2015, when Lidl started the use complained of, it had a significant local trade based around Launceston, a very limited online retail business and a significant wholesale business through which it mainly supplied leading restaurants (and a few other prominent outlets) in London and elsewhere. This kind of mix of trade is, and was, relatively unusual for a local butcher and PWS has been regularly featured in the local and national media partly because of its commitment to the highest standards and its success in the high quality restaurant business.

Lidl

8. Lidl operate a national supermarket chain with a reputation for offering particularly good value products. While it trades largely in own brands at the less expensive end of the market it also sells some higher end produce. In 2014, it decided to rebrand some of its fresh meat produce ranges and selected the mark "WARREN & SONS" as a new own brand. It applied to register a trade mark and products under that mark were launched nationwide in June 2015, including in a Lidl store in Launceston close to PWS's main outlets.

Background to the claim

9. Some months after the launch of WARREN & SONS branded meats, PWS received the first of a number of communications suggesting that some of its customers or potential customers may have been confused into thinking that PWS products had started to be sold in Lidl. For a lengthy period, between 2015 and 2017 during which this happened sporadically, PWS found this annoying. As a family butcher unfamiliar with intellectual property law and without a registered trade mark, it did not believe anything could be done about it. However, after contact with a representative of the firm of solicitors now acting for them, PWS was advised in 2017 that it might have a claim in passing off and it took formal advice in 2018. There

were then considerable delays in making financial arrangements to enable the claim as currently configured to be brought, including entering into damages-based agreements with solicitors and counsel. Eventually, a letter before action was sent in late 2019. However, by that time, Lidl had decided to rebrand its WARREN & SONS products to create a more uniform house brand and the disputed mark was on the way out. The last products bearing WARREN & SONS were sold in 2020 and Lidl surrendered the WARREN & SONS registered trade mark in September 2020. In consequence, although there is formally a claim to an injunction to prevent use of the WARREN & SONS mark, since no undertaking has been given, this claim is all about the past.

Trial

10. This Shorter Trials Scheme trial was efficiently conducted over four days fully remotely, thanks to the respective legal teams and helpful court staff. Witnesses gave their evidence over video links, one from Australia, and apart from slight connection glitches, this was no less effective than it would have been in person. Without objection from Lidl, I gave permission for the case to be conducted by counsel for PWS while he was outside the jurisdiction because of travel restrictions, following guidance in recent authorities. That too had no material impact on the proceedings. Some procedural disputes concerning proposed amendments to the claim (which were ultimately not pursued after indications from the court) and documents in the trial bundles were resolved largely in e-mail exchanges between counsel and the court before the trial, with short directions given at the outset as to how various classes of documents should be dealt with.

EVIDENCE AND WITNESSES

PWS's evidence

PWS's business witnesses

11. Mr Ian Warren was PWS's main witness. He is a butcher and the managing director of PWS. He dealt at length with the development of PWS's business, its customers, reputation and reported instances of alleged customer confusion over the years.
12. Mr Matthew Chatfield is a Cornish farmer and entrepreneur who previously worked with PWS on promoting and selling to wholesale customers in London and other parts of the UK. He dealt very fully with the development of PWS's wholesale (mainly restaurant trade) business in London and elsewhere. His evidence was uncontroversial and he was not cross-examined.

Members of the public and trade

13. There was limited live evidence from the public and trade. Of these witnesses, Mr Russell and Ms Macmillan were cross-examined. Both were straightforward witnesses and they were able to explain what was in their minds more fully than they had on paper. Mr Honor was not required for cross examination. Their evidence is addressed in greater detail below.
14. Mr McLauchlan was in a somewhat different category since he was a food industry insider. He is the Finance Director of Underdog Restaurants Ltd which owns and operates the Hawksmoor restaurant chain and he has other interests in the restaurant trade. He was put

forward by PWS as a witness of confusion, but ultimately seemed to be more a witness of the absence of any material confusion or damage in this part of the trade but that was not a criticism of him as a witness.

PWS's solicitor, Mr Stobbs

15. Mr Stobbs is the owner of PWS's solicitors. He mainly gave evidence about the time and effort in finding a funding and insurance package under the DBA Regulations that would enable PWS to bring proceedings against Lidl without a costs risk they were not prepared to bear. He was not responsible for the day to day conduct of the proceedings.

Lidl's evidence

16. Mr Richard Bourns is a Senior Buying Director with responsibility for buying of fresh, chilled and cooked meat for Lidl stores in the United Kingdom. He was not directly involved in Lidl's decision to rebrand to WARREN & SONS but he dealt in detail with Lidl's business model and its approach to branding.
17. Ms Kate Watson is Regional Head of Sales for the Devon and Cornwall region for Lidl. She mainly describes Lidl's Launceston store and her personal knowledge (or rather lack of it) of PWS and whether confusion had come and would come to light.
18. Mr Gary Stephens is the Store Manager for the Lidl store in Launceston and he provided information about it and his (also limited) previous knowledge of PWS and whether there had been confusion reported to him.
19. All who attended for cross-examination were good witnesses and no criticisms were made of them by either side.

CHRONOLOGY

20. It is convenient to summarise the primary facts largely chronologically. These may be taken as findings unless otherwise stated and there was ultimately limited dispute about them. The history, in particular of PWS and its activities, was described in the evidence in great detail, all of which I have taken into account in making the overall evaluations but I have sought to pare the summary in this judgment back to the highlights which are sufficient to explain my decision. Where nuances matter, such as in the reactions of members of the public, the evidence is described more fully.

Summary history of PWS's business

21. Launceston is a small Cornish town near the Devon border. It is not particularly well-off or touristy by Cornish standards, nor does it have many second homes, although there are many in the surrounding area. In 1979, Mr Philip Warren, who gave his name to PWS, purchased a long-established butcher's business in Launceston in partnership with Mr Jewell, at which point the name was changed to "Warren & Jewell". Mr Jewell left the business and Philip Warren's wife joined, creating a family business. The name of the business was changed to "Philip Warren & Son" even though the "son", Mr Ian Warren, who is now largely in charge of it, was only two at the time. The business presented itself as a "father and son" family business of a stereotypically traditional kind.

22. From the outset, the focus of Mr Philip Warren and PWS was on particularly high quality, local produce with an emphasis on authenticity and provenance. The business grew quickly and, by 1989, turnover exceeded £1 million. Customers began to come from the surrounding area, including Tavistock, Bodmin and Liskeard. Queues would often form outside the shop. By 1996, the business had grown further, with a staff of 16 and about 3,000 customers a week. The population of Launceston was only just over 7000 and by 2001 a large Tesco superstore was also available nearby, so PWS customers were likely to be coming from the surrounding area specifically to source produce at the shop, which they continued to do.
23. PWS started to feature in the press, with one article describing the success of PWS as “truly remarkable”. The business benefitted from this publicity and would also issue questionnaires, newsletters and information sheets explaining new developments. In the mid-1990s, a further shop was opened in Saltash (20 miles from Launceston) and an established butcher’s shop was bought in Tideford (21 miles away) which had a connected abattoir. These shops traded under the name “PHILIP WARREN”. Eventually, Mr Ian Warren, joined the business, initially as an apprentice. He took increasing responsibility for management. He focussed the reputation of the business at a single location, the number of shops was reduced to the one in central Launceston although a further in-town retail outlet and premises on the outskirts of Launceston were later added. The retail business remained focussed on Launceston and environs.

PWS branding – the WARREN marks

24. But for the brief early period, when the business was known as WARREN & JEWELL, the business traded principally under the name PHILIP WARREN & SON from 1980 until the main branding was simplified to PHILIP WARREN often in the symmetrical logo using the 6 letters in each of PHILIP and WARREN as shown above. While historically, the business had been more overtly promoted as an “and son” family business, that branding became less prominent. However, it was not abandoned completely and there were references to the full name even after this brand redesign, such as on some pages of the website, and on the sides of vans. It is clear from various references in the evidence that a significant number of people referred to PWS as “Warrens” or “Warren’s” and there was some use of “Warren’s” alone, in signage on the floor (including a welcome mat) in the Launceston store. The signs in which goodwill is claimed by PWS are as follows with the original and newer version of the PWS logos shown on the right.

PHILIP WARREN & SON

PHILP WARREN

WARREN / WARRENS / WARREN’S

@WarrensButchers



25. There has been some use of all of these signs, with greater use in the years immediately preceding 2015 of the newer (bottom right) version of the logo.

The start of on-line promotion and expansion

26. In around 2002, PWS's first web-site was launched at www.philipwarrenbutchers.co.uk on which PWS promoted its approach and traditional methods. This also bore "PHILIP WARREN" branding prominently, including a picture of the shop under the sign "Philip Warren & Son". In 2004, PWS started to sell online in a modest way through a third party website www.cornishfishandmeat.co.uk which ran for a number of years and took orders from customers including some in London.
27. In, 2006 PWS expanded the business to some degree into another part of Cornwall, by purchasing Oughs, an established grocer and delicatessen in the heart of Liskeard, and adopted the name "PHILIP WARREN AT OUGHS", retaining the delicatessen service alongside the meat counters to give further exposure to the "PHILIP WARREN" brand. In a message Oughs sent to its staff at the time, Mr Philip Warren was described as the "well known Launceston butcher" and it was said that their name was "renowned for its high-quality meat over a very wide area". While there is an element of marketing-speak in that description, on the evidence as a whole, that seemed to be a fair reflection of the position at least as regards Launceston and environs.
28. At around that time, PWS was also approached by the operators of the EUROSPAR chain of convenience stores across the South West and South Coast with a view to operating their meat counters under the PHILIP WARREN & SON brand and potentially to expand to other EUROSPAR stores in the West Country. PWS ultimately decided against doing so. In June 2007, Whole Foods, a large US-based retailer known for organic produce, asked PWS for help to teach their staff how to set up butcher's counters in their UK stores. Mr Ian Warren states that he does not know who told Whole Foods about PWS and says that it was a "huge accolade to have been recommended in that way to such a large international retailer". Again, this seems to be a fair comment on the position at the time and reflects the reputation PWS had built up.

Wholesale and delivery trade

29. PWS also developed a wholesale business, largely focussed on the high-end restaurant trade which, in recent years, has become a very significant part of its activities. Evidence concerning this was largely given by Mr Ian Warren and in greater detail by Mr Chatfield. PWS implicitly criticises Lidl for not cross-examining Mr Chatfield to avoid too much attention focussing on wholesale trade but I do not think anything can be read into that and I have taken it all into account.
30. In summary, in 2005 Mr Chatfield set out to create a market for high-end beef. He set up a business in 2006, partnering with local producers to deliver to holiday makers across Cornwall. In 2009, this was promoted in London to restaurants and for home deliveries. He approached PWS to partner him in this 'Cornwall In Your Kitchen' venture, as he believed PWS to be the only Cornish butcher of enough quality to break into the high-end market in London. As a result, PWS started to work with Mr Chatfield in 2009, supplying a range of

pubs on a weekly basis. At about that time, PWS also started to supply the first of its high-end London restaurants - Chez Bruce - adding others over the following years.

31. In 2010, PWS began to supply the Harwood Arms and The Ledbury (two very highly rated London restaurants) which attracted the interest of others. Mr Chatfield also started to run regular “pop-ups” and “residencies” at which PWS produce was promoted. He says that these put Warrens more firmly on the culinary map in London and led to connections with other food industry contacts such as Jack Stein (son of Rick Stein) and Tom Adams. By the beginning of 2012, PWS had supplied 18 different establishments and had developed relationships with various high-profile chefs but it adopted a strategy of not spreading business too thinly. PWS’s focus was on cementing and consolidating relationships, in accordance with its commitment to maintaining quality of product and service rather than chasing higher volume too quickly. By 2013, Mr Chatfield’s work (among other things) had resulted in what he describes as a strong reputation for Warrens within London. This had a knock-on effect on the success of the business in Launceston which owed a significant part of its growth to this business. In 2015, Mr Chatfield became a co-owner of The Newman Arms pub in Fitzrovia which he also branded the ‘Cornwall Project’ and to which PWS produce was central.
32. PWS’s London-focussed restaurant business was commercially successful and took off reasonably quickly with the limited customers on which it focussed. To give a sense of its scale and growth, in 2010, PWS supplied Chez Bruce with over £15,000 of meat. That had risen to over £50,000 for that restaurant by 2015. In 2010, PWS had begun to supply Le Gavroche, Mayfair and, by 2015, PWS was also supplying Claridge’s, the Rosewood and Harrods and many others. Parts of that wholesale and restaurant trade were significantly also focussed on PL (i.e. Cornwall) and EX (i.e. Devon) post-codes with many well-regarded establishments as customers, but they also had wholesale customers by way mainly of restaurants in other parts of the country.

Publicity and promotion by restaurant purchasers

33. These activities led to considerable publicity especially in “foodie” circles. In 2012, PWS was featured in the Western Morning News as a butcher “loved by Michelin chefs and loyal customers”. PWS’s short ribs and featherblades were described by The Ledbury’s head chef as “just two of their products that are head and shoulders above the competition.” and that Warrens were a “joy to work with”...“always looking for ways to improve and develop their products with us”. The head chef at No.6 in Padstow said that he “...first heard about Ian Warren through Brett Graham and Chris Eden who just waxed lyrical about the produce they were getting from Warrens.” In 2013, an online news article about food said: “Warrens is a pretty big name, supplying many a culinary star, including Rick Stein and Jamie Oliver”. More recently, PWS featured in several other publications, including those promoting Cornish food and the national press. In early 2015, The Independent described PWS as the “butcher of the moment” which had earned “cult status among top London chefs such as James Lowe at Lyles and Brett Graham at the Ledbury” and the FT Magazine described PWS as: “...a small commercial butchers in Launceston that has managed to dominate the London restaurant scene through word of mouth and superb products.” These observations may be slightly exaggerated since there were many restaurants in London and elsewhere which were not their customers, but they reflected the high standing which PWS had acquired in this part of the market.

34. Some restaurants supplied by PWS would specifically feature on menus that their meat came from PWS. One example is Hubbox, which operates a series of burger restaurants centred in the South West and is one of PWS's largest wholesale customers. Its menus say ("Our meat...is supplied by Philip Warren of Launceston..."). Another is Blacklock which had a menu for its London restaurant which stated that the meat was reared and dry aged on the bone by "The Warren Family" in small farms in Cornwall, although it is not clear exactly from when that material dates. Another is Jamie Oliver's "Fifteen" restaurant in Cornwall which specifically features "Philip Warren's aged rib-eye". There are other examples which provide a picture of some restaurants keen to promote to their customers that particular meats they were serving came from PWS. However, the evidence as to the number of people likely to have encountered, noticed or remembered that kind of menu reference prior to 2015 is very limited and there is no detailed evidence about the proportion of those who did who were also likely to be Lidl customers. This is therefore a relatively minor aspect of the ways in which the PWS produce were likely to have come to significant relevant public attention.

Scale of business

35. To give a sense of the scale of PWS's business, the turnover in the few years prior to and the year of Lidl's launch of its WARREN & SONS brand in 2015 were as follows with a substantial proportion deriving from wholesale trade: 2012: £4,380,700.00; 2013: £4,792,301.00; 2014: £5,831,499.00; and 2015: £7,024,021.00.

Geographical origin of retail customers

36. As noted above, PWS had a significant local following by 2015 and some retail customers from further afield. Lidl does not dispute that PWS had relevant goodwill local to Launceston and the surrounding area but it does dispute that it had significant retail goodwill beyond that.
37. That gives rise to the question as to how far the surrounding area in which goodwill subsists extends. At one point, PWS had a retail presence in other locations in Cornwall (Liskeard, Tideford and Saltash). More relevant, in years immediately before 2015 is the fact that, as Mr Ian Warren says, customers must have come from outside Launceston (to account for the fact that there were sometimes 3000 customers a week with a retail turnover by the end of 2014 of about £3million p.a., which would be unlikely all to have come from the small town itself) and that customers were travelling from up to 25 miles away. He points out that the further PWS Launceston retail store opened in 2008 was designed in part specifically to help out of town customers and those shopping by car, having good A30 road access.
38. There is also some evidence that at least some local second-home owners in Cornwall would have been customers and they may have been home-based all around the country. That is supported indirectly by the information provided by marketing competitions run by PWS in-store (for which data was only available for in 2018-2019 and less reliable as to the picture before 2015, because earlier information had been deleted for GDPR reasons) and in-magazine, Cornwall Living in 2015. This indicated that entrants came from various places in the UK and that a reasonable proportion were second-home owners. It is difficult to make too much of this competition material because the data is incomplete and the numbers are not very large. However, it does indicate that there was some knowledge of (and customers from) PWS outside the immediate local area but these were not very substantial in volume.

39. Drawing clear boundaries between locations where a business enjoys goodwill and where it does not is not always straightforward. The best one can do on the evidence in this case is to conclude that PWS's retail business and goodwill was heavily focused on Launceston and the surrounding area and that while it also had some customers who for at least part of the year lived elsewhere in the UK as well, this was a primarily local retail business and the number of these other customers was not likely to have been very great. Those who came from further away were shopping at PWS because they happened to be in the local area. Attempts at more precise evaluation of exactly where retail customers lived are, on the evidence, impossible, because records are not kept of where all of the people who come into the shop came from. Ultimately this is not a critical issue for the case partly because even if there was a more significant number of customers there is very limited evidence of an overlap between them and those who shop in Lidl for meat.
40. Although PWS was doubtless known to many in the local area, it was not universally known. In particular, it was not known to Ms Watson, Lidl's regional head of sales for Devon & Cornwall, the person with overall responsibility for the Launceston Lidl store. She said that "the first time [she] had heard of Philip Warren was when Lidl GB's legal department told [her] about the case". This is of some significance in considering whether there is likely to be much overlap in customers because, if even an individual like that, local to the area and working in food retailing in Lidl had not heard of PWS, it is hard to imagine that a significant number of ordinary Lidl customers further afield would have known of PWS. In my view, this and the nature of the businesses suggested that the number of people who are likely to be Lidl shoppers who would have heard of PWS but came from outside Launceston and the surrounding area is very small.

Online customers

41. Among the retail customers outside the immediate area were some who were purchasing online, but there were not very many before 2015. Over a period of about 4 years before 2015, there were about 150 mail order customers in total of which the largest proportion were in Cornwall and about half within about 50 miles of Launceston. There were fewer than 100 customers from further away and Mr Ian Warren accepted in his evidence that before 2015 they were just starting to build a new online presence "from nothing". He did not dispute that the quantities which had been sold on-line in that way before that date had been trivial. Mr Ian Warren was therefore right to accept in his oral evidence that, whatever the position today, by July 2015, PWS had not really got started with making retail sales outside its local area around Launceston.
42. The on-line trade has expanded more recently, particularly during the Covid pandemic but that is well after the relevant date. As well as being small in number, on-line/mail order customers prior to 2015 were, in the main, spending significant sums for each order. This also suggests that these were customers who would have been unlikely to be regular shoppers (and, more specifically, meat shoppers) in Lidl. Lidl tends to cater primarily for that part of the market which is unlikely to contain purchasers of large bespoke consignments of specialist meat. As Mr Bourns said, "The idea of spending £100 on cuts of meat alone would be unheard of in Lidl even without the very high £10 delivery price". Again, this suggests that there was a limited overlap in customers, save in Launceston and the surrounding area. There is no evidence that any of those to whom PWS sold any of its products online during that period (i.e. before 2015) had encountered the WARREN & SONS mark in Lidl or were likely to do so.

More recent trading - since 2015

43. Although post-dating 2015 when the PWS goodwill falls to be assessed, recent developments are also relevant background against which to assess the evidence and absence of evidence of confusion. In summary, by 2020, the aggregate wholesale business had become roughly equal between Cornwall and London with significant sales to Devon, Gloucestershire and other South East countries with lower quantities sold further afield. In total, those sales over more recent years, were between £40 and £50 million.
44. During the Covid crisis lockdown, PWS started a new website offering “ON THE PASS by Warrens” with a revamped on-line sales facility selling the meat which would otherwise have been supplied to leading restaurants while these were closed. This too has proved successful and, in a promotion in London Restaurant News, a trade journal, PWS was described as “one of the country’s most renowned butchers”. It has also been promoted in the Daily Telegraph and Vogue using the name “Philip Warren” and attracted some orders from around the country, many of them first time customers placing substantial orders of over £100. There has also been significant further publicity, with PWS being described in the Observer Food Monthly Awards, as “one of the godfathers of British butchery”. In another, promoting the Big Green Egg delivery service, “Warren’s” was described as “The South’s Most Respected Butcher and Grazer” and were said to supply “temples of modern British cooking”. There were similar descriptions in other publications and PWS has recently featured on the BBC Good Food website and in an episode of the BBC’s Rick Stein’s Cornwall (described inter alia as “Warren’s”).
45. PWS has therefore traded in a reasonably substantial way – and had substantial publicity featuring its branding - during the 5 years for which the WARREN & SONS branded produce was on sale in Lidl in very large quantities. PWS’s publicity and trade since Lidl started using that mark has significantly increased. Although it is not possible to provide detailed quantification, it is likely that more people have come to know the PWS business and PHILIP WARREN brand in recent years than were aware of it prior to 2015. The fact that there has been significant use of the PHILIP WARREN branding means that there would have been more opportunities for people to be confused with WARREN & SONS branded produce in recent years if confusion was likely to occur and the material said to evidence confusion that has come to light must be assessed against that background.

LIDL’S ACTIVITIES

46. The case focuses on the consequences for PWS of Lidl’s rebranding of its meats range and the chronology can be taken up at the point at which Lidl embarked on this, in 2014. Before doing so it is worth mentioning some points about the general offering of Lidl foods and how they are presented in store and in advertising materials.

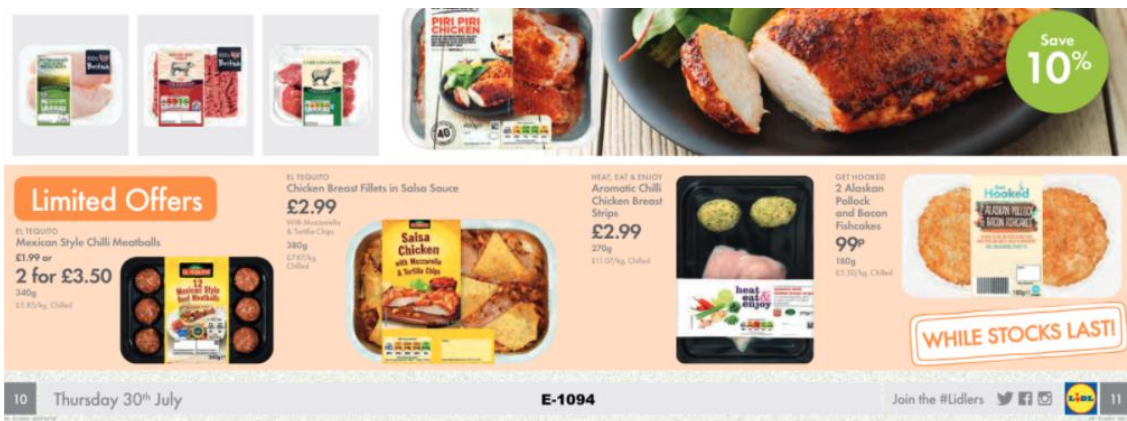
Availability and presentation of brands in Lidl stores and marketing

Lidl’s product ranges – Lidl’s own brands and third party brands

47. Lidl sells a large number of products through its stores, most of these being food and drink. Some are sold under the Lidl brand, some under Lidl own brands or house brands. Lidl also sell a reasonable number of third party brands, including some from very well-known

producers although not as many as some other retailers. It is primarily an “own brand” supermarket chain with third party brands representing no more than about 10%, at least in the average Lidl store.

48. The evidence, including pictures of the store interiors and cabinets, on pack branding and the various promotional material for its products shows that the way in which own brands and third party brands are presented does not differ greatly. Third party brands will sit alongside own brands and Lidl brands. One example, merely to illustrate the point for this decision comes from a promotional leaflet shown below, where the distinction between which brands are Lidl own brands and which are third party brands is not made explicit – they are all presented in the same way:



49. Unless a customer examined the position in detail, it would be easy for him or her to think, for at least some products, that what was in fact a Lidl own brand was a third party brand (or possibly vice versa). This is partly because there is no consistent single own brand used for products of all kinds and partly because Lidl appears for some of its own brands not to promote the products as being Lidl own brands very strongly.
50. PWS described some of the Lidl own brands, somewhat disparagingly, as “fake brands”. That puts it too strongly. There is nothing wrong in retailers adopting own brands as such and making them as attractive as possible. However, where the point has more substance was in the submission that it could not be assumed that the public would always be able easily to recognise the difference between Lidl’s own brands and third party brands. It may sometimes doubtless suit retailers such as Lidl to give customers the feel that they were buying something more authentic or that was not an own brand, distancing Lidl from association with the product, to make products feel less “supermarkety”. I had the impression from Lidl’s internal evidence that they thought that, because it was clear to Lidl which of the brands were Lidl own brands and which were third party brands, that would be as self-evident to customers, even where the own brands were got up to look like third party brands. The evidence from members of the public showed that this was an optimistic view.

The nature of the products and customers for them

51. There is extensive evidence about the differences and similarities in the product ranges of PWS and those sold in Lidl under the WARREN & SONS brand. It is not necessary to address this in detail but the general picture is one of a marked difference. PWS is very high end with some less expensive products. Lidl is rather inexpensive with a few high-end products. To take an example, Lidl’s WARREN & SONS sausages sell for about half the

price per kg of PWS sausages and this difference is reflected in other ranges. The product ranges differ considerably with PWS selling (and promoting) unusual and specialist cuts such as rare breeds. That is reflected in its customer mix: the case is striking for the absence of convincing evidence that, outside the Launceston area, there are many Lidl meat customers (or customers at all) who are likely to have heard of PWS, let alone shopped there.

Rebranding of the Lidl meats range

52. Returning to the chronology, among the Lidl own-brand products are certain ranges of meats. Historically, Lidl used “Hazelmeade Farm” and “Birchwood Farm” as its major own-brands for these. When, in 2014, it came to redesign this range, it wanted a “refresh”. It was said internally that a new name and look was required that would be readily identifiable within the category of chilled meats and that Lidl was looking for “surnames/combination of names and away from a specific place name”. They thought that “surnames are associated with a business entity, trust and establishment...” Lidl was trying to get away from what it described internally as the “generic blah-blah Farm, blah blah Grove, blah blah Fayre ..etc”. It wanted, in the words of a contemporary document, “...to hone in on the provincial English butchers”.
53. A number of potential names were suggested which followed that approach. The top suggestions were rejected for having the wrong connotation (such as appearing too American) or having potential issues with rights of others. Ultimately, WARREN & SONS was selected as the third choice. It is clear that this mark was not chosen because Lidl wanted to make any connection with PWS. Lidl has admitted that it knew about PWS and its branding when it chose that mark but it did not think there would be a legal problem inter alia because they did not think that PWS were likely to be the only butchers able to use the name Warren and because the branding they saw suggested that Philip Warren was a farm shop in Launceston, not a national business and was prominently branded as “PHILIP WARREN”. PWS had no registered trade mark and Lidl summarised the position as follows in a trade mark clearance document: “...the information available on the small local businesses identified in the legal clearance checks... did not indicate that there were any rights that would be infringed by our “Warren & Sons” brand”.
54. Accordingly, an application was filed on 18 July 2014 for a UK registered trade mark (UK 3063299) in the form of a stylised WARREN & SONS mark shown above which was granted and, in June 2015, Lidl launched the WARREN & SONS range.
55. The WARREN & SONS mark has since then appeared prominently on the packs of Lidl meats and the manner in which it appears makes it look something like a third party brand (or third party supplier to Lidl) but also looks like a number of other Lidl own brands. It was designed to look like that and there is some evidence that members of the public have taken it to be such (see below). WARREN & SONS is a standard tier brand – neither entry-level nor higher-tier - and is presented as such in store.
56. The WARREN & SONS range was marketed alongside Lidl’s own “Simply” and “Deluxe” ranges and a number of others. WARREN & SONS products did not appear in stores in a separate section devoted to third party products. Neither did other third party food brands. As indicated, the way in which these products appeared and were promoted in store and in other material did not draw attention to the fact that this was a Lidl own brand although of course the customer would be likely to know that Lidl primarily stocked own brands. Because Lidl

stocks and promotes a number of third party brands alongside or close to its own brands, customers would have no particular reason to think that specifically the WARREN & SONS was not a third party brand and, even if they thought that it was a brand exclusive to Lidl, there would be some reason to think that a business called WARREN & SONS was the supplier to Lidl.

57. As Mr Bourns of Lidl explained in his oral evidence, the WARREN & SONS branded packs of meats did not always have a Lidl logo, even on the back of the pack but they would have each had a (rather small) line which said: "For more information visit www.lidl.co.uk or www.lidl.ie." However, the difficulty with that as an indicator of Lidl origin is that, to at least some consumers, if they notice it at all, that indication may only denote to them that this is third party produce distributed by Lidl. Thus, material of that kind does not unambiguously tell the consumer that the produce is a Lidl own brand as opposed to a third- party brand nor does it specifically say that it is not from an undertaking called WARREN & SONS. If they start off thinking that the WARREN & SONS produce is that of a third party brand (because that is what it looks like), there is only faint material to disabuse them of that belief.
58. There is also nothing in the evidence to suggest that Lidl had taken major steps to educate consumers about which of the products it sells were Lidl own brands and which were third party brands – or specifically that WARREN & SONS was a Lidl own brand. There was however some evidence from market research commissioned by Lidl that customers did not need to see Lidl on packs because they thought that since the products were in Lidl, they would be Lidl own brand. It is difficult to test the extent to which this belief was held but it is not unreasonable to expect that, notwithstanding the fact that such was not identified, a significant proportion of Lidl customers would expect to find predominantly Lidl own-brands in Lidl.
59. While this is helpful, I was not persuaded that Mr Bourns' belief that most customers would be likely to realise this for themselves on the basis of where such products were in store or how they were shown on promotional leaflets was wholly well-founded. This view is supported by the fact that there were a number of communications to Lidl over the years which suggested that customers thought that WARREN & SONS was a third party brand or at least that WARREN & SONS was the name of Lidl's supplier of this range. Examples of some of these communications to Lidl are as follows (edited to focus on the essential points but otherwise raw):

*"Dear Sir/Madam. I am very disappointed with the latest consignment of [...]... **Please can you forward this email to the Chief executive of Warren and Son LTD**"*

*"THIS [...] IN A SINGLE SAUSAGE SHAPE AND WAS VERY GOOD, **BUT WARREN HAVE NOW CHANGED TO A CUT VERSION IN FOUR SLICES THIS HAS NO FLAVOUR AND FALLS IN PIECES WHEN COOKING,THEY HAVE CHANGED THE PRODUCT...**"*

*"Today I purchased a whole cooked chicken from the brand Warren & Sons.... I'm really not happy about this as at £3.99, it isn't exactly the cheapest item on the menu. **Can you please let me know how whether I should contact the brand directly about this issue, or whether it's something you can resolve.**"*

" We suggest that someone should test this as we will no longer buy ""Warren & Sons"" products. I tried to leave a message on their site rather than send to you but there does not appear to be space on that site."

"...I bought in your Weston Super Mare store some SMOKED THICK CUT BACON supplied by Warren & Sons.... I am sure they could find themselves in trouble with the Trades Description Act? Please can you contact me about this situation to put things right and to contact your supplier about it so they can make sure it does not happen again. "

"I recently bought cooked chicken thighs manufactured by Warren & Son from Lidl in Maidenhead..."

"Hi. I have recently bought a pack of 8 British Pork Sausages from one of your stores that are made by Warren & Son's, and tonight upon eating them, I found a solid bit of blue plastic in them, shaped like a pellet. I am not sure whether I should contact the company who make them or yourselves Perhaps you could advise."

"GET WARREN & SONS TO SUPPLY BETTER PRODUCTS"

"...I buy this one because it is supposed to be better for you. I feel that the co Warren were trying to get rid of these slices by hiding them with good ones. I shop at Lidl all the time and love the non food items and the in-store bread."

"Dear sir, We have over the years bought your smoked gammon steaks. The last packet which was from a different manufacturer, Warren & Sons..."

"We have just attempted! to eat ,the gammon steaks... The company ,Warren & Son should be told in No uncertain terms!"

"Purchased Warren sliced beef last Thursday.sell by 17 March.... downloading to send to Warren & Son".

"I don't know if your supplier Warren and Sons have changed the recipe for the ready cooked cocktail sausages they provide you..."

"Warren and Sons are misleading you and your customers. ...I am not complaining but feel that without customer feedback the reputation of this product and Lidl as a supermarket will be under question. (PS I am a loyal customer of 25 years and have always had excellent service and good quality products.)"

"As today I purchased from our Rushden branch one Warren & Sons (W&S) Breaded Ham, bar code 20510961, packet incorrectly "presented" I would like to mention this to W&S myself, if permitted and you let me have their e-mail address."

"We have been buying gammon joints for LIDL for many years ever enjoying them. Recently we bought 2 unsmoked gammon joints, which we immediately froze, which are from a new supplier - Warren & Son."

“I bought the said product yesterday... A bit of a major let down for yourself from Warren and sons maybe you want to check out the packaging facility they use as they are putting your good name down.”

60. These communications are relevant because they suggest that it is relatively easy for an ordinary, non-specialist, consumer to form the view that that WARREN & SONS is the brand of a third- party supplier to Lidl and it is a point upon which PWS therefore heavily relies. But it is important not to make too much of them, since there were not a large number of such communications. The best one can do on the evidence is to say that some customers would recognize that WARREN & SONS was a Lidl own brand and unlikely to come from a third party brand and others would be less likely to and this is for a range of reasons.

High end products

61. Lidl is primarily known for the good value of its products and is not generally thought of as a retailer of high-end products. However, among the many relatively inexpensive products it sells, Lidl also offers (and promotes itself as selling) some high-end produce in some cases very high-end, albeit less frequently. One example discussed in the evidence was the publicity for its “pricey” Spanish ham Iberico to be sold for £99. It was pointed out by Mr Bourne that this was £300 cheaper than could be expected in Waitrose for a similar product but he did not dissent from the proposition that £99 was still a premium price for such a product. He accepted that a Lidl customer could expect to find premium quality meat in a Lidl store albeit at a “dramatically lower price” than in competitor retailers. However, the point for present purposes upon which PWS relies is that there is nothing in the context which would lead an ordinary retail shopper to conclude that simply because a brand appearing in Lidl was known to be a “high end” one, it could not be available in Lidl. There is something in this point but again not too much can be made of it since Lidl’s actual use of WARREN & SONS was on a very wide range of meats, not products which would look like special luxury items. There is also some evidence (see below) that some customers take account of the high-end nature of PWS’s business in concluding that, notwithstanding similarities in the marks, it is unlikely that WARREN & SONS was connected with PWS, in so far as they know or find out about PWS.

Scale of sale and marketing of WARREN & SONS produce

62. As noted above, sales of WARREN & SONS branded meats in Lidl have been very substantial between 2015 and 2020. At least pending further order, the details are confidential, but they have been in the order of several hundred million units in the period as a whole throughout the country. There has also been a large volume of marketing of the products, which has been done by reference to the Lidl and the WARREN & SONS brand. There have been many millions of leaflets featuring WARREN & SONS products as well as wider marketing in the press. WARREN & SONS has also featured in television adverts including on national television for bonfire night in 2015. So there has been no shortage of opportunities for customers to encounter the brand (and for confusion to arise).

Similarities and differences in branding

63. As can be seen, while the “Warren” element is common, in other respects the logo forms of the signs used (especially in the period closer to 2015) are different. PWS primarily uses “PHILIP WARREN” with the “Philip” a prominent element of the branding, referring

specifically to Mr Philip Warren and identifying a family business of which he was the originator and in the logo form identified above. Moreover, “Warren” is not a particularly distinctive surname as such, and there are other businesses using the name “Warren” in their branding including a prominent bakery business in Cornwall (“Warrens Bakery”) which sells products containing meat such as Cornish pasties, among other things. There is however no other prominent butcher which uses “Warren” as the principal brand or name.

Consequences of Lidl’s rebranding

64. Fairly soon after Lidl started to use the WARREN & SONS brand, in December 2015, PWS received an email from a member of the public which said:

“For some years I have been purchasing packs of your excellent gammon chops from my local Lidl in Taunton. However, regretfully, Lidl do not keep your chops as a regular stock item.

I was wondering if you could let me know if there is another butcher in the Taunton area from whom I could purchase your gammon chops on a regular basis.”

65. Mr Ian Warren responded to say that they were confusing PWS with Lidl’s brand. This particular individual must have been mistaken in a number of respects because WARREN & SONS branded products had not been available in the Taunton Lidl under that brand “for some years”. However, other e-mails in similar vein followed and it is said that PWS experienced regular communications indicating that members of the public thought PWS products were available in Lidl. Mr Ian Warren says that this alleged customer confusion was very frustrating. He expressed his sentiments as follows:

“Our entire business has always been based on a commitment to the most difficult and least financially sustainable methods of farming and butchery because I, and my father before me, have always believed that it was the right way to do things. We have always believed in the importance of provenance – it is what we have built our business on and the very reason why we have succeeded whereas other butchers have failed in recent decades. It was therefore incredibly galling for Lidl to adopt our name as a fake brand for the sole purpose of pretending to have a commitment to provenance in an attempt to regain consumer confidence, which they had lost as a result of being found out to have a total disregard for provenance.”

66. Elements of that frustration are understandable from Mr Warren’s perspective. PWS’s business ethos passed down from his father is of devotion to quality and local authenticity with produce carefully nurtured and sourced. PWS doubtless perceived Lidl as taking a short cut to the consumer’s mind by this kind of branding undermining not only his business but other smaller businesses, by the use of a mark with the appearance of local high street authenticity but without all that goes with it. This, it was submitted by PWS, was consistent with Lidl’s branding strategy of “honing in” on provincial English butchers, attempting to take business from them by selling products with branding which appeared to be like that of a local butcher. For there to be complaints about Lidl’s WARREN & SONS produce directed to him which Mr Warren perceived to put his family’s business reputation at risk must have seemed quite unfair. As he explained in his evidence, he was prepared to take criticism for things that were his fault but not for things that were the fault of a business that people had

confused with his as a result of their adoption of a brand whose central feature was his own name.

PWS's activity and inactivity in raising the issue

67. Annoying as this was, PWS did not contact Lidl about this immediately in any way not even by letter or e-mail. In fact, they did not raise it until some 4 years after it had first come to their attention. In early 2017, PWS (which did not have an in-house legal team) became aware through an informal contact that passing off as a cause of action to address this might be a possibility. Again, PWS did not act immediately. It did not seek formal advice until the middle of 2018 as to whether it might have such a claim. Again, it did not write to Lidl at that point. Mr Ian Warren explained that PWS thought that the financial risk of advancing a case was perceived to be significant and thought that Lidl would not take a case seriously from a small company. He and Mr Stobbs described the time needed to create what has been described as a “bespoke funding and insurance package that de-risked the prospective litigation as far as possible”. This took until the middle of 2019. Even then, Lidl was not approached at once. Having achieved the desired costs protection/risk-management, a comprehensive letter before claim was only sent on 22 November 2019, accompanied by a bundle of core documents. The claim was issued on 20 December 2019 under the Shorter Trials Scheme.
68. The delay in raising the issue is relied on by Lidl as a defence to discretionary remedies and is discussed in greater detail below. I found it surprising that no steps were taken to raise the matter with Lidl until about 4 ½ years after the allegedly offensive mark started to be used and some 2 ½ years after PWS was told that there may be a basis for getting Lidl to stop use of this branding. PWS's inaction is however consistent with Mr Ian Warren's evidence that Lidl's use of WARREN & SONS has not had any real commercial impact on PWS's business. He referred to “frustration” and “upset” but, as he said, “damage I do not know about”. That is also consistent with the fact that when lawyers became involved, they framed a claim for monetary compensation for passing off based mainly on Lidl's sales by way of an account of profits, not on damage done to PWS's business. It is reasonably clear that Mr Ian Warren did not see the issue in terms of a large financial claim. He felt it was “morally wrong” and wanted to make a stand. He said he wanted the product “off the shelves”. This too makes the timing and pursuit of this claim puzzling, since, by the time PWS eventually got round to contacting them, Lidl had already decided to abandon the WARREN & SONS brand and had started to get it off the shelves. What Mr Ian Warren regarded as the main object of the action appeared therefore to have been achieved even before proceedings had been commenced. Despite that, the claim is now advanced primarily for a very large monetary award, based on the large number of WARREN & SONS branded products sold by Lidl over a period of 5 years. That makes it important to examine critically the evidence on which it is based.

CONFUSION/DECEPTION EVIDENCE

69. It is convenient to consider the evidence of confusion on which PWS relies and the criticisms of it made by Lidl under a number of heads.

Confusion reported by PWS's customers in its Launceston shops

70. First, there are no direct reports of confusion by PWS customers in the Launceston shops -or evidence from any confused customers. There are only second-hand (and sometimes third hand) reports of confusion on the part of such people. Mr Ian Warren said in his written evidence:

“...I was regularly told by my shop staff that they would encounter customers in our shop, and on the phone, who had mistakenly referred to our products being available in Lidl. Whilst such occasions were obviously sporadic, they were frequent – I would estimate that at least one such instance of confusion would occur every month, and in some months, more frequently than that. As well as people commenting on it to me, my Mum & Dad have told me that they have regularly had people comment to them that they had noticed that we had started to supply Lidl.”

71. This is broadly consistent with what Mr Warren had said outside the context of the litigation in responding to one of the messages enquiring as to whether PWS had started to supply Lidl when he indicated that PWS was asked that “all the time” (which I took to mean regularly). During his cross-examination, he spontaneously expressed some surprise at how many had “asked” about the connection, because of the differences between the respective businesses. Although this was not pursued in detail in his evidence, his unprompted use of language referring to “asking” suggested that at least some of the individuals may have been asking whether it was PWS supplying Lidl rather than expressing the view that they had assumed that they were. That was reinforced by the fact that Mr Warren said that these references by customers were of the same kind of thing as the e-mail communications (referred to below) which, when examined, showed a good deal of “enquiries-whether” and very limited “assumptions-that”.

Discussion

72. Lidl criticises this evidence of shoppers in the PWS stores in a number of respects.

73. First, no witnesses of confusion of this kind were put forward, either PWS staff who received such reports or any customers who made them. Lidl did not say that Mr Warren’s written evidence was not correct but they submitted that this second- and third- hand evidence of confusion should be treated with caution, especially in the light of the cross-examination of other witnesses which showed a position different from that which first appeared. Lidl particularly draws attention to the absence of any employee witnesses from PWS who had an in-shop communication from a member of the public, who could at least have been asked directly about what, precisely, the customers had said and how the interaction had developed.

74. I accept Lidl’s submission that it is necessary to treat this kind evidence about reports of confusion with caution, given the significance of the difference in a passing off case between the public assuming a connection between traders and merely enquiring whether there was one. It is not possible to assume that these reports of alleged confusion were ones where the person in question had been confused as opposed to making an enquiry. That is reinforced by the fact that the witnesses who were cross-examined about confusion arising in other ways turned out to be (largely) enquiring whether there was a connection rather than having formed the view that there was (see below). This suggests that there is a reasonably high probability that witnesses who could have given evidence, but did not, may well have had similar views. In my view it would not be right in a case of this kind to assume that they did not.

75. Second, Lidl submits that, if there were material confusion of this kind, one would have expected it also to be reported at some point during a 5 year period in the place where it may have been most likely to occur, namely the Launceston Lidl, less than a mile away from PWS's flagship store and where WARREN & SONS produce was available on the shelves for years. Mr Ian Warren agreed that, if there was any confusion, it would show up there and PWS's letter before action had itself suggested that the proximity of that store would make confusion more likely. Of all the places in the country, this was the place (i) most likely to have customers who were familiar with PWS and who had been for some time, (ii) where PWS's goodwill was at its strongest, and (iii) where there was likely to be the greatest loyalty to PWS (and therefore the most annoyed to discover that they had been deceived by Lidl) and (iv) with people also most likely to be in a position to encounter the WARREN & SONS mark in a Lidl store because of customer overlap.
76. There was, however, no evidence that, during the 5 year period, there had been a single report of confusion in that store or any other Lidl store. Ms Watson's role as head of sales for Lidl for Cornwall and Devon region was such that any confusion would have come to her attention for a range of reasons if any had arisen. None came to her attention or to the attention of any of the store managers with whom she spoke.
77. This is a telling point when hundreds of millions of units have been sold and advertised. Although it has some forensic limits: if customers of Lidl thought that WARREN & SONS produce was connected with PWS and were happy about being able to buy PWS products in Lidl, they would have no reason to raise it with staff at Lidl. It might be a matter of chance whether a stray comment indicated that this is what Launceston Lidl customers thought. So, the absence of confusion showing up there is not conclusive. However, given the sheer magnitude of sales and the "optimum" conditions for confusion to arise in that context, the absence of evidence of this kind is more important than it may be in other cases.

Summary

78. Lidl submits and I accept that, if there was serious confusion, more would have shown up over a period of 5 years in the context of businesses which were both reasonably substantial in the local area. PWS said that it had some 3000 customers a week. The upshot is that this category of evidence of confusion among customers local to Launceston is, at best, thin. In my view, in so far as it is possible to evaluate the nature of customer beliefs, they are more likely to fall into the category of "minor confusion" or questioning whether PWS produce was available in Lidl. This is significant for the case as a whole because this local trade category ought to be the highpoint of PWS evidence of confusion.
79. I have considered whether this is taking too tough a view of the evidence and whether the respective marks are so similar that it is right for the court to assume that confusion would be likely to occur to a significant extent and (in effect) challenge Lidl to show that it was not significant. In my judgment it would not be in this case. Sometimes a very clear inherent likelihood of confusion of marks means that the court can treat minimal evidence as confirmatory of that. However, this is a case in which, in my view, evidence is needed to inform the court's view as to whether there is likely to be confusion and, particularly, good evidence from the place where it is most likely to occur, namely Launceston and environs. While there are clear similarities in the marks, there are also clear differences in the branding and the context in which the marks are used (including the kinds of products and the fact that the WARREN & SONS mark is used in Lidl). There is limited evidence of customer overlap

between PWS and Lidl and no reason to think that it is particularly great. So the solidity of the evidence of confusion matters more.

E-mails sent to PWS alleged to evidence confusion

80. PWS next relies on a number of e-mails (including the one from 1 December 2015 set out above) sent from Lidl customers to PWS. There are not very many of these – some 17 in total. I include a number of the key parts of some (in raw uncorrected form) which are relied on and to give some context and nuance:

(a) 9 February 2016:

“Hi, I live in doncaster south Yorkshire, and i am unemployed because of sickness, two weeks ago i purchased 2 of the small honey cooked ham joints from lidle, i had my daughter and family over at the weekend so i got the ham out, i NEVER complain about anything but the ham was really tasteless and bland it just taste of nothing. a joint is only £2.99 but when you dont have a lot of money then its a lot, thank you...[name]”

(b) 20 February 2016:

“Hi, you supply lidl right, what’s with the tough sausage skins, not natural I’m guessing, they are so tough, have you tried them lately. I did some Cumberland in a sarnie today, cut them open so flat, in a bread cake with a egg, yum I thought, tried to take a bite, the whole sausage came away, the skins are so tough, I won’t be trying those again. Had chipolata last week, they were fine, just thought you would want to know.”

(c) 24 November 2016:

“Hi. There’s no cooking instructions on my gammon joint from lidl. 500g. Can you cook it? If so how long. Thanks.”

(d) 15 August 2017:

“For the last year or so I have purchased your ham hough from Lidl, it would appear they no longer stock this!!!! They are the best ham houghs I have ever used. I have looked online to see if I can purchase but can’t find them in your online shop!! Please help!! [name].”

(e) 21 January 2018: “I am writing to let you know that I was very disappointed with my latest purchase of Warren & Sons unsmoked Thick Cut Bacon 6 rashers. As you can see on the attached photo 5 slices were a lovely thickness as I expected but on of the.....look at it – it’s so small and think!!!! Puny Also the bacon was a bit salty – not like the usual quality I just thought I let you know as you can not provide the best quality of bacon if you don’t get told when things go wrong.”

(f) 6 January 2019: “I would like to say I enjoy your bacon very much nice and tasty. But the last pack I bought from Lidl was not the best it had three rashers of bacon and the remainder was small bits and pieces I was a bit disappointed how could this happen.”

(g) 23 January 2019: “I have been buying sliced chicken from lidl with Warren and Sons clearly written on it – is this your product? If yes then how healthy is it ie are the chicken fed antibiotics? Is the meat Injected with water?”

(h) 17 March 2019: “I have a query relating a product that is sold by Lidl in Ireland. It is called ‘Warren & Sons turkey slices which was sourced in Chile/Brazil and processed in Germany, then sold here. Is this product anything to do with your brand?’”

81. There is also one communication to Lidl in its disclosure of which the essential part relied on is: “...if this is the best that Philip Warren can come up with then I’d give him a severe slap!!” As Mr Bourns says, this reference is also likely to have been the result of internet searching and is an isolated communication with such a reference among the very many communications received by Lidl.

Discussion

82. A number of points merit comment on this material, some of which are criticisms made by Lidl.

83. First, having regard to the hundreds of millions of packs of WARREN & SONS meats sold by Lidl around the country over a period of about 5 years, this is not a large number of instances of alleged confusion reported by e-mail. In early years, there was about one e-mail a year. Although people would only be likely to write in if there was an issue, as the e-mails show, this does seem to be very small proportion. There is no evidence of discussion of the similarity of marks or any confusion on any other forms of social media during the period.

84. Second, these e-mails were not only (or even mainly) from those from the area local to Launceston.

85. Third, the connection with PWS appears to have been made, in each case, as a result of internet searching after the WARREN & SONS product had been purchased and found wanting and in which the author of the e-mail found PWS while trying to find out who was responsible. PWS comes high up on a Google search when “WARREN AND SONS” or similar is entered so these are situations in which a customer has sought to find out who is responsible and have been prompted to think that it is PWS to some extent by an artefact of internet searching which provides an easy and immediate potential answer which a consumer may have no basis for believing may be wrong. Accordingly, while it provides some evidence of this kind of confusion, it also provides some evidence that, to the individuals based in the places from which the e-mails came, PWS was unknown prior to specific internet searching. To that extent, it is also evidence either of absence of goodwill in those places or more likely of absence of any material overlap of customers of PWS and Lidl in places other than close to PWS’s home town.

86. Fourth, the authors of the e-mails, save in the respects identified below which cast a different light on what was said, did not give evidence and it was therefore not possible to test the extent to which there was confusion in their minds, how it arose and how long lasting it was.

87. Fifth, in some of the instances, the person concerned was explicitly only enquiring whether there was a connection with PWS and had not assumed that there was. It is not clear whether some of the other e-mails where that was not explicit may have involved that as well.

88. Sixth, in each case, the person concerned had not purchased the WARREN & SONS product on the basis of a belief that it was a PWS product or connected with PWS in any way.

89. Seventh, any confusion there was as a result of the internet searching was cleared up rapidly with PWS explaining that the product was not connected with them and no damage appears to have been done.
90. Accordingly, this material taken together and in the context of the evidence as a whole does not provide solid foundation for concluding that there was a significant amount of operative confusion in the marketplace, as a result of the use of the WARREN & SONS mark by Lidl nor does this sort of communication indicate that there has been significant damage to PWS's goodwill as a result. These are sporadic and short-lived instances of customers making mistakes and either drawing incorrect conclusions or raising questions largely on the basis of internet searching which came up with PWS's web site high on a search.

Witnesses of alleged confusion

91. There were four witnesses of alleged confusion who gave witness statements of which three gave oral evidence. I deal with these in greater detail not because they are of critical importance taken individually, but because of what they illustrate about the care with which the court must approach evidence of confusion of this kind and the risks of taking such material wholly at face value.
92. David Honor is from Norwich and works as a paraplaner. He has been an occasional shopper at Lidl over the last 5-6 years. He was the author of the e-mail concerning the gammon joint in 2016, when he was looking for cooking instructions on-line since they had come away from the product he had bought. He thought that the butcher that had supplied the gammon to Lidl would have a better idea of how to cook it and contacted PWS because he thought that there would be "no point in getting through to someone working within the customer services department of Lidl, who would have no clue as to how best to cook the gammon". So he was thinking of contacting Lidl first and it was only because of his very specific interest in cooking instructions that he did not do so. From looking at the packaging, he believed the supplier to Lidl was a butcher called Warren & Sons. He Google searched for the name Warren & Sons (or similar) and found search results with a link to a website for a family butchers based in Cornwall under the name "Philip Warren & Sons" and accordingly sent the email with his request for instructions to PWS. Mr Ian Warren responded to say that they did not supply Lidl. Mr Honor had clearly not bought the gammon thinking it was connected with PWS in any way and his short-lived belief that it might be was dispelled rapidly. He was not cross-examined.
93. Carol MacMillan is from Inverness-shire and works for the Civil Service as a work coach. She is a regular Lidl shopper. She contacted PWS by e-mail in September 2019 and asked whether PWS was "the Warren and son that supply to Lidl". She was looking for black pudding at the time and had initially contacted one of the Lidl staff who said they were no longer selling it, so she decided to contact the supplier of the sausages to see whether she could buy directly. She recalled from previous purchases that the sausages she had previously bought from Lidl were labelled as "Warren & Sons" and she said in her written evidence that she had "assumed" that this was the name of the butcher who supplied Lidl which she thought might be Scottish, although the pack said that it was made in Germany which confused her.
94. She did an internet search for the name Warren & Sons (albeit not in exactly that form with an "&") and found a website for butchers based in Cornwall under the name "Philip Warren

& Sons". She says she "assumed" that they must be Lidl's supplier. She sent an email to the info email address shown on their website and received a response confirming that they did not supply Lidl. She then gave up on trying to find the butcher that supplied Lidl.

95. In cross examination, she was asked about her e-mail to PWS in which she had raised her initial query "Are you the Warren and son that supply to Lidl because your meat says it comes from Germany on the back and also were you the supplier of black eye Sausage to them?" She confirmed that she had been asking a question, and not making an assumption. She also agreed that if she was drafting the statement on the basis of her oral evidence she would not have said that she was assuming a connection but that she was "wondering whether there might be a connection". So ultimately, her evidence was that she had not assumed that there was a connection and it was rapidly confirmed that there was not.
96. Paul Russell is a retired lecturer who has regularly shopped at Lidl for around 9 years in and around Plymouth. He would occasionally shop in Lidl in other areas, for example on holiday in Cornwall. He takes care with his shopping partly for dietary reasons. He was the author of the e-mail in January 2019 concerning sliced chicken from Lidl. He had purchased "Warren & Sons" chicken slices from Lidl numerous times as part of a weekly shop over a period of several months. He was interested to know whether it contained hormones or other additives and questioned a Lidl staff member on where the meat was sourced and how it was processed. He did not know and so Mr Russell first looked on the Lidl website at home to see if there were any contact details for raising these types of queries by email or an online form but was unable to find anything. So his "next best option" would be to contact the supplier directly". Based on the packaging, he believed the supplier to be a butcher called Warren & Sons. He did a Google search for the name Warren & Sons and found search results with a link to a website for a family butchers based in Cornwall under the name "Philip Warren & Sons". He thought he had identified the supplier of the product and clicked on this link, was directed to the Claimant's website and sent an e-mail to PWS. Ian Warren responded confirming that PWS did not supply Lidl. Mr Russell said that "This then made sense to me, as having looked at the Claimant's website, they seemed to be above supplying a discount supermarket such as Lidl", and briefly commented as such in his reply.
97. In his oral evidence he explained that he had sent off the e-mail to PWS rapidly having "jumped to the conclusion" that it was the same as on the packet. But after sending the e-mail, he had a "good look" at what PWS were actually selling and producing and formed the impression that "maybe this wasn't the one I wanted" and had reached that view even before PWS responded explaining that they did not supply Lidl. Again, he had reached the conclusion that PWS was unlikely to be the undertaking responsible, even before PWS confirmed that it was not.
98. John McLaughlan is the Finance Director (and Company Secretary) of Underdog Restaurants Limited since December 2011. This owns and operates a chain of steakhouse restaurants under the "Hawksmoor" brand, with six restaurants in London, as well as in Manchester and Edinburgh and had worked in the food services sector for around 14 years.
99. His first awareness of Warrens (as he describes PWS) was through involvement with another barbecue restaurant Pitt Cue which had been founded in 2011 by Jamie Berger and Tom Adams, and which was becoming very well known in London at the time. He was providing financial advice to Pitt Cue in an unofficial capacity and was made aware of Warrens from discussions with Tom around Pitt Cue's pricing and suppliers. They used Warrens as a

supplier. To him, Warrens (“in my head”), had an established presence in London, and was known for working with high-end, artisanal style restaurants. His perception was that they produced high-end quality products, that were “reassuringly expensive”. He had always referred to PWS as “Warrens” as did his contacts and colleagues in the restaurant business. He was very familiar with PWS.

100. He exhibited a text conversation with Mr Ker discussing a Lidl advertisement for WARREN & SONS meat. In his witness statement he said it was a pamphlet and in his oral evidence though initially it was “definitely” that and not a newspaper advert but conceded that he might have been mistaken when confronted with the document. More significantly, he said in his written evidence:

“I immediately assumed the reference to “Warren & Sons” in the Lidl advertisement was a reference to Warrens (the Claimant). It didn’t occur to me that this might be a separate brand, so I assumed that Warrens must be supplying Lidl. I am aware from my own experience within the restaurant trade that meat suppliers will often look to sell off the excess capacity to supermarkets – this will tend to be the cheaper cuts of meat once the premium cuts from a carcass have been sold to restaurants such as Hawksmoor or Blacklock. I am particularly sensitive to this, because I would be very concerned if it were to become common knowledge that a premium restaurant and a supermarket have a common supplier.”

101. Prima facie this was good evidence for PWS because it showed that even an industry insider was liable to be confused into believing that PWS was supplying Lidl. However, in cross-examination he agreed that his WhatsApp message was just asking a question of Mr. Ker, "Warrens supplies Lidl?" and that he was enquiring because he had seen the similarity in the name and wondered about it.

102. He was then asked about his “immediate assumption” of a connection to which he referred in his written evidence. He agreed that he was enquiring because he saw the similarity in the name and wondered about it. But, given what he knew about the quality, the commitment to provenance and tradition of PWS he said he would have been surprised if that were the case. Mr Ker’s response confirmed his assumption that selling this kind of product at these kinds of prices was not in keeping with what he knew about PWS. He confirmed that, once assured that PWS was not supplying Lidl, his company was quite happy to continue dealing with PWS and have continued to do so.

103. This is important because it shows that what might have been a specialist in the food industry in London assuming that PWS products had become available in Lidl, turned out to be almost the reverse that he would have been surprised had that been the case and that a query immediately cleared any doubt up. This is therefore better regarded as evidence both of the absence of operative confusion and of absence of damage to PWS’s goodwill in this part of the market.

Discussion

104. The central point to emerge from closer examination of the evidence is that in each case where a witness was asked further questions, it turned out that what appeared to be an assumption of a connection of WARREN & SONS branded products with PWS was much closer to (or was only) a question whether there might be. In each case where a query was raised, it was cleared up rapidly and does not appear to have been operative in any respect.

One must not pay too much attention to the way in which questions are asked and answered in cross-examination but I had the impression from the evidence of the witnesses as a whole that they were much more in the category of those wondering about a connection after relatively brief examination rather than the genuinely deceived and that the way in which their witnesses statements had been drafted did not (through no-one's fault) fully reveal this.

105. Second, there is no reliable way of determining quite how much confusion there is even of that level. PWS contends that the fact that some have bothered to send e-mails spontaneously suggests that there may be much more confusion than is reflected in the material put before the court. Lidl points to the fact that millions of packs of WARREN & SONS branded products have been sold during the years and the fact that there has been so little comment about it suggests that there is very limited confusion even of this kind. They also submit that there have been extensive attempts to identify confusion and only the most limited amount has come to light. These points have real substance.

106. Moreover, of the retail customers who wrote in, they appear to have done because of a perceived problem with the WARREN & SONS product and only made such link as they did with PWS as a result of trying to resolve it. This evidence, taken in context, suggests that it is only in the limited circumstances in which there was an issue with the Lidl product that a customer would have any cause or occasion to make the erroneous connection with PWS. There is no evidence of any customers in this category who would make an erroneous connection or raise a question but for that not to have been corrected (albeit by PWS). The communications reproduced above to Lidl identifying a problem and "WARREN & SONS" as responsible indicate that in other cases, customers contacted Lidl about the issue but without making any connection with PWS. So again, taken as a whole, this suggests that not only were the opportunities for mistakes of this kind rare, in a significant number of cases where a mistaken connection with PWS could have been made, it was not.

107. Taken as a whole, once properly analysed and placed into context, these instances of alleged confusion are much less convincing than they might at first sight appear.

LAW

108. The general principles have been repeatedly set out, including in the authoritative statements in a food products context in *Reckitt & Colman v Borden* [1990] 1 WLR 491 (*Jif Lemon*). There was no dispute about the law and, before evaluating the evidence as a whole, I set out some general points which I have borne in mind.

109. First, as Kerly's states at 20-015, every passing off case turns on its own facts. The question whether the use of particular indicia results in passing off the goods or services of the defendant as those of the claimant can be hard to evaluate where the evidence is imperfect.

110. Second, goodwill ("the attractive force which brings in custom") may be more or less attractive at bringing in custom in different geographical regions and for particular sectors of the public. While goodwill may be regarded as formally indivisible, it can be convenient in some cases to consider goodwill under separate heads, such as among wholesalers or retailers separately. The impact of goodwill depends on a wide range of factors such as the degree of

attention customers pay, the circumstances of use of the signs and of the trade in general including any factors tending to promote or counter confusion.

111. Third, a number of authorities such as *Chelsea Man v Chelsea Girl* [1987] RPC 189 and *Student Union Lettings Limited v Essex Student Lets Limited* [2018] EWHC 419 (IPEC) illustrate that, in practice, courts have been reluctant to confine a claimant's remedy to a limited geographical area and that on occasion a "fairly thin spread of goodwill" outside the claimant's main centre of operations may suffice for nationwide relief. But that is not a rule of law, it is merely that in those cases, nationwide relief appeared appropriate. The court must determine in each case the extent of goodwill and whether (and if so how) the acts of a defendant are likely to damage it and determine what remedy is proportionate in the light of that. The fact that, in some cases, limited use can generate sufficient goodwill for a successful passing off case does not mean that this will always be the case since even if there is sufficient goodwill, there may not be misrepresentation.
112. A claimant must in general show that it has sufficient goodwill which is likely to suffer substantial damage as a result of the defendant's use of the mark in question. In *Starbucks (HK) Ltd v British Sky Broadcasting Group Plc*, [2015] F.S.R. 29 Lord Neuberger referred to "significant goodwill, in the form of customers, in the jurisdiction". In *Erven Warnink B.V. v. J. Townend & Sons (Hull) Ltd.* [1980] R.P.C. 31 Lord Fraser referred to the claimant being the owner of "goodwill in England which is of substantial value" and that the claimant had suffered or was really likely to suffer, "substantial damage to his property in the goodwill by reason of the defendants selling goods which are falsely described by the trade name to which the goodwill is attached".
113. Fourth, as *Jif Lemon* makes clear, the alleged misrepresentation must have deceived or be likely to deceive and the claimant must be likely to suffer damage by such deception. Mere confusion which does not lead to a sale is not sufficient but it is sufficient that the defendant misrepresents its goods in such a way that it is a reasonably foreseeable consequence of the misrepresentation that the plaintiff's business or goodwill will be damaged. There is a distinction which is often difficult to draw in practice between deception and "mere confusion". In *Reed Executive plc v Reed Business Information Ltd* [2004] RPC 40, Jacob LJ suggested at [111] that the distinction lies in the difference between an assumption made by the relevant public on the one hand and the public merely wondering whether there is a connection (see also *Phones 4U Ltd v Phone4U.co.uk.Internet Ltd* [2007] RPC 5, at [16]). That is a useful approach to adopt. It is common sense that causing customers to wonder, perhaps fleetingly, whether there might be a connection where that question in the customers' minds is correctly resolved will have significantly different consequences for a claimant's goodwill from a situation in which customers are led firmly to believe that there is a connection, the belief goes uncorrected and they act on it.
114. Fifth, any misrepresentation must be more than transitory and must be likely to be operative. It is not sufficient that a purchaser may be misled or caused to wonder whether there is a connection with another trader initially but his misunderstanding (or question mark over the products) is dispelled before any material step is taken (see *Cadbury-Schweppes Pty Ltd v Pub Squash* [1981] 1 WLR 193, PC). Thus, in a case in which purchasers are likely to check the position before taking action there may be no operative misrepresentation to them (see *Woolley v Ultimate Products Ltd* [2012] EWCA Civ 1038). I do not think that the cases relating to post-sale confusion are really relevant here – those looking up PWS post-sale and who wrote to them by e-mail had their confusion rapidly cleared up. This is not a case like

those referred to by PWS where a person buys product knowing it is not the genuine thing but wanting to represent to others that it is once purchased.

115. Sixth, at least in cases involving ordinary consumer articles, the question of whether there is a misrepresentation and whether it is likely to be significant quantitatively or qualitatively is one for the court, but informed by the evidence as a whole. The quality and quantity of that evidence is important but the presence or absence of individual instances of confusion is not decisive. The approach was summarized in *Moroccanoil Israel Ltd v Aldi Stores Ltd* [2014] EWHC 1686 (IPEC) at [16] as follows: "...the better approach is instead to consider what evidence there is relating to the assumption in issue, to take into account the cogency of that evidence, in broad terms the size and nature of the market in question and the channels of sale, and then assess whether it is likely that sufficient individuals have made or will make the false assumption such as to cause material damage to the goodwill of the claimant."
116. Seventh, I bear in mind that passing off is a tort involving deceit of a particular kind – namely, in a normal case, not involving extended passing off, that calculated to damage the goodwill of a specific trader. A substantial passing off claim has at its heart a serious allegation that a defendant has been specifically misleading a significant number of members of the trade or public into believing that its goods are connected with the claimant. It is not enough for such a case if a defendant's actions cause limited and/or temporary confusion, frustration or annoyance or if a defendant sells products that appear to be more authentic than they are. PWS's lawyers have alleged that Lidl's actions justify a financial award to PWS running into £10s of millions. A claim of that nature and magnitude must be based on comprehensive, solid and cogent evidence. While a court cannot be too critical of evidence in passing off, given the difficulties in obtaining such, there comes a point when it is so limited, thin or equivocal that the court is reduced to speculation as to what might be in consumers' minds. That is not a sufficient foundation for a claim of this nature.
117. The date for deciding whether a defendant's conduct amounts to passing off is the date on which that conduct commenced, see *Cadbury-Schweppes Pty Ltd v Pub Squash* [1981] 1 WLR 193. In this case there is no dispute that the relevant date is when Lidl started to sell the WARREN & SONS produce namely 22 June 2015.

EVALUATION

118. In this case, the key questions can be answered by considering whether, having regard to the goodwill that existed among particular parts of the public, the sale by Lidl of WARREN & SONS branded meats was likely to have involved an operative misrepresentation to a sufficiently substantial part of the relevant public that those goods were connected with PWS such as to cause PWS's goodwill in that part of the public material damage. There are several ways of addressing such an issue. Given the way in which the case was argued on both sides, it is convenient to do so by reference to categories of PWS's customers to whom potentially operative misrepresentations are said to have been made: (a) wholesale customers (b) retail customers local to and remote from Launceston. This is not to divide PWS's goodwill into "retail" and "wholesale" or in different parts of the country, which is somewhat artificial, but is a way of analysing the extent to which misrepresentations are likely to have been made on the basis of how and in what way the respective marks are known and encountered.

Wholesale customers

119. In my view, PWS had clearly built up a substantial goodwill in the wholesale trade focused on restaurants and high-end establishments in and around London and certain other places by 2015. However, it is highly unlikely that Lidl's sale of WARREN & SONS branded meats through its stores (and the promotion of these) gave rise to an operative misrepresentation to a significant number of those engaged in the wholesale trade.
120. There is very limited evidence from this sector but such as there is demonstrates that apart from a momentary questioning in a WhatsApp message discussed above, there is no evidence that anyone in this sector has been led even to question whether the WARREN & SONS products sold in Lidl were connected with PWS. Other than Mr McLauchlan, no other wholesale trade witness suggested that the presence of WARREN & SONS in Lidl had even been raised. Mr Chatfield's lengthy statement did not mention this and he had been dealing with numerous senior people in the wholesale restaurant and other trade over an extended period, including the whole period during which WARREN & SONS produce was on sale in Lidl. Nor did Mr Ian Warren suggest that he had encountered this kind of confusion in his dealings with the wholesale trade. In that sector of the market, WARREN & SONS meat appearing in Lidl seems to have been a non-issue.
121. If the presence of WARREN & SONS produce in Lidl had either been thought to be connected with PWS or that there was a concern that customers of the high-end establishments might think that it was, it would have been raised regularly, particularly since this end of the restaurant business was (as the evidence shows) rather brand (and status) conscious. One would have expected people in this part of the trade to be concerned about this association if they thought it would be made by consumers. The most probable explanation for why it was not raised is that not only was there no confusion in the minds of those in the trade, the trade did not think that there would be significant confusion in the minds of any others either.
122. As to damage, I am also satisfied that no damage has been caused to PWS's goodwill in this sector of the market. First, Mr Warren confirmed in his cross-examination that there was nothing he could point to as evidence of financial loss or damage done to his business as a result of Lidl's actions. Second, Mr McLauchlan confirmed that the continued presence of WARREN & SONS produce in Lidl, when he was assured that it had nothing to do with PWS following his query, had no impact on the business he and Blacklock were prepared to do with PWS. Third, there is no evidence that any other undertaking in the wholesale trade had raised the presence of WARREN & SONS as an issue and no evidence that the presence of this brand has had any impact on any of PWS's wholesale opportunities during the 5 year period for which those products were for sale. Indeed, PWS' wholesale business enjoyed growth to unprecedented levels during the very period during which millions of packs of WARREN & SONS banded meats were being sold in Lidl.

Retail customers local to Launceston

123. Lidl does not dispute that PWS had in 2015 a goodwill as a retailer of high-end meats in and around Launceston. That stance is clearly correct. PWS is and for many years has been a well-known local butcher trading under marks or signs of which the most prominent distinguishing feature is "WARREN" or "WARRENS". It is known to be a family butcher and, on the evidence, has a strong local following extending to the town and the surrounding

area. This goodwill attached not only to the specific PHILIP WARREN logo but extended to signs of which the dominant element was “Warren”. This goodwill was likely to have existed among a significant number of customers who were also customers or potential customers of Lidl in the local area.

124. The real question here is whether the sale of Lidl branded meat in the local area was likely to have involved an operative misrepresentation to this part of the public. This is the issue in the case which, in my view, is of greatest difficulty because there are reasons both ways as to why there might be confusion and why there might not be but the evidence is so weak.

125. First, although the respective marks have considerable similarities and “Warren” is the main element, they are, in each case largely presented to the public in logo form. These are very different so even if a customer thought the businesses may be related, there are other factors pointing the other way. Put differently, the Lidl WARREN & SONS branding is not inherently deceptive in the sense that, without the need for evidence showing its actual impact, it is prima facie obvious that a significant number of customers are likely to be deceived (as opposed to raising a fleeting question in the minds of some).

126. Second, as previously noted, the produce and the end of the market at which it is sold is different and while there is some overlap in customers for PWS and Lidl respectively locally to Launceston, this is unlikely to be overwhelming and there is very limited evidence of that elsewhere. The context in which the WARREN & SONS produce is encountered is also of course very different – in particular that it is in Lidl and has the differences referred to above.

127. Third, over the period in question (2015-2020) in the Lidl in Launceston and in other Lidl stores around the country very large quantities of WARREN & SONS branded meats have been sold. Against that background, one would have expected a significant amount of actual deception to come to light. Sometimes in passing off cases, once a customer discovers that the goods are not what he or she thought they were, they direct complaints at the retailer. In this case, not only have no reports been made in the local Launceston Lidl, none of the PWS customers to whom Mr Ian Warren referred seem to have raised with Lidl any objection to Lidl selling such produce. Any such customer raising a query in a PWS shop would have been told that PWS produce was not sold in Lidl. Customers who feel they have been deceived in his case are likely to have been unhappy about this and one would have expected several of those to have raised the issue with Lidl, especially since the evidence is that Lidl shoppers tend to be regulars. One might therefore have expected, over a 5 year period, a range of complaints that Lidl was deceiving customers (as has occurred in previous passing off cases involving retail products). There is nothing of that kind in this case. There is no evidence that customers feel shy about raising issues with retailers – or on-line - and the fact that there is no such material has some significance. Here too one cannot make too much of the absence of confusion in the Lidl Launceston store (and cases such as *Neutrogena v. Golden* [1996] RPC 473 have pointed out that there can be good explanations for this not coming to light). Nonetheless, in the context of this case, I think it is more relevant than in some others because of the comparatively lengthy period during which the respective undertakings have been trading within a short distance of each other and the ease with which a complaint of deception could have been made by a customer having found out the truth.

128. Fourth, the evidence of actual confusion is thin. There is not much of it and such as there makes it impossible to tell whether the views expressed to PWS's staff in shops were assumptions made by customers or questions raised by them. For the reasons given above, the safer assumption on the evidence is that they were on the questioning rather than assuming end of the spectrum. As the case law indicates if the predominant reaction of the public is not to assume there was a connection as a result of the use of a mark but for a small number of questions to be raised, that is not enough for a passing off case.
129. Finally, I am far from persuaded that even if the intensity of belief of connection was higher than I think is likely, the numbers of those who would have acted on that false belief are sufficient for real damage to have been done to PWS's goodwill as a result.

Retail customers remote from Launceston

130. In my judgment, PWS had some, but limited, retail trade goodwill beyond Launceston and the surrounding area in 2015. It existed among the relatively small number of people who may have known of PWS as a result of visiting the shops during trips to Cornwall, the limited mail order business at that time, and possibly some knowledge through remoter routes such as reading references to PWS produce on menus to meat they could (and did) order as well as some press coverage. To that extent it is right to describe it as "national" rather than merely local goodwill but it is important to qualify that by recognising that it was very limited goodwill outside Launceston and the surrounding area. Again, this goodwill subsisted not only in the specific PHILIP WARREN logo but extended to signs of which the dominant element was "Warren".
131. However, it is in my view unlikely that the sale of WARREN & SONS produce in Lidl would have involved any material degree of operative misrepresentation to those people among whom that goodwill subsisted.
132. First, there is no solid evidence that those who knew of PWS and the WARREN brand who were remote from Launceston and the surrounding area would have also been Lidl customers. Such evidence as there is points away from this: none of the e-mails relied on from those who had encountered WARREN & SONS produce in Lidl outside the local area to Launceston appeared to be previously familiar with PWS suggesting that there was very limited overlap in customers or potential customers. Those people became familiar with PWS through internet searching. PWS has also drawn repeated attention to the fact that PWS and Lidl operate largely at different ends of the market which is borne out by the evidence relating to online shopping which involved significant orders from customers who (on the basis of the sums spent) may have been unlikely to be regular Lidl shoppers.
133. Second, in so far as Lidl customers identified PWS as the possible source of WARREN & SONS produce as a result of internet searching, those asked about it were either in the category of those who wondered whether they had hit upon the right undertaking or had become convinced that they had not prior even to PWS telling them they had got the wrong company. Even if those customers were confused, such was rapidly dispelled by e-mails from PWS explaining the position before any further action was taken or any confusion could become operative. There is no solid evidence that confusion would arise (or has arisen) in any other way among this category.

134. Otherwise, similar points apply to this potential category of customers as to those made above – in particular as to the customers local to Launceston.

Summary

135. Having considered the evidence as a whole, in my view Mr Bourns and Ms Watson were correct in their evidence that it is very unlikely that Lidl's customers, certainly outside of Launceston, would have heard of PWS in the first place and that it is very unlikely for a range of reasons that Lidl's customers who also knew of PWS whether in or near Launceston (i.e. the critical group of PWS's customers or potential customers) would be confused into believing there was any kind of association between the WARREN & SONS products and PWS.

DAMAGE

136. The law as regards damage in passing off cases was set out in *Phones4u Ltd & Anor v Phone4u.Co.UK & Ors* [2006] EWCA Civ 244, [2007] RPC 5 at [11] to [14]. Jacob LJ summarised the three categories of damage: diversion of trade; injury to reputation where the claimant has a superior product; and injury which is inherently likely to be suffered by any business when on frequent occasions it is confused by customers or potential customers with a business owned by another proprietor or is wrongly connected with that business. It is not necessary to prove that there has been actual damage in any of these categories but it is necessary to be satisfied that the defendant's actions have caused (or are likely to have caused) material damage to the claimant's goodwill.

137. This issue goes together with misrepresentation. PWS accepts that there is no evidence of diversion of sales anywhere. Nor is there any evidence that Lidl has been advantaged to any extent by any association with PWS which even local customers may make, let alone in the wholesale trade or further afield. I am not satisfied, on the evidence, that Lidl's actions did any material damage to PWS. I bear in mind that the use of descriptions such as "de minimis" have not been universally regarded as helpful in the case law. However, in my view, any damage done to PWS's goodwill would have been, at the highest, very tiny.

Damage cf. damages/profits

138. Although the issue does not arise given my findings, I do not think that even were these to be wrong this would be a case in which damages on the basis of an alleged "user principle" would be likely to come into play.

139. PWS's solicitors have more recently alleged that the net value of an account of profits on what they describe as "infringing" sales up to 30 September 2020 was £38.3million (said to be calculated on the basis of an EBITDA margin of 6.5%) and that damages by way of what it described as "unpaid royalties" on infringing sales are to be calculated at £17.7million, based on a royalty rate of 3% (which they even described as too low). PWS's solicitors asserted said that PWS would "more than likely elect for an account of profits, and so will be awarded c.£38 million (plus costs and interest)". This approach would contemplate Lidl paying PWS a non-trivial percentage of its sales over the entire lifetime of the brand on every WARREN & SONS branded pack sold in its stores, even in towns where no-one who shops in Lidl had ever heard of PWS, let alone were confused to any degree.

140. One driver of this aspect of the claim has been said on behalf of PWS to be observations made in some of the cases including *National Guild of Removers & Storers Ltd v Silveria (t/a C S Movers)* [2010] EWPC 15 where HH Judge Birss, as he then was, indicated that, where a defendant uses a mark without permission and thereby infringes a registered trade mark or commits an act of passing off, that act is capable of damaging the claimant's property in the mark or property in the goodwill attaching to his business and that this was so whether or not a lost sale had taken place. That proposition is beyond question. It is also true, as HH Judge Birss there said, that there is no reason in principle why damages should not be available, calculated on a "user" basis for trade mark infringement and for passing off. However, he went on to say: "Of course it will be a question of fact in any given case to decide the amount of such damages." Although *National Guild* could possibly be read as suggesting that such user damages were a normal remedy in a passing off case where use had ceased, I do not understand it or the other authorities cited in this area as establishing a proposition of law that if a claimant has shown some prospect of relevant confusion in some part of the country or to some part of the public so that a passing off claim succeeds to some extent, a claimant is then automatically entitled (in effect) to a share in the profits of all of the defendant's sales, wherever made, including in places where and to people who have never heard of the claimant's mark or business. It is unlikely that HH Judge Birss (who at that time was sitting in what became IPEC) proposition had in mind a situation such as the present or intended to bind that or other courts as to its approach in very different cases or to lay down such a principle.

141. While the user damages approach has some attraction in the context of infringement of a statutory monopoly right, passing off is a court-fashioned remedy designed to prevent and compensate for actual deception in a proportionate way. As Jacob LJ said, obiter, in *Reed Executive Plc and Another v Reed Business Information Ltd, Reed Elsevier (UK) Ltd, Totaljobs.com Ltd* [2004] RPC 40 at 165 he was not convinced that the "user" principle automatically applied in trade mark or passing off cases, especially where the "mark" concerned was not the sort of mark available for hire. As Jacob LJ pointed out, "The ordinary case is one that just protects goodwill. For damages to be awarded on the user principle is close to saying there is no damage so some will be invented. It is not the same sort of thing as having to pay for use of an invention (the basis of the user principle in patents)."

142. Although each case will be decided on its facts, such a remedy may well also be disproportionate in cases of minor damage to goodwill: all the more so where a claimant has not raised a complaint for a considerable time and/or disavows any suggestion that sales had been attracted from the claimant specifically to the defendant as the result of the use of the mark.

143. Here, the presence of Lidl's WARREN & SONS produce did not materially affect PWS's ability to expand its wholesale (and, in particular, high-end restaurant) trade. There was no evidence that any customer had been or was likely to have been put off from trading with PWS on the basis of a belief that its products were available in Lidl. It is also not realistic, on the evidence, to conclude that PWS's ability either to promote its products or enter into business arrangements with others (including other supermarkets) is likely to have been affected by Lidl's actions. There is no evidence that PWS was actively seeking such other business arrangements or any solid material to suggest that any such potential opportunities had been or were likely to be affected by the (past) presence of the WARREN & SONS brand in Lidl. PWS's business expanded significantly between 2015 and 2020

including in new ventures and with undertakings at the top of the market. The suggestion that Lidl's activities have hindered PWS in engaging in activities it wanted (or wants) to do or has prevented it from making use of its goodwill in ways which it wished because PWS's own branding or potential use was being swamped or restricted in the future by a Lidl brand that might have been perceived to be "down-market" is speculative. Mr Ian Warren explained that such opportunities for working with other retailers may exist. There is, however, no tangible evidence that they have been damaged or rendered significantly harder as a result of Lidl's now historic use of the WARREN & SONS brand. Moreover, the law of passing off is not designed to provide a general remedy to a trader against actions by another trader which make it harder to exploit its own goodwill but which are not founded on an operative misrepresentation as to trade origin.

144. In summary, even if there had been proof of damage in a general sense sufficient for liability in passing off, I consider it implausible that such would have translated into damages or an account of profits at anything approaching the levels or on the basis suggested by PWS. I do not therefore think that the findings relating to liability have resulted in PWS missing out on financial compensation of the kind suggested.

DELAY

145. Lidl claims that PWS's delay in asserting the claim should bar the award of any discretionary relief but there is no plea of acquiescence or laches as such so as to bar the entire claim as such. In this case, had I found in favour of PWS on the substance of the case, I do not think that delay would have barred relief altogether although I would have left that question to be finally determined at the relief stage, since the extent to which it may have had an impact (even on a potential claim for damages) may have depended on the way in which the claim was advanced.

146. Prima facie, the delay in bringing the claim is not of itself so great as to bar completely a discretionary remedy here, given the explanation given for why it took so long to advance it even after PWS became aware that a case may arise (cf. *Comic Enterprises v Twentieth Century Fox Film Corporation* [2014] EWHC 2286 (Ch)) but there may be particular reasons why given relief sought would be unfair (or relief sought in respect of particular periods). There would in any event have been other obstacles in the way of discretionary relief by way of an injunction or an account of profits. As to an injunction, it is not clear that such would be warranted any more since Lidl has stopped using the WARREN & SONS mark, abandoned the trade mark registration and does not appear to have any intention of resuming use. To that extent Mr Ian Warren's primary concern that the products should be off the shelves has been satisfied. As to an account of profits, this would have been an unrealistic claim in any event, regardless of delay, partly for reasons similar to those given above – it is impossible to say that any perceived connection with PWS caused the sale of WARREN & SONS products, so profits were not here made as a result of passing off.

LIDL'S CONDITIONAL COUNTERCLAIM

147. Lidl faintly pursued a conditional counterclaim the essence of which was that, if it was passing off on the basis of PWS's goodwill built up in the Launceston area, PWS was itself passing its goods off further afield because Lidl had developed a goodwill in WARREN & SONS elsewhere of which PWS was unfairly taking advantage as it expanded around the country. The argument fails for a number of reasons. These include (a) the fact that PWS had

started trading (albeit not built up a significant goodwill) in other parts of the country before Lidl started using the WARREN & SONS mark (b) the absence of any evidence suggesting that any person believed that PWS products sold in other parts of the country were connected with Lidl's WARREN & SONS's brand and (c) the absence of any prospect of any damage to Lidl's goodwill in the WARREN & SONS brand as a result of any of PWS's activities since Lidl started using that brand. Lidl's counterclaim was tactical, advanced to support its real case namely that this is a situation in which Lidl has adopted a similar mark but there has (in effect) been honest concurrent use with neither side causing damage to the other's goodwill. Given my findings, the counterclaim does not take the case further.

CONCLUSION

148. Mr Ian Warren's frustration at the adoption by Lidl of its WARREN & SONS mark is readily understandable. The decision by Lidl to abandon the brand before these proceedings were brought must have been welcome to PWS.
149. It must have been annoying for PWS to have a retail giant trading in meat products for some years under a brand whose main element was the Warren name, while PWS was trying to nurture and expand its reputation for the highest quality. However, the law of passing off and the provision of a remedy for this by way of significant historical damages/profits requires the court to find, on clear and solid evidence, that Lidl's conduct gave rise to sufficient operative misrepresentation to have caused material damage to PWS's goodwill. Despite the great skill and commitment with which the case was advanced on behalf of PWS by its solicitors and counsel, the evidence is not sufficient to show that it did.
150. The claim and counterclaim must therefore be dismissed.