

**O/205/03
TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION No. 2290379
BY ROSA MA LLADRO CASTELLÓ TO REGISTER
A TRADE MARK IN CLASS 33**

AND

**IN THE MATTER OF OPPOSITION THERETO UNDER No. 90863
BY LLADRÓ COMERCIAL SA**

TRADE MARKS ACT 1994

**IN THE MATTER OF Application No. 2290379
by Rosa Ma Lladró Castelló to register a Trade Mark
in Class 33**

and

**IN THE MATTER OF Opposition thereto under No. 90863
by Lladró Comercial SA**

Background

1. On 18 January 2002 Rosa Ma Lladró Costelló applied to register the following series of two trade marks in Class 33 for a specification of “Alcoholic beverages except beer”:






Mark claim / limit:

The applicant claims the colours gold, red and black as an element of the second mark in the series. The Spanish words “Conde de Lladró” mean “Count of Lladró”.

2. The application was accepted by the Registrar and published in the Trade Marks Journal.

3. On 23 July 2002 Lladró Comercial SA filed a Notice of Opposition against the application. In summary the grounds of opposition were:

- (i) Under Section 5(3) of the Act as the mark applied for is similar to the following earlier trade marks owned by the opponent and to the extent the application in suit specifies goods and services which are not similar to those for which the earlier trade marks are protected, the reputation and use in the UK of the opponent's trade marks means that use of the applicant's mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or repute of these earlier marks.

Registration Number	Mark	Registration Effective	Class and Specification of goods and services
UK No. 1393789		1 August 1989	Class: 18 Leather, limitations of leather and goods made therefrom; wallets, bags, trunks, cases, handbags, purses; knapsacks; walking sticks, parasols and umbrellas; parts and fittings for all the aforesaid goods; all included in Class 18.
UK No. 1393790		1 August 1989	Class: 21 Statues, statuettes, figures and figurines; porcelain, ceramic and glassware for decorative and artistic purposes; all included in Class 21.
CTM No. 1904408	LLADRÓ PRIVILEGE	13 October 2000	Class 16: Periodical publications.
CTM No. 15925		1 April 1996	Class 18: Leather and imitations of leather, and goods made of these materials and not included in other classes; animal skins; trunks and travelling bags; umbrellas,

			<p>parasols and walking sticks; whips, harness and saddlery.</p> <p>Class: 21 Artistic figures of porcelain, household or kitchen utensils and containers (not of precious metals or coated therewith); combs and sponges; brushes (except paintbrushes); brush-making materials; articles for cleaning purposes; steelwool; unworked or semi-worked glass (except glass used in buildings); glassware, porcelain and earthenware, not included in other classes.</p> <p>Class: 25 Clothing, footwear, headgear.</p>
CTM No. 1796754	LLADR0 PRIVILEGE	7 August 2000	<p>Class: 35 Publicity, advertising services including promotional activities; market studies, market research and monitoring; commercial and business management assistance, including customer services.</p>

(ii) Under Section 5(4)(a) of the Act in that registration of the trade mark applied for is liable to be prevented by the law of passing off.

(iii) Under Section 3(6) of the Act because the application was made in bad faith.

4. The applicant filed a Counterstatement denying the grounds of opposition.

5. Evidence was filed by the opponent and both sides have asked for an award of costs in their favour. Both parties requested that a decision be taken on the basis of the papers filed without recourse to a hearing. No submissions were forwarded to the Registrar.

Opponent's Evidence

6. This consists of a statutory declaration by Enrique Recatalá Mollá dated 6 February 2003. Mr Mollá is director for Europe of Lladró Comercial SA, the opponent.

7. Mollá explains that the opponent is a Spanish company based in Valencia and that the opponent's enterprise has grown out of a family business created by the Lladró brothers. He states that the opponent commercialises fine porcelain and chinaware articles which are sold internationally, and that the goods sold under the LLADRÓ trade mark, have generated an international fame for the LLADRÓ name. He refers to Exhibit "ERM 1", to his declaration, comprising a booklet produced for an exhibition of LLADRÓ porcelain at the Bath Assembly Rooms, Bath, United Kingdom and other catalogues for the United Kingdom market to illustrate the sort of goods for which he states the opponent has become internationally famous. These comprise, porcelain and chinaware figurines and statuettes.

8. Mr Mollá goes on to explain that sales of LLADRÓ goods began in the United Kingdom in the 1970's and that since that time the number of outlets for LLADRÓ products has grown in the UK to include chains of major, high street department stores such as John Lewis and independent chinaware and gift shops such as F Hinds, Lawleys, H Samuel and Goldsmiths. He draws attention to Exhibit "ERM 2" to his declaration a collection of letters from retailers, obtained for the purposes of the opposition, to demonstrate the duration and diversity of sales outlets of LLADRÓ products in the United Kingdom and also the reputation that the goods have acquired. These comprise letters from:

(i) Mr Goldringer of the Guild of Specialist China & Glass Retailers who states that Guild colleagues have been selling Lladró branded goods in the UK for over thirty years, with thirty-eight stores in the UK selling goods under the mark and, in 2002, their combined annual turnover in Lladró products amounting to £1.3 million at retail. He adds that Lladró trade mark is extremely well known, is one of the leading brands of high quality porcelain goods and decorative items and is associated with a high standard of design and craftsmanship.

(ii) Mr Oldroyd of HR Jackson, retailers of china, crystal and cookware, who states that his business began selling goods under the Lladró trade mark approximately thirty one years ago and that they make significant sales through one shop of the Lladró products, which amount to approximately £64,000 retail. He adds that the Lladró trade mark is extremely well known, is a leading brand of high quality porcelain and decorative articles at the higher price end of the market.

(iii) Mr D P Murphy of Tubbs of Colne who states that the business began selling goods under the LLADRÓ trade mark in 1980 and that they operate one shop selling around £50,000 of LLADRÓ products per annum. He echoes the previous comments about the repute of the Lladró trade mark.

(iv) A business trading under the name The Crockery which began selling goods under the Lladró trade mark in 1971 and operate one shop which sold approximately

£85,000 to £95,000 of Lladró products in 2002. The previous comments relating to the repute of the Lladró trade mark are repeated

(v) Mr Eborall of David M Robinson who states that the business began selling goods in the Lladró trade mark over 20 years ago and through its three shops sold, in 2002, 685 items with a retail value of approximately £107,000.

(vi) Geoff Taylor of a business bearing the same name which began selling goods under the Lladró trade mark in 1975 and makes sales in excess of £150,000 per annum, through its one outlet. Mr Taylor echoes the previous comments about the repute of the Lladró mark in relation to high quality porcelain goods and decorative household items.

9. Mr Mollá goes on to draw attention to Exhibit “ERM 4” to his declaration which comprises a set of maps and tables to illustrate the extent of sales locations for LLADRÓ goods in the UK. The geographical coverage is comprehensive.

10. Mr Mollá states that the opponent has invested in prominent advertising for its goods under the LLADRÓ mark in the United Kingdom but explains that the opponent has not kept samples of its adverts going back to the very start of its business in the United Kingdom. However, there are examples going back to 1996 and at Exhibit “ERM 5” to Mr Mollá’s declaration are copies of a set of advertisements appearing in the United Kingdom press, which he says, are examples of the adverts run by the opponent. The adverts demonstrate use of the word mark LLADRÓ. Mr Mollá adds that all advertisements appear in magazines with a very high circulation in the United Kingdom; for example, *HELLO!, YOU* (the Mail on Sunday colour supplement), *Ideal Home*, *Reader’s Digest*, *Homes & Gardens*, *Elle Decoration*, *Good Housekeeping*, *Country Living*, and *House Beautiful*.

11. Mr Mollá asserts that in view of the duration of business, the geographic extent of retail outlets, prominent advertising, high level of sales, and quality of products, it can be said that LLADRÓ is a household name and extremely well known in the United Kingdom. This assertion is supported by a certificate issued on 10 July 2002 by the Spanish Chamber of Commerce in Great Britain. A copy of this certificate is at Exhibit “ERM 6” to Mr Mollá’s declaration. The certificate attests the following:

- “the company Lladró Comercial, SA is the registered owner of the trade mark LLADRÓ”;
- “the trade mark LLADRÓ is a well known brand within national and international markets and is identifiable with its commercial origins”;
- “the trade mark LLADRÓ is a well known brand and has a reputation in the market at international level”;
- “that the trade mark LLADRÓ is commercially well established in every continent and that it has its own extensively distinctive character ‘per se’”

- “this trade mark has a reputation at an international level and it is justified by their fulfilment of the following requirements: the brand’s prestige and reputation, the highest level of quality in all of its products, highly distinctive character, the brand’s distribution among the different types of economic operators and consumer within the most varied and widespread markets, even in markets dealing in a range of products that differ from those covered by the trade mark LLADRÓ, as well as direct consumers of their products.

12. Mr Mollá goes on to state that the familiarity of the United Kingdom public with the LLADRÓ mark, the LLADRÓ products, and the prestigious nature is further highlighted in an independent, strategic survey commissioned by the opponent in 1994. He draws attention to Exhibit “ERM 8” to his declaration which is a copy of a market analysis performed by Davies Riley-Smith Maclay at the opponent’s request in May/June 1994 entitled *Base Study about Decoration Objects at Home and LLADRÓ Images – Volume I: Consumers*. At page 59 of this report at the sub-heading. *1. The Brand and its Products*, it is noted that ‘*Most [i.e. consumers] were aware of the brand [LLADRÓ] and its products. Most consumers had at least heard of LLADRÓ and understood that the brand produced expensive and valuable porcelain figurines that were comparable in terms of quality and price to Royal Doulton, Coalport and Capodimonte.*’.

13. Next, Mr Mollá refers to Exhibit “ERM 10” to his declaration which comprises a copy of a market analysis performed by Davies Riley-Smith Maclay at the opponent’s request in May/June 1994 entitled *Base Study about Decoration Objects at Home and LLADRÓ Images – Volume III: Retailers*. He states that from the list at pages 33 and 34 it can be seen that LLADRÓ is recognised by retailers as one of the leading porcelain and fine decorative ornament manufacturers in the market. The report states at page 38 that, ‘*Regardless of whether retailers stocked LLADRÓ, they had a clear image of both the company and the brand. All retailers understood that LLADRÓ was a fairly large company, based in Spain but selling its products worldwide... They perceived LLADRÓ to be a company specialising in handmade and handpainted porcelain figurines that had a distinctive Mediterranean feel and appearance, that were expensive but good quality with uniquely fine detail ... LLADRÓ was a company and brand which had established a place within the market, both in terms of its distribution within the UK but also world-wide.*’.

14. Mr Mollá now turns to the application in suit and states that the applicant is a daughter of Jose Lladró, one of the founding brothers of the opponent’s business and she formerly sat on the opponent’s board of directors. He states that the applicant is very knowledgeable about the opponent’s business and would be fully aware of the fame and public perception of the LLADRÓ trade mark. Mr Mollá explains that on 12 June 1998, the applicant asked the opponent’s board whether she could register her name and surname as a trade mark for use in respect of other goods. The board refused to grant consent in view of the importance of maintaining the image and reputation of the opponent’s business. A copy of the board minutes where this issue was discussed together with a translation into English is attached at Exhibit ERM 11 to Mr Mollá’s declaration. He explains that despite this, the applicant has sought to register and use trade marks containing the word LLADRÓ in Spain and the United Kingdom. Mr Mollá asserts that the fame of the LLADRÓ mark is therefore undoubtedly recognised by the

applicant and its use on other goods not authorised by the opponent is, in his opinion, calculated to benefit from the opponent's reputation.

15. Mr Mollá states that in view of the public's significant recognition of the LLADRÓ mark for decorative goods and porcelain, use of such a famous mark in relation to other types of product would most likely lead to an association with the opponent's mark resulting in confusion. Furthermore, use of LLADRÓ on other goods would lead to a risk of inferior quality and any tarnishment of the LLADRÓ name through the sale of inferior goods would be extremely detrimental to the opponent's business.

16. Mr Mollá explains that although the main use of the LLADRÓ mark has been in relation to porcelain ornaments, the opponent has made use of the mark for other goods including a Carlos I brandy bottle. He states that Carlos I is a recognised trade mark for brandy which is better known in Spain than in the United Kingdom; but he adds that Spain is an extremely popular holiday destination for the British and knowledge of the brand is probable. The applicant seeks to register the applicant's mark in relation to alcoholic beverages and the possibility of confusing the manufacture of bottles for alcoholic beverages with alcoholic beverages themselves would seem a risk. Mr Mollá goes on to state that brandy can be considered a luxury item and a manufacturer of one type of luxury goods may well be thought to have diversified into producing (or to have licensed another party to make) another type of luxury goods if a shared or similar trade mark is used.

Decision

17. Firstly, I go to the Section 5(3) ground.

“5.-(3) A trade mark which -

- (a) is identical with or similar to an earlier trade mark, and
- (b) is to be registered for goods or services which are not similar to those for which the earlier trade mark is protected,

shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a Community trade mark, in the European Community) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.”

18. Section 5(3) requires consideration of:

- (i) whether the trade mark opposed is identical with or similar to the earlier trade mark;
- (ii) whether the trade mark opposed is sought to be registered for goods or services which are not similar to those for which the earlier trade mark is protected;

- (iii) whether, and to what extent, the earlier trade mark has a reputation in the United Kingdom;
- (iv) whether the use of the later trade mark is “without due cause”;
- (v) whether the use of the later trade mark:
 - (a) takes unfair advantage of; and/or
 - (b) is detrimental to

the distinctive character of the repute of the earlier mark.

19. I turn to a consideration of whether the mark in suit and the opponent’s registrations are similar.

20. The mark in suit consists of the words CONDE DE LLADRÓ and a device, which possesses the “look” of an heraldic symbol, comprising an animal (lion?) within a circular device which contains Latin words, with a crown above the circular device. The opponent’s earlier registrations comprise two marks, the word LLADRÓ under a flower like device and also the words LLADRÓ PRIVILEGE.

21. The respective marks must be compared as a whole and by reference to overall impression but in any comparison reference will inevitably be made to the distinctiveness and prominence of individual elements. It is, of course, possible to overanalyse marks and in doing so shift away from the real test which is how marks would be perceived in the normal course and circumstances of trade and I must bear this in mind in my considerations.

22. Firstly, I turn to a visual comparison of the marks. There are apparent differences in that the respective marks contain different devices and/or different words which can be readily seen, particularly on a side-by-side comparison. However, they share a common element i.e. the word LLADRÓ, which as far as I am aware is a distinctive component and which is a prominent and striking component within the marks and is one which is likely to be retained within the customers mind. Accordingly, there is visual similarity between the marks.

23. In relation to aural use of the marks I believe that the opponent’s case may be stronger again in that the device elements within the marks may not be referred to as, in composite marks, “words speak louder than devices”.

24. On a conceptual comparison, it seems to me that the average customer in the UK will attach no particular meaning to the respective marks which are likely to be seen as comprising distinctive and invented matter. On this basis the striking and prominent word LLADRÓ may well be retained in the customers mind.

25. In their totality, I believe the respective marks of the applicant and opponent to be similar on a visual, aural and conceptual basis.

26. There is no dispute before me on the issue of whether the trade mark opposed is sought to be registered for goods or services which are not similar to those for which the earlier trade marks are protected. In the Counterstatement, the applicant rightly in my view accepts that the goods and services of the opponent are entirely different.

27. I turn now to the opponent's reputation in its earlier trade marks. Guidance in relation to reputation under Section 5(3) has been set out in *General Motors Corporation v Yplon SA*, 2000 RPC 572, in paragraphs 23 to 27. Paragraph 26 indicates the standard that must be reached;

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

28. This test sets out a high threshold in my view and the onus is on the opponent to prove that his trade mark enjoys a reputation or public recognition.

29. In the present case there are obvious deficiencies in the opponent's evidence on this point. In particular, the evidence does not include details of the opponents turnover or sales figures in the UK, the market share of the opponent or the amounts spent on promoting and advertising their trade marks. Such omissions are serious. On the other hand, the opponent's evidence does contain a good number of important indicators to support a claim to a significant reputation in the UK, including:

- (a) Independent trade support – paragraph 8 of this decision refers;
- (b) Evidence of sales throughout the UK – paragraph 9 of this decision refers;
- (c) The length of use of the LLADRÓ mark in the UK – paragraph 8 of this decision refers;
- (d) Examples of advertising in high circulation magazines – paragraph 10 of this decision refers;
- (e) The Spanish Chamber of Commerce in Great Britain Certificate – paragraph 11 of this decision refers;
- (f) The Strategic Survey and Market Analysis Evidence – paragraphs 12 and 13 of this decision refer.

30. Notwithstanding the deficiencies in the opponent's evidence, it seems to me that in this particular case the evidence filed is sufficient for me to find albeit with some hesitation, that the opponent has a reputation in its registered trade marks in the UK in relation to decorative porcelain and ceramic products of the type covered within Class 21 of the Register, the goods on which the marks have primarily been used in the UK.

31. The question of whether use of the later mark is “without due cause” (iv) only arises if the opponent is otherwise successful but the applicant places reliance on the saving effect of these words. The critical issue is therefore whether any of the adverse consequences of (v) are made out – see paragraph 18 (above). Mr Mollá in his evidence on behalf of the opponent submits that use by the applicant of the mark in suit in relation to “alcoholic beverages” would lead to confusion or unwelcome association that would be detrimental to the opponent’s marks. He argues that the public concerned may believe that the opponent has diversified into producing (or to have licensed another party to make) alcoholic beverages, which he says can be a luxury item and he adds that in Spain the opponent’s use the mark on a brandy bottle and such use may be known to UK subjects as Spain is a very popular holiday destination.

32. It is clear from a number of reported cases (see for instance Premier Brands and the other cases referred to in headnote 11 of that case) that Section 5(3) is not intended to have the sweeping effect of preventing the use of any sign that is the same as, or similar to, a registered trade mark with a reputation. In *Oasis Stores Ltd’s Trade Mark Application* [1998] RPC 631 the Hearing Officer said:

“It appears to me that where an earlier trade mark enjoys a reputation, and another trader proposes to use the same or similar mark on dissimilar goods or services with the result that the reputation of the earlier mark is likely to be damaged or tarnished in some significant way, the registration of the later mark is liable to be prohibited under Section 5(3) of the Act. By ‘damaged or tarnished’ I mean affected in such a way so that the value added to the goods sold under the earlier trade mark because of its reputation is, or is likely to be, reduced on a scale that is more than de minimis.

33. In *British Sugar plc v James Robertson & Sons Ltd* (TREAT) [1996] RPC 281 at 295 Jacob J gave the following dictum on the scope of Section 10(3) of the Act, which contains the same wording as Section 5(3). He stated:

“I only note that it might cater for the case where the goods were vastly different but the marks the same or similar and the proprietor could show that the reputation of his mark was likely to be affected. The sort of circumstances of the Dutch *Claeryn/Larein* (mark for gin infringed by identical sounding mark for detergent, damage to the gin mark image), may fall within this kind of infringement, even though they do not fall within Section 10(2) because there is no likelihood of confusion as to trade origin”.

34. It appears implicit from this statement that the sort of detriment that was being countenanced was damage that was likely to cause detriment to the reputation of the earlier trade mark in some material fashion. In the above instance one can imagine that the use of a similar mark for detergent carried with it a likelihood that the reputation of the earlier trade mark for gin was likely to suffer. No one likes to be reminded of a detergent when drinking their favourite tippie. In time the reputation of the earlier mark may have suffered to the extent that it no longer added the same degree of value to the goods as it did before.

35. In my view the reputation the opponent possesses in relation to decorative porcelain and ceramic products would not be damaged in any way by or as a result of the applicant’s use of

their mark on alcoholic beverages. I do not consider that any association would be made between the parties, let alone that any damage would be caused to the opponent's reputation. I would add that no evidence has been filed to the effect that the relevant customer would expect these products to come from the same economic undertaking or even that it is common in trade for the manufacturers of decorative porcelain and ceramic products to extend their operations into distilling, wine production etc. In relation to the opponent's submissions on the repute of their mark in the UK for brandy bottles, once again, no evidence has been supplied by the opponent. The onus lies with the opponent and the onus has not been discharged.

36. The Section 5(3) ground fails.

37. Next, the Section 5(4)(a) ground. Section 5(4)(a) 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"

The law on the common law tort of passing off is clearly set out by Geoffrey Hobbs QC, acting as the 'Appointed Person', in *Wild Child [1998]* 14 RPC, 455:

"A helpful summary of the element 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 *Erven Warnink BV v J Townend & Sons (Hull) Ltd [1979]* ACT 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:

- (a) that the plaintiff's goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
- (b) 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
- (c) 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 referred to 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 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."

38. 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, 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."

39. Thus, to succeed in a passing off action, it is necessary for the opponents to establish that at the relevant date (18 January 2002) (i) they had acquired goodwill under their mark, (ii) that use of the applicant's mark would amount to a misrepresentation likely to lead to confusion as to the origin of their goods; and (iii) that such confusion is likely to cause real damage to their goodwill.

40. Earlier in this decision I found that the opponent possessed sufficient reputation in relation to decorative porcelain and ceramic products under Section 5(3) and it follows that the opponent possesses sufficient goodwill in its trade marks to launch a passing off action.

41. I have already compared the applicant's and opponent's trade marks and found them to be closely similar. It is well established that in the law of passing off there is no limitation in respect of the parties fields of activity. Nevertheless the proximity of an applicant's field of activity to that of the opponent's is highly relevant as to whether the acts complained of amount to a misrepresentation.

42. In essence the question I have to address is whether the relevant public seeing the applicant's mark used on "alcoholic beverages" would be likely to believe the goods were being offered by the opponent. In *Harrods v Harrodian School* [1997] RPC 697, Millet L J stated:

"It is not in my opinion sufficient to demonstrate that there must be a connection of some kind between the defendant and the plaintiff, if it is not a connection which would lead the public to suppose that the plaintiff has made himself responsible for the quality of the defendant's goods or services."

43. I have no evidence before me on whether the public associate alcoholic beverages and decorative porcelain and ceramic products. Furthermore, the opponent has provided no evidence as to whether the producers of decorative porcelain and ceramic products commonly enter the field of alcoholic beverage production. On the basis of my own knowledge and experience I would venture to say that the respective fields are discrete trades. At any rate it is for an opponent who wishes to claim that they have the characteristics of, or would be recognised as the producer of, an applicant's goods to support such a claim with evidence.

44. In the absence of evidence to the contrary I do not consider that the opponent's goodwill will extend to "alcoholic beverages" and in my view the applicant's use of their mark on these goods will not amount to a misrepresentation.

45. In the recent case of *South Cone Inc. v Jack Bessant, Dominic Greensmith, Kenwyn House & Gary Stringer (a partnership)* 16 May 2001, HC 2000 APP 00617, Pumfrey J. in considering an appeal from a decision of the Registrar to reject an opposition under S5(4)(a) said:

*"There is one major problem in assessing a passing off claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the Registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under s 11 of the 1938 Act (*see Smith Hayden (OVAX) (1946) 63 RPC 97 As qualified by BALI [1969] RPC 472). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.*

Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed to the relevant date."

46. I do not consider that the opponent has discharged the onus of showing that the necessary misrepresentation required by the tort of passing off will occur in relation to the goods specified within the application and the opposition under Section 5(4)(a) fails.

47. Finally, the Section 3(6) ground. Section 3(6) of the Act states:

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

48. In *Gromax Plasticulture Ltd v. Don & Low Nonwovens Ltd* [1999] RPC 367, Lindsay J considered the meaning of "bad faith" in s3(6) of the Act and stated (at page 379):

"I shall not attempt to define bad faith in this context plainly it includes dishonesty, and as I would hold, includes also some dealings which fall short of the standards of acceptable commercial behaviour as observed by reasonable and experienced men in the particular area being examined. Parliament has wisely not attempted to explain in detail what is or is not bad faith in this context; how far a dealing must so fall-short in order to amount to bad faith is best left to be judged not by some paraphrase by the courts (which leads to the danger of the courts then construing not the Act but the paraphrase) but by reference to the words of the Act and upon a regard to all material surrounding circumstances."

49. Commenting on this passage from *Gromax*, Mr Geoffrey Hobbs QC, acting as the Appointed Person, stated in *Demon Ale Trade Mark* 2000 RPC 355:

"These observations recognise that the expression "bad faith" has moral overtones which appear to make it possible for an application for registration to be rendered invalid under Section 3(6) by behaviour which otherwise evokes no breach of any duty, obligation, prohibition or requirement that is legally binding upon the applicant."

50. Thus bad faith can be exercised where there is no actual dishonesty as such. Has the applicant fallen short of the standards of acceptable commercial behaviour, however? The opponent submits that bad faith existed on the part of the applicant because she was aware of the opponent's trade marks and reputation at the date of application. However, in light of my earlier findings on the other grounds of opposition raised, this ground cannot succeed.

51. In a recent unreported decision of the Appointed Person in the matter of application No. 2031741 by Eicher Limited - Royal Enfield Motor Units to register a mark in Class 12 and in the matter of opposition thereto under No. 45356 by David Matthew Scott Holder T/A Velocette Motorcycle Company and in the matter of application No. 9188 by David Matthew Scott Holder T/A Velocette Motorcycle Company for a declaration of invalidity in respect of Trade Mark No. 1514064 in the name of Eicher Limited - Royal Enfield Motor Units, paragraph 31, Simon Thorley QC in relation to Section 3(6) stated that:

"An allegation that a trade mark has been applied for in bad faith is a serious allegation. It is an allegation of a form of commercial fraud. A plea of fraud should not lightly be made (see Lord Denning M.R. in Associated Leisure v. Associated Newspapers (1970) 2 QB 450 at 456) and if made should be distinctly alleged and distinctly proved. It is not permissible to leave fraud to be inferred from the facts (see Davy v Garrett (1878) 7 Ch. D. 473 at 489). In my judgment precisely the same considerations apply to an allegation of lack of bad faith made under Section 3(6). It should not be made unless it can be fully and properly pleaded and should not be upheld unless it is distinctly proved and this will rarely be possible by a process of inference."

52. The opposition under Section 3(6) fails.

53. The applicant is entitled to a contribution towards costs and I therefore order the opponent to pay them the sum of £800. 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 16 day of July 2003

**J MAC GILLIVRAY
For the Registrar
the Comptroller General**