

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION m 2049750  
BY BEACON WASTE LIMITED  
TO REGISTER THE TRADE MARK



AND

IN THE MATTER OF OPPOSITION  
THERE TO UNDER OPPOSITION m 45323 BY  
GREENGROW LIMITED

TRADE MARKS ACT 1994

IN THE MATTER OF trade mark  
application **m** 2049750 by  
Beacon Waste Limited

5 and

IN THE MATTER OF opposition  
thereto under opposition **m** 45323  
by GreenGrow Limited

DECISION

10 Beacon Waste Limited of Evesham, Worcestershire applied on 23 December 1995 to register the mark reproduced below in Class 1:



The mark is presented in colour on the application form, but as nothing in this matter turns on the use of colour(s) I have, for convenience, used a monochrome reproduction throughout this decision. The specification of goods reads:-

15 “All products produced from organic waste matter including compost and mulch.”

The application was given the number 2049750, and was published for opposition purposes on 5 June 1996. On 5 September 1996 GreenGrow Limited filed notice of opposition to the application. I summarise the grounds of opposition as follows:-

20 **M** Section 5(4) — The opponent has been using the trade mark GREENGROW in the United Kingdom since at least 1989 in respect of composts, manures and fertilising preparations. The trade mark has acquired a substantial reputation and is well

known as denoting the opponent's products. Consequently use of the trade mark in suit is liable to be prevented by virtue of the law of passing off.

M Section 5(3) — Use of the mark would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the opponent's mark.

5 M Section 3(3)(b) — The mark is of such a nature as to deceive the public as to the origin of the goods.

M Section 6(1)(c) — The opponent claims that their mark is entitled to protection under the Paris Convention as a well known trade mark.

The applicants filed a counterstatement denying the above grounds.

10 Both parties seek an award of costs in their favour. Both sides also filed evidence in these proceedings, following which the matter came to be heard on 5 May 1999. At the hearing, the applicant was represented by Mr Fiddes of Dibb Lupton Alsop; the opponent was represented by Mr Allen of J A Kemp & Co.

#### Opponent's evidence

15 This consists of a statutory declaration by Barry Stanton Dare dated 19 August 1997. Mr Dare is the Chairman and major shareholder of Greengrow Limited. He has held the position of Chairman since the formation of the company in 1989.

Mr Dare declares that Greengrow Limited has been marketing composts under the trade mark GREENGROW since 1989. He states that the value of the products sold by the opponent (effectively the ex-works price) from the years since 1990 has been, in the year ending 20 31 March in each year, as follows:—

	1990	£80,658
	1991	£73,504
	1992	£92,874
25	1993	£60,855
	1994	£69,323
	1995	£71,663
	1996	£96,101

30 He goes on to state that the opponent applied to register its own mark (m 2058630) in late December 1995 and that approximately three-quarters of the £96,000 for 1996 would have been sold prior to that filing date.

He declares that in view of the use which has taken place of the trade mark GREENGROW since 1990, the opponent has obtained a reputation in the market for composts. He states that consequently the existence of goods being sold by the applicant, Beacon Waste Limited, 35 causes confusion in the market and has been found to be damaging to the business of Greengrow Limited.

Applicant's evidence

This consists of a statutory declaration by Ian Barber dated 8 January 1998. Mr Barber is Marketing Director of Beacon Waste Ltd.

5 Mr. Barber declares that the applicant has been using the trade mark GREENGROW in respect of products made from organic waste including compost and mulch since April 1995. He exhibits a leaflet showing use of the trade mark GREENGROW in relation to the applicant's soil conditioner product. He states that between April 1995 and September 1997 the applicant's total income from sale of its GREENGROW product has been £57,061. Mr Barber goes on to declare that in total Beacon Waste has sold the following amounts of  
10 their product:

April 1995 - September 1995	415 tonnes
October 1995 - September 1996	909 tonnes
October 1996 - September 1997	1,117tonnes

15 Since the date of first use, the applicant has actively promoted its GREENGROW products through the attendance at shows and exhibitions, promotional literature, small advertisements and production of specialist packaging material. A total of £9,850 was spent on advertising the applicant's GREENGROW product between April 1995 and September 1997. Also exhibited to Mr Barber's declaration are newsletters issued by the applicant which show use of the GREENGROW name together with copies of advertisements placed in *Wastes*  
20 *Management and Plant User*, the newsletter of the Professional Plant Users Group. Exhibit IB2 also contains copies of pictures taken at the applicant's stand at the Three-Counties Show, which they attended in 1995, 1996 and 1997.

Opponent's evidence in reply.

25 This consists of a statutory declaration by Arnold Rainbow dated 3 April 1998. Mr Rainbow holds a BSc and PhD in botany from the University of London. He worked for twenty (20) years as a research horticulturist for Fisons Horticulture Limited. In September 1993 he and a colleague (Francis Neil Wilson) formed the firm Rainbow Wilson Associates — horticultural product consultants. His firm provides advice to the manufacturers of horticultural products, notably growing media, and gives advice on technical development and on marketing of these  
30 products. Mr Rainbow says that he is familiar with substantially all products available in the field of horticulture in the United Kingdom, and in particular with growing media. He makes his declaration partly from his own knowledge and partly as a result of consultation with his partner, Francis Neil Wilson.

35 Mr Rainbow is aware of various manures, composts, vermiculite fertilizers and fertilizing preparations which have been marketed by the opponent. He says that these products have been on the market and widely available in the United Kingdom since 1993. According to his colleague, Francis Neil Wilson, they were in fact available from 1990. Mr Rainbow goes on to state that the products of Greengrow Limited are sold under the trade mark GREENGROW and are known in the British horticultural world.

After noticing an advertisement by Beacon Waste in a horticultural magazine, Mr Rainbow immediately contacted Greengrow Limited and asked them if they were aware of this product — a soil conditioner.

5 Using the figures provided in the statutory declarations of Messrs Dare and Barber, Mr Rainbow calculates that the applicant sold a total of approximately 566 tonnes of compost etc prior to the material date (23 December 1995). He suggests that the monetary value of these sales would be approximately £13,230.

10 From Mr Dare's declaration, Mr Rainbow calculates the value of the opponent's sales for the period prior to December 1995 as £520,877. Thus he deduces that the opponent has sold products to the value of approximately 40 times the value of that sold by the applicant. In Mr Rainbow's opinion, it is probably for this reason that he had never heard of the Beacon Waste product until he saw their advertisement.

15 Mr Rainbow concludes that in view of the reputation of Greengrow Limited the existence of the Beacon Waste product sold under the applicant's mark is likely to cause substantial confusion in the mind of the gardening public, who would be led to believe that the applicant's products come from the same source as the opponent's.

That concludes my review of the evidence.

20 At the hearing Mr Allen confirmed that he would not be pursuing the opposition based on section 3. Furthermore, as the opponent does not have an earlier trade mark as defined by section 6(1) it was clear that the opposition could not succeed under section 5(3), and could only proceed in relation to section 5(4)(a) on the basis of an earlier right associated with the law of passing off. (This is because protection under the Paris Convention as a well known mark is only available to persons that are nationals of a convention country, or persons that have a real and effective industrial or commercial establishment in a convention country; 25 section 55(1)(b) defines "convention country" as a country *other than the United Kingdom* which is a party to the Paris Convention.)

#### *Section 5(4)(a)*

This section of the Act reads as follows:

30 "5.—(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented—  
(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or  
(b) .....

35 A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an "earlier right" in relation to the trade mark."

The opponent relies upon the law of passing off. A helpful summary of the elements of an action for passing off can be found in Halsbury's Laws of England 4th Edition Vol. 48 (1995

re-issue). Paragraph 165 refers to the speeches in the House of Lords in the Jif Lemon case<sup>1</sup> and the Advocaat case<sup>2</sup> and gives the following guidance:-

“The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

- 5 (1) that the plaintiff’s goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
- (2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the defendant are goods or services of the plaintiff; and
- 10 (3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant’s misrepresentation.

The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House’s  
15 previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal definition of ‘passing off’, and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House.”

Further guidance is given in paragraphs 184 to 188 of the same volume with regard to  
20 establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:

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

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

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

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

- (a) the nature and extent of the reputation relied upon;
- 35 (b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;

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<sup>1</sup>Reckitt & Colman Products Ltd v Borden Inc and others [1990] RPC 341

<sup>2</sup>Erven Warninck BV & Another v J Townend & Sons (Hull) Ltd & Another [1980] RPC 31

- (c) the similarity of the mark, name etc used by the defendant to that of the plaintiff;
- (d) the manner in which the defendant makes use of the name, mark etc complained of and collateral factors; and
- (e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.”

Mr Fiddes and Mr Allen both made submissions with regard to each of the three necessary elements which must be established in an action for passing off and I propose to consider the matter under these separate headings as far as possible.

### *Goodwill*

10 The first issue I must consider is whether, at the material date in these proceedings, the opponent had acquired the necessary goodwill to succeed in an action for passing off. I gave a fairly clear indication at the hearing that in my view the opponent’s goods had acquired a degree of goodwill. The evidence shows that the opponent had been using the trade mark GREENGROW for more than five years prior to the material date. The sums involved are by  
15 no means enormous when considered in the context of the potential market for composts. However, it seems to me that the law of passing off does not exist purely for the benefit of large commercial or industrial enterprises. In my view, the opponent’s activities are substantial enough to generate goodwill, and the opponent is therefore entitled to protect that goodwill through the law of passing off. I note also that according to Mr Rainbow, the opponent’s  
20 products are widely available in the United Kingdom, and to that extent I am satisfied that I am not dealing with an earlier right that in practice would be confined to a particular locality.

### *Misrepresentation*

Mr Allen submitted that insofar as the name GREENGROW had become a distinctive mark used by the opponent, the public would mistakenly infer from the applicant’s use of a similar  
25 mark that the respective goods come from the same source or are connected in some way. In the course of his submissions, Mr Allen emphasised several times that he did not have to show that the applicant’s use of the mark was in any way fraudulent, and I have no difficulty agreeing with this latter submission. However, as I indicated to Mr Allen at the hearing, I have great difficulty reaching any conclusion as to whether misrepresentation is likely to occur  
30 as there is no evidence in these proceedings to show *how* the opponent, GreenGrow Ltd, has used its mark. Mr Allen passed me a copy of the mark which is the subject of the opponent’s later-filed application, but it is not part of the evidence filed in these proceedings, and in any event it has not been established that it is the mark which the opponent has been using.

35 The opponent’s evidence proves that they are known by the distinguishing name or mark GREENGROW. The two words GREEN and GROW are clearly part of the applicant’s mark. But whether the applicant’s mark (shown right) will be regarded as a misrepresentation of the opponent’s GREENGROW is not something I feel capable of deciding in the absence of evidence showing how the opponent’s mark has been used. For  
40 example, I cannot exclude the possibility that the opponent may have used the word GREENGROW in an unusual or distinctive form of presentation. If that were the case, then the manner in which the word has been presented in use could well be the more



distinctive feature of the opponent's mark. As such it would be an important factor to bear in mind when assessing the similarity of the two marks for the purpose of determining whether misrepresentation is likely.

5 The only 'independent' evidence in these proceedings comes from Mr Rainbow. Yet when he first came across the applicant's mark in a horticultural publication, he immediately contacted the opponent and "... asked them if they were aware of this product." Without subjecting Mr Rainbow's words to meticulous verbal analysis, it is fairly clear to me that Mr Rainbow himself was not confused. By asking the opponent whether they were aware of the 'new' product, he appears to have decided that it is unlikely to be one of the opponent's own products or else he would not have asked them if they were aware of it. On the other hand, 10 something caused Mr Rainbow to associate the applicant's product with the opponent or he would not have been prompted to contact the opponent at all.

15 In the circumstances, rather than attempt to decide the matter on the basis of what might be regarded as incomplete evidence, I have concluded that it would be better to leave the matter undecided. Consequently, insofar as these proceedings are concerned, this opposition cannot succeed under section 5(4)(a).

The applicant, having been successful in these proceedings, is entitled to a contribution towards the costs of defending the application. I therefore order the opponent to pay to the applicant the sum of **£635**.

20 **Dated this 21st day of May 1999**

**Mr S J Probert**  
**Principal Hearing Officer**  
**For the Registrar, the Comptroller-General**