

TRADE MARKS ACT 1994
IN THE MATTER OF APPLICATION No 2219405
BY SCANDIA FOODS (UK) LIMITED T/A OCEANCREST FOODS
TO REGISTER A TRADE MARK
OCEANWAVE
IN CLASS 29

AND IN THE MATTER OF OPPOSITION THERETO
UNDER NUMBER 51099
BY GOLDEN FEAST FROZEN FOODS LIMITED

BACKGROUND

1) On 17 January 2000, Scandia Foods Ltd trading as Oceancrest Foods of 3 Bowling Hill Business Park, Chipping Sodbury, BS37 6JL applied under the Trade Marks Act 1994 for registration of the trade mark OCEANWAVE in respect of “Sea foods, fresh, frozen and processed” in Class 29.

2) On the 23 June 2000 Golden Feast Frozen Foods Limited of 13/16 Harvey Close, Crowther Industrial Estate, District 3, Washington, Tyne & Wear, NE38 0AB filed notice of opposition to the application. The grounds of opposition were subsequently amended. The amended grounds are in summary:

a) The opponent (company number 3598145) is a manufacturer and supplier of a substantial range of frozen foods. First established in 1982, the opponent’s business (“Golden Feast”) together with the goodwill of that business, was purchased by the opponent from its subsidiary, Hamsard Five Thousand and Five Limited (company number 1557796) and known then as Golden Feast Frozen Foods Limited (the subsidiary) pursuant to an Intra Group Business Sale and Purchase Agreement dated 1 May 1999. The subsidiary has from time to time been known as Speddings Foods Limited, Spedding Foods Limited, and, since 1995, Golden Feast Frozen Foods Limited.

b) In or around 1990 the subsidiary, through its Golden Feast business, began selling frozen fish fingers and frozen fish cakes to distributors and retail chains throughout the UK under its “OCEAN WAVE” brand. Since that time Golden Feast has used “OCEAN WAVE” as a word only trade mark which has been applied to packaging of the aforementioned products and to order and invoice documentation. In addition Golden Feast has incorporated “OCEAN WAVE” into several different device trade marks, reproductions of two of which are at annex A. Due to an oversight which only came to light upon publication of the opposed application, no application to register “OCEAN WAVE” as a trade mark has yet been made by the opponent.

c) As a consequence of Golden Feast’s use of the mark OCEAN WAVE as a brand name the opponent claims that Golden Feast has developed a reputation and goodwill therein such that its use by a third party in connection with frozen and sea-foods and associated products offends against Section 5(4)(a) of the Trade Marks Act 1994.

d) The applicant has no bona fide intention to use the mark in suit in relation to the

goods for which the application has been made. The application was therefore made in bad faith contrary to Section 3(6) of the Trade Marks Act 1994.

3) The applicant subsequently filed a counterstatement denying the opponent's claims. The applicant claims that the opponent was incorporated on 15 July 1998 and known as Hamsard Five Thousand and Five Limited. It remained dormant until 28 January 1999 when it acquired the share capital of a company then known as Golden Feast Frozen Foods Limited. The applicant therefore disputes whether the opponent can claim a common law interest in the mark prior to 28 January 1999. The applicant also disputes the opponent's claim to long established use of the mark. The applicant also states that it has itself operated since 1994 as the sole importer and distributor of shellfish sold under the registered mark OCEANCREST. This brand has been on the market since 1982 and has been widely distributed through major supermarket chains such as Tesco, Sainsbury, Asda, Waitrose, etc. The applicant was not aware of the use of the words OCEAN WAVE by any other party. However, "the applicant accepts (from the evidence presented by the opponent) that the mark was in use by other parties, but such use appears to have been on a relatively small scale in terms of the food industry as a whole".

4) The applicant accepts that it has no plans to use the mark on anything other than shellfish and would be prepared to limit the mark to this specification. The applicant also contends that anyone use the mark OCEANWAVE would be infringing its OCEANCREST mark. The applicant reveals that during negotiations it offered to allow the opponent to use the mark in suit solely in relation to frozen fish products whilst the applicant would agree not to use the mark at all. The applicant states that this offer was made in order to protect its Oceancrest mark. However, since the offer was declined then the applicant believes that this has no bearing on the issue.

5) The applicant states that the opponent's case hangs entirely on whether the opponent's use of the mark has been sufficient to accrue common law rights and whether in any case passing off could arise. The applicant states that the opponent has claimed use of the mark only on frozen fish products and specifically fish fingers and fish cakes. The applicant does not believe that the public would confuse a jar of shellfish with a packet of fish fingers or believe that the products were produced by the same company simply by virtue of the name.

6) Only the opponent filed evidence in these proceedings. Both sides ask for an award of costs. Neither party wished to be heard in this matter. My decision will therefore be based on the pleadings and the evidence filed.

OPPONENT'S EVIDENCE

7) The opponent filed three witness statements. The first, dated 9 April 2001, is by Philip Wilbraham the Chairman and Managing Director of Golden Feast Frozen Foods Limited (the opponent) (company number 3598145). Mr Wilbraham states that he has held his positions since February 1999 at which date he acquired the company. He states that on 28 January 1999 he purchased 100% of the share capital of Golden Feast (company number 1557796). At exhibit PW1 (pages 1-8) are copies of the relevant pages of the agreement.

8) Mr Wilbraham states that on 1 May 1999 an Intra Group Business Sale and Purchase Agreement was signed by which his company purchased the entire Golden Feast business, expressly including the goodwill and industrial property rights. A copy of this agreement is at

exhibit PW1 (pages 9-16).

9) The two companies also later exchanged names so that company number 3598145 which was Hamsard Five Thousand and Five Limited became Golden Feast Frozen Foods limited whilst company number 1557796 changed the other way. Copies of the Companies House documentation are provided at exhibit PW1 (pages 17-18). At pages 19-20 of exhibit PW1 Mr Wilbraham provides copies of pages from the “due diligence” report produced prior to his purchase of the company. This includes the following in the section titled Intellectual Property:

“We have been informed by the Company’s solicitors that the company uses the business name of Ocean Wave, although this has not been registered.”

10) Mr Wilbraham states that it is his understanding that the mark OCEANWAVE was used extensively throughout the 1990's and was supplied to a wholesale organisation which supplied a number of well known high street shops including amongst others Iceland, Lonsdale, Aldi, Nisa, and Asda. Mr Wilbraham provides a copy of an agreement between his company and this wholesaler, Helshaw Foods Products Ltd, dated 10 June 1998 at exhibit PW1 (pages 21-24). An example of the type of packaging used on goods supplied to Henshaws is provided at exhibit PW1 (page 28). It shows the brand Ocean Wave clearly. Mr Wilbraham states that he is unsure of which of Helshaw’s customers purchased Oceanwave products, but the volume was not sufficient and so Mr Wilbraham terminated the agreement in Autumn 1999 and sought to relaunch the brand.

11) In February 2000 he contacted Wheaton Design Associates to design a new Ocean Wave logo and also product packaging. Early design proofs were supplied in March 2000 and are exhibited at PW1 (pages 30-33). These show two different designs. Mr Wilbraham explains that the launch of the products was delayed due to technical difficulties encountered in the manufacturing of the products.

12) The second witness statement, dated 9 April 2001, is by Robert Hird the Sales Director of the opponent company. Mr Hird also worked for company previously known as Golden Feast Frozen Foods Ltd in the same capacity. He joined this company in 1994 and states that the mark Ocean Wave was used consistently from that date on fish cakes and fish fingers until early 1999. He describes the brand as being “a steady albeit not spectacular seller”. Mr Hird states that sales records for products under the Ocean Wave mark are not available as they were damaged by water and had to be thrown away. However, Mr Hird has managed to find some copies of the packaging used (exhibit RH1 pages 2 & 3) which shows the mark clearly. Also provided at exhibit RH1 pages 4 - 14 are orders for Ocean Wave packaging for fish fingers and fish cakes between January 1993 - July 1998. These show over 800,000 items of Ocean Wave packaging being ordered. There is also confirmation by the printers of production of part of this total.

13) Mr Hird states that he believes that approximately 200,000 - 300,000 units of Ocean Wave branded products were sold to wholesalers each year during the period 1994 - 1999. At exhibit RH1 page 16 Mr Hird provides copies of a letter from a wholesaler, Eden Farms Ltd, confirming that they purchased Ocean Wave products from the opponent. Invoices for relatively small amounts of goods during 1998 are supplied at exhibit Rh1 pages 17-19. At exhibit RH1 pages 20- 27 are copies of letters dated between July 1994 - February 1997 to customers giving details of the product range including Ocean Wave products.

14) The third statement, dated 9 April 2001, is by Alexander Newman a Solicitor employed by Hammond Suddards Edge solicitors in Leeds. Mr Newman states that he advised the opponent on what action to take once the opponent had become aware of the application in suit. As part of the proceedings Mr Newman phoned the applicant company on 28 June 2000 and spoke to the Managing Director Mr Otto Priess. Mr Newman claims that Mr Priess stated that the applicant had not used the mark and would probably not use it in future. Mr Priess explained that the application was submitted to prevent anyone else using the mark in order to protect its OCEAN CREST mark. Although written confirmation of this was requested it was not forthcoming. Mr Newman had a second telephone conversation with Mr Priess on 13 July 2000 which he recorded. Again Mr Priess stated that the applicant had no intention of using the mark.

15) At exhibit AN1 Mr Newman provides copies of various items of correspondence connected with this opposition, including letters sent to the Registry. At pages 30/31 includes a note he made of his first conversation with the applicant. This note was made immediately after it had occurred. At page 32 of the exhibit is a letter which was then sent to the applicant which sought written confirmation that the applicant had no intention of using the mark in suit. At pages 33/34 is a written transcript of the second telephone conversation with Mr Priess. Mr Priess states that the contents of Mr Newman's letter was correct and that the applicant does not have an intention of using the mark.

16) That concludes my review of the evidence. I now turn to the decision.

DECISION

17) I shall first consider the ground of opposition under Section 5(4) of the Act which states:-

“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) by virtue of an earlier right other than those referred to in subsections (1) to (3) or paragraph (a) above, in particular by virtue of the law of copyright, design right or registered designs.

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.”

18) In deciding whether the mark in question “OCEANWAVE” offends against this section, I intend to adopt the guidance given by the Appointed Person, Mr Geoffrey Hobbs QC, in the WILD CHILD case (1998 14 RPC 455). In that decision Mr Hobbs stated that:

“The question raised by the Grounds of Opposition is whether normal and fair use of the designation WILD CHILD for the purposes of distinguishing the goods of interest

to the Applicant from those of other undertakings (see Section 1(1) of the Act) was liable to be prevented at the date of the application for registration (see Art.4(4)(b) of the Directive and Section 40 of the Act) by enforcement of rights which the opponent could then have asserted against the Applicant in accordance with 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 reissue) at paragraph 165. The guidance given with reference to the speeches in the House of Lords in Reckitt & Colman Products Ltd - v - Borden Inc [1990] RPC 341 and Even Warnik BV - v - J. Townend & Sons (Hull) Ltd [1979] AC 731 is (with footnotes omitted) as follows:

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

(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 the goods or services offered by the defendant are goods or services of the plaintiff; and

(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 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 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:

(1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and

(2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

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

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

(a) the nature and extent of the reputation relied upon;

(b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;

(c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;

(d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

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

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.”

19) The date at which the matter must be judged is not entirely clear from Section 5(4)(a) of the Act. This provision is clearly intended to implement Article 4(4)(b) of Directive 89/104/EEC. It is now well settled that it is appropriate to look to the wording of the Directive in order to settle matters of doubt arising from the wording of equivalent provisions of the Act. It is clear from Article 4(4)(b) that the earlier right had to have been “acquired prior to the date of application for registration of the subsequent trade mark, or the date of the priority claimed...”. The relevant date is therefore 17 January 2000, the date of the application.

20) With these considerations in mind I turn to assess the evidence filed in the present proceedings as set out earlier in this decision. I will consider these under the three main headings of Goodwill, Misrepresentation and Damage.

GOODWILL

21) The opponent has shown in its evidence that its predecessor, company number 1557796, was trading in the UK under the mark OCEAN WAVE. In their counterstatement the applicant stated “the applicant accepts (from the evidence presented by the opponent) that the mark was in use by other parties, but such use appears to have been on a relatively small scale in terms of the food industry as a whole”. The applicant also questioned whether the opponent could claim such goodwill. The opponent has provided clear evidence in the form of the Intra Group Business Sale and Purchase Agreement that the goodwill of company 1557796 was transferred to the opponent company. The goodwill that existed was in relation to fish fingers and fish cakes only. None of the evidence provided by the opponent has been challenged by the applicant.

MISREPRESENTATION

22) To succeed under this heading the opponent only has to show that the relevant public will believe the goods offered by the applicant are goods of the opponent. The relevant public in this case are the general public. The marks are identical except for the fact that the opponent uses the mark as two words whereas in the applicant's mark they are conjoined. In my opinion the general public will not regard this difference as significant and would view the marks as being identical.

23) The applicant claims that there are differences between the products of the parties but despite this has also offered to reduce its specification from "Sea foods, fresh, frozen and processed" in Class 29 to "Shellfish" in Class 29. I must therefore consider whether these goods are similar to the opponent's goods. In this I have regard to the decision by Jacob.J. in the *British Sugar Plc v James Robertson & Sons* ["TREAT" 1996 RPC 281]. In that case the court stated that:

"The following factors must be relevant in considering whether there is or is not similarity:

- a) The respective uses of the respective goods or services;
- b) The respective users of the respective goods or services;
- c) The physical nature of the goods or acts of service;
- d) The respective trade channels through which the goods or services reach the market;
- e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
- f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in the trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors".

24) Whilst I acknowledge that in view of the *CANON - MGM* judgement by the European Court of Justice (C-39/97) the *TREAT* case may no longer be wholly relied upon, the ECJ said that the factors identified by the UK government in its submissions (which are the factors listed in *TREAT*) are still relevant in determining the degree of similarity of the goods for the purposes of applying the composite test set out in paras 23 & 24 of the ECJ's decision in *SABEL v PUMA* (1998 RPC page 199)

25) In utilising the same test and applying it to this case it is clear that the uses of the respective goods are similar in that they are both foods, specifically fish products. The specification is not limited in any way, and notionally the users are the general public and are the same. No evidence has been provided with regard to trade channels but clearly both products would be sold in the same shops. The physical nature of the goods is similar although the

applicant has referred to its products being in jars there is nothing even in its reduced specification to prevent use on frozen shellfish. These would then be alongside the opponent's products in the freezer section. I also note that speciality fish cakes made solely from one type of fish/shellfish such as crab are being offered. The goods are clearly in direct competition.

26) In my view the average consumer would expect any fish product bearing the mark in suit to originate from or be licenced by the opponent. As such even the reduced specification offered by the applicant must be regarded as being identical or very similar goods to those produced by the opponent. Clearly there would therefore be confusion and deception amongst a substantial number of persons.

DAMAGE

27) It is accepted that, where the parties are in the same field of activity, if there is confusion between the products and services then there would be damage through diversion of trade.

28) The opposition under Section 5(4) therefore succeeds.

29) Although this decides the matter I will for the sake of completeness consider the other ground of opposition which is under Section 3(6) which states:

“ A trade mark shall not be registered if or to the extent that the application is made in bad faith.”

30) The Act does not define the term bad faith, leaving it to the Tribunal or the Court to determine whether an application was made in bad faith based upon the circumstances of a particular case. The Notes on Sections, published by the Patent office, and based upon the Notes on Clauses provided to Parliament during the passage of the Trade Marks Bill in relation to Section 3(6) provides examples of where bad faith might be found, these are:

(i) where the applicant had no bona fide intention to use the mark, or intended to use it, but not for the whole range of goods and services listed in the application;

(ii) where the applicant was aware that someone else intends to use and /or register the mark, particularly where the applicant has a relationship, for example as employee or agent, with that other person, or where the applicant has copied a mark being used abroad with the intention of pre-empting the proprietor who intends to trade in the United Kingdom;

(iii) where the mark incorporates the name or image of a well-known person without his agreement. (This should not be taken as meaning that this provision is legislating for the protection of a personal name or reputation - these remain unprotected under English law, but the nexus between unregistrability and the name of a well-known person is that of bad faith in which the application is made.)

31) It is well established that in an opposition under Section 3(6) of the Act the onus is on the claimant, reflecting the usual approach under English law that he who asserts must prove. The opponent has provided evidence from its solicitor regarding telephone conversations with the Managing Director of the applicant company. This evidence sets out quite clearly that the

application was made in order to prevent others registering the mark. The allegations made by the opponent are quite specific and yet have not been denied by the applicant. In my view the applicant when making the application had no intention of using the mark. In the circumstances the opposition under Section 3(6) must succeed.

32) The opposition having succeeded the opponent is entitled to a contribution towards costs. I order the applicant to pay the opponent the sum of £1200. This sum to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 5TH day of April 2002

George W Salthouse
For the Registrar
The Comptroller General

ANNEX A

Ocean Wave

