

O/149/12

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK APPLICATION 2454648
IN THE NAME OF NEVER GIVE UP LTD
IN RESPECT OF THE FOLLOWING SERIES OF SIX TRADE MARKS IN
CLASSES 21, 25, 29, 30, 32, 43:**

Fruit Swirl Fruit Swirl

Fruit Swirl Fruit Swirl

Fruit swirl Fruit swirl

AND

**OPPOSITION THERETO (NO 97500) BY
FRUIT OF THE LOOM, INC**

THE BACKGROUND AND THE PLEADINGS

1) Never Give Up Ltd (“NGU”) applied for the above trade marks on 4 May 2007. The marks were published, for opposition purposes, on 28 March 2008. The goods and services for which registration is sought are:

Class 21: Plastic cups, cups made of plastic, disposable drinking vessels in polystyrene, drinking vessels in polystyrene, cups, disposable drinking vessels in paper, disposable drinking vessels in plastic, drinking vessels made from glass, drinking vessels, disposable plastic drinking vessels, glasses [drinking vessels], tumblers [drinking vessels], holders for drinking vessels, plastic containers, bottles, glass bottles, plastic bottles, household or kitchen utensils and containers.

Class 25: Clothing, footwear, headgear, articles of outer clothing for sports wear.

Class 29: Preserved, dried and cooked fruits & vegetables; jellies, fruit jams, fruit sauces.

Class 30: Tea coffee or chocolate-based beverages.

Class 32: Syrups and other preparations for making beverages; minerals and aerated waters.

Class 43: Provision of food and drink; restaurant, café, bar and catering services; take away and restaurant services, smoothies bar, shakes bar.

2) Fruit of the Loom, Inc (“Loom”) opposes the registration of the marks. Its amended¹ statement of grounds brings forward two sections of the Trade Marks Act 1994 (“the Act”), namely:

- i) Section 5(2)(b) because there is a likelihood of confusion with Loom’s earlier trade mark which consists of the word FRUIT; this is pleaded against the goods in class 25 only.
- ii) Under section 3(6) because NGU has no *bona fide* intention to use the marks. This is a two pronged attack. Firstly, against the application as a whole because it is claimed that NGU has a pattern of applying for applications in bad faith with no intention to use, often targeting companies who are already operating under the name. Secondly, against class 25 only because there is no intention to use the mark in relation to clothing.

¹ The section 3(6) ground was added at a later stage.

3) NGU filed a counterstatement (and an amended counterstatement) denying the grounds of opposition. NGU denies that there is a likelihood of confusion with Loom's earlier mark. NGU puts Loom to proof of use in respect of its earlier mark; this request is not relevant because Loom's earlier mark is not subject to the requirement to prove that genuine use has been made of it². In relation to the claims under section 3(6), these are said to be untrue and that evidence will be filed to show that NGU has an intention to use the mark.

4) Both sides filed evidence. A hearing took place before me at which Mr Simon Malynicz, or Counsel, instructed by Clifford Chance, represented Loom. Mr John Blanchard represented NGU. Mr Blanchard was also cross-examined about the written evidence he had provided in support of NGU's case.

THE EVIDENCE

5) I do not intend to provide a detailed evidence summary on a piece by piece basis. I will, instead, identify the primary issues it deals with and will detail these later when it becomes necessary to do so. For the record, the witnesses are, for Loom, Ms Alexandra Pygall of Clifford Chance LLP and Ms Vanessa Marsland of the same firm and, for NGU, Mr John Blanchard.

THE SECTION 5(2)(B) GROUND OF OPPOSITION

6) I will begin with the ground of opposition under section 5(2)(b) which is pleaded only against the class 25 goods. None of the evidence filed by either party has any bearing on this ground. No evidence of enhanced distinctiveness of the earlier mark has been filed, nor any evidence as to whether or not confusion is likely. That Loom has filed no evidence does not count against them, this ground of opposition is one where evidence is often not required. Section 5(2)(b) of the Act reads:

“5.-(2) A trade mark shall not be registered if because –

(a)

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

² Only earlier marks which completed their registration procedures more than five years before the publication of the opposed mark need to have been used. Given the dates at issue here, this is not applicable (see Section 6A of the Act).

7) In reaching my decision I take into account the guidance provided by the Court of Justice of the European Union (“CJEU”) in a number of judgments: *Sabel BV v. Puma AG* [1998] R.P.C. 199, *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* [1999] R.P.C. 117, *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V* [2000] F.S.R. 77, *Marca Mode CV v. Adidas AG + Adidas Benelux BV* [2000] E.T.M.R. 723, Case C-3/03 *Matrazen Concord GmbH v GmbGv Office for Harmonisation in the Internal Market* [2004] ECR I-3657 *Medion AG V Thomson multimedia Sales Germany & Austria GmbH* (Case C-120/04) and *Shaker di L. Laudato & Co. Sas* (C-334/05). In *La Chemise Lacoste SA v Baker Street Clothing Ltd* (O/330/10) Mr Geoffrey Hobbs QC, sitting as the Appointed Person, quoted with approval the following summary of the principles which are established by these cases:

"(a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors;

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may, in certain circumstances, be dominated by one or more of its components;

(f) and beyond the usual case, where the overall impression created by a mark depends heavily on the dominant features of the mark, it is quite possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either *per se* or because of the use that has been made of it;

(i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;

(j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

(k) if the association between the marks causes the public to wrongly believe that the respective goods [or services] come from the same or economically-linked undertakings, there is a likelihood of confusion."

The factors assessed

8) A number of factors need to be taken into account when determining whether there is a likelihood of confusion. In this case, some of the factors can be assessed relatively easily. The goods are identical given that the earlier mark is registered in respect of clothing, footwear and headgear at large. This encompasses all of the goods sought by NGU. In terms of the average consumer of clothing, such a person is a member of the general public and must be regarded as being reasonably observant and circumspect³. The degree of care and attention the average consumer uses when making purchasing decisions will, however, vary depending on what is involved⁴. In terms of clothing, the goods may be tried on and are likely to be inspected for colour, size, style etc. All of this increases the potential exposure to the trade mark. That being said, the purchase is unlikely to be a highly considered process as clothing is purchased relatively frequently and, although cost can vary, it is, generally speaking, not a highly expensive purchase. The purchasing process is, therefore, a normal, reasonably considered one, no higher or lower than the norm. It should also be noted that the purchase of clothing is predominantly a visual act⁵, although, aural similarity should not be ignored completely.

9) The distinctiveness of the earlier mark is another important factor because the more distinctive it is (based either on inherent qualities or because of the use made of it), the greater the likelihood of confusion⁶. No use having been filed, my

³ *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V* paragraph 27.

⁴ See, for example, the judgment of the General Court ("GC") in *Inter-Ikea Systems BV v OHIM* (Case T-112/06).

⁵ See *Société provençale d'achat and de gestion (SPAG) SA v OHIM* Case T-57/03 and *React Trade Mark* [2000] RPC 285.

⁶ *Sabel BV v. Puma AG*, paragraph 24.

assessment is of the inherent degree of distinctiveness possessed by the earlier mark. Although it is possible that clothing could bear representations of particular types of fruit, no evidence has been provided to demonstrate if this is common or that such clothing would be designated by the word FRUIT. If such a practice of decoration was commonplace the likely designation may be the particular fruit depicted. Whilst not highly distinctive, I come to the view that the word FRUIT, in relation to the goods in class 25, has an average degree of inherent distinctive character. That then leads to a comparison of the marks. I will make my assessment on the basis of NGU's plain word mark as if Loom cannot succeed here then it will be in no better position with regard to NGU's other marks. The marks to be compared are:

FRUIT

v

Fruit Swirl

10) The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The visual, aural and conceptual similarities of the marks must be assessed by reference to their overall impressions, bearing in mind their distinctive and dominant components. There is a clear point of visual and aural similarity between the marks on account of the word FRUIT appearing in both marks. However, whilst this is the only element in Loom's mark, it makes up just half of NGU's mark, the other half being the word SWIRL. There is, therefore, also a reasonably clear difference. I do not consider that either the word FRUIT or the word SWIRL dominates NGU's mark to the detriment of the other word appearing in it. Nor do I consider that either word forms an independent element of the mark as I consider that the average consumer will consider FRUIT SWIRL as a combined phrase relating to, effectively, a swirl of fruit. Whilst this may be an unusual concept, the normal use of language means that this is what will be perceived. Based on the similarities and differences, I consider there to be a moderate, neither high nor low, degree of visual and aural similarity. A similar assessment relates to conceptual similarity. Both marks relate to fruit in some way, but the addition of the swirl concept means that the conceptual similarity is not high. Overall, the marks are similar to a moderate degree.

Likelihood of confusion

11) The factors assessed have a degree of interdependence. A global assessment of them must be made when determining whether there exists a likelihood of confusion. The goods are identical and the earlier mark averagely distinctive. The similarity between the marks is, though, of only a moderate level. The average consumer, who is reasonably observant and circumspect, will adopt a normal degree of consideration. Whilst he or she will not adopt a highly considered and attentive approach, nor will he or she display a completely casual approach either. I must, of course, also take into account the concept of imperfect recollection. This is an important principle to bear in mind, but not as important as it would have been if the purchasing process had been a completely causal one where the significance of imperfect recollection would be heightened. Weighing up all these factors, I come to the view that the average consumer will not mis-recall or mis-remember FRUIT as FRUIT SWIRL or vice versa. The differences between the marks are sufficient to avoid such a likelihood.

12) Whilst this rules out the likelihood of direct confusion, I must also consider whether the average consumer, even though they may have recalled and noticed the differences between the marks, will nevertheless put the similarity that does exist between them down to the responsible undertakings being the same or being economically linked. To this extent, I still do not consider that there is a likelihood of confusion. The word FRUIT is a common English dictionary word. I have assessed it as having an average degree of distinctiveness. There is, therefore, less capacity (than a more distinctive word) for consumers to believe that every mark which includes the word FRUIT comes from the same undertaking as the mark FRUIT. Furthermore, in the context of NGU's mark, it has been combined with another word to create a phrase, FRUIT SWIRL. As I have said, this means that FRUIT does not play an independent distinctive role in the trade mark. This does not mean that confusion cannot be found, but in this case, when all the factors are considered, I do not believe that the average consumer will regard the similarity based on the common presence of the word FRUIT as indicating a same stable product. In coming to this finding I have borne in mind that businesses often use variant marks to indicate different ranges of products, however, on the basis of its combined meaning and the other factors I have identified, FRUIT SWIRL will not be seen as an obvious variant of the FRUIT brand. Further, there is no evidence that Loom have marketed a range of FRUIT based marks. **The ground of opposition under section 5(2)(b) fails.**

THE SECTION 3(6) GROUND(S) OF OPPOSITION

13) Section 3(6) of the Act states that:

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

14) Bad faith includes dishonesty and “some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular field being examined”⁷. It is necessary to apply what is known as the “combined test”⁸. This requires me to decide what NGU knew at the time of making its application⁹ and then, in the light of that knowledge, whether its behaviour fell short of acceptable commercial behaviour. There are two separate limbs to the bad faith claim; one is made against the application as a whole, the other against class 25 only. Before dealing with the claims, I will set out the issues to which the evidence primarily relates.

Evidence relating to NGU and whether it is trading

15) Ms Pygall provides Companies House information showing that the company was incorporated on 20 June 2006 as RELOAD JUICES LIMITED and that on 5 December 2006 it changed its name to NEVER GIVE UP LTD. Further information shows that NGU has an issued share capital of £100. The company secretary is Marife Cariaga and a Meral Tigli is listed as a director and the sole shareholder. Mr Blanchard was listed as a contact point when a change of address for NGU was requested with Companies House. Ms Pygall adds that NGU has never filed accounts since incorporation and that an Internet search revealed no evidence of trading.

16) None of the above facts are disputed, but Mr Blanchard provides evidence from Companies House showing that NGU has an active status. Mr Blanchard also provides various invoices from Kallkwik for what he says is design work relating to the FRUIT SWIRL trade mark. The invoices are dated 31 May 2007 and relate to various things such as “BUSINESS PLAN, BUSINESS CARDS, DESIGN WORK, ROLL UP BANNER”. One specifically refers to FRUIT SWIRL

⁷ See *Gromax Plasticulture Limited v. Don and Low Nonwovens Ltd* [1999] RPC 367.

⁸ See the judgment in (1) *Barlow Clowes International Ltd. (in liquidation)* (2) *Nigel James Hamilton and (3) Michael Anthony Jordon v (1) Eurotrust International Limited (2) Peter Stephen William Henwood and (3) Andrew George Sebastian* Privy Council Appeal No. 38 of 2004 and also the decision in *Ajit Weekly Trade Mark* [2006] RPC 25.

⁹ the relevant date for the assessment is the date of filing of NGU's application – see *Hotpicks Trade Mark*, [2004] RPC 42, *Nonogram Trade Mark* [2001] RPC 21 and *Chocoladefabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH*.

designs. Further invoices are provided from Plas Farm Ltd dated January and March 2007 which relate to frozen yogurt portions, fruit and a yoghurt machine.

NGU's trade mark applications

17) Ms Pygall provides extracts from the Intellectual Property Office's database in respect of various trade marks filed by NGU. She also provides information relating to oppositions that have been made against some of them and, also information from Companies House for company names she highlights as being similar to the trade marks of NGU. I have compiled much of this information into the following table:

Mark No.	Mark	Application date	Current status and opposition details if applicable	Company name similarity
2454629	Drink me, love me, bin me	4 May 2007	Registered	Nothing identified.
2454631	It's a natural thing	4 May 2007	Registered	Nothing identified.
2454632	Let's get juicy	4 May 2007	Registered, but was opposed by LC Licensing, the owner of JUICE COUTURES. The application was deemed partially abandoned (in class 25) as no defence was filed.	Nothing identified.
2454634	Energy Juices	4 May 2007	Registered, but opposed by International Stars S.A. The opposition was withdrawn due to no TM53 being filed.	Highlighted company name Energy Juices Limited (incorporated on 20/2/2006) in relation to "retail in non-specialized stores holding an alcohol license, with food, beverages or tobacco predominating, not elsewhere classified".
2454635	Naturally Good	4 May 2007	Registered	Highlighted company name Naturally Good Food Limited (incorporated on 1/8/2003) in relation to "retail in non-specialized stores holding an alcohol license, with food, beverages or tobacco predominating, not

				elsewhere classified".
2454636	Juiced on the spot – Naturally	4 May 2007	Registered	Nothing identified.
2454638	For the love of juice	4 May 2007	Registered	Nothing identified.
2454639	Love Life	4 May	Registered	Love Life Limited (incorporated on 25/9/95) in relation to "other retail food etc. specialized", "business & management consultancy", "other business activities", "adult and other education".
2454640	Squeezing the most out of life	4 May 2007	Registered	Nothing identified.
2454642	It's all about the fruit	4 May 2007	Registered	Nothing identified.
2454643	All the good stuff	4 May 2007	Registered	Nothing identified.
2454644	THE WAY NATURE INTENDED	4 May 2007	Registered	Nothing identified.
2454645	Energize your body and mind	4 May 2007	Registered	Nothing identified.
2454646	Energize your life	4 May 2007	Registered	Energize Your Life Ltd (incorporated on 28/12/06) in relation to "other retail specialized stores" and "R&D on nat sciences and engineering".
2454647	Feel good fast	4 May 2007	Registered	Nothing identified.
2457648	FRUIT SWIRL	4 May 2007	The present case	Nothing identified.
2454649	Squeezed before your eyes	4 May 2007	Registered	Nothing identified.
2455282	ZEST	11 May 2007	Abandoned	Zest Bars Limited (incorporated on 19/4/05) in relation to "other retail food etc. specialized" this is said to be relevant to the Zest, Zest Juices, Zest Juice Bars, Zest, Zest Juice Bars & Zest Juices trade marks
2455283	ZEST JUICES	11 May 2007	Abandoned	""
2455284	ZEST JUICE BARS	11 May 2007	Abandoned	""

2458350	QBIT	13 June 2007	Registered	Qbit Limited (incorporated on 30/9/98) in relation to "other computer related activities" and "other business activities".
2459170	HEALTHY YOU HEALTH PLANET	21 Jun 2007	Abandoned	Nothing identified.
2461525	ZEST	16 July 2007	Abandoned	As per other Zest marks
2461526	ZEST JUICE BARS	16 July 2007	Abandoned	""
2461526	ZEST JUICES	16 July 2007	Abandoned	""
2463613	JUICED UP	15 August 2007	Refused, opposed by Johnathan Oag under sections 5(4(a) and 3(6). The opposition was upheld on both grounds, a decision upheld on appeal	The Juiced-Up Bar (incorporated on 11/3/03) 2003 in relation to "business and management consultancy" and "other business activities".
2463615	JOOSTA	15 August 2007	Abandoned	Joosta Limited (incorporated on 4/12/04)"
2463616	Jusbar	13 August 2007	Registered	Nothing identified.
2463617	Juiceling	13 August 2007	Registered	See the evidence relating to the BBC report below.
2469725	Health you healthy planet	20 November 2007	Abandoned	Nothing identified.
2470926	Max your life	30 October 2007	Abandoned	Not a company name clash, but Mr Pygall provides Exhibit AXP8 which contains a website print from pepsi.co.uk showing that PEPSI MAX is used by PepsiCo. The page includes other designations including: MAX YOUR LIFE, MAX YOUR PEPSI, MAX YOUR WILD SIZE, MAX YOUR EXPERIENCE, MAX YOUR MUSIC, MAX YOUR FOOTBALL and MAX CAST. The

				website is a current one but Ms Pygall states that PEPSI MAX was launched in 1993.
2470927	Max your	2 November 2007	Abandoned	""
2471300	The kids are alright	2 November 2007	Withdrawn. Opposition by Endemol UK Plc. The application was deemed withdrawn as no defence was filed by NGU. The opposition was based on THE KIDS ARE ALL RIGHT being the name of a planned TV programme with such name being publicized before NGU made its application. The history of NGU is referred to in the pleadings as was a claimed related company called Anythings Possible Ltd. The pleadings also refer to a BBC report which I will come on to later.	Nothing identified.
2473907	TAKE IT OR LEAVE IT	3 December 2007	Withdrawn. Opposition by 2waytraffic UK Rights Limited. The application was deemed withdrawn as no defence was filed by NGU. Further information from the pleaded case is provided which shows that this is another proposed TV programme name. The statement of case also refers to the BBC report.	Nothing identified.

18) To the above trade marks, I would add a further application that was filed by a company called Anythings Possible Limited. Ms Pygall provides Companies House information which demonstrates that Mr Blanchard was (the company is now dissolved) a director of this company and its sole shareholder; Marife Cariagas was company secretary (she is also the company secretary of NGU). The database of the Intellectual Property Office shows one withdrawn trade mark

filed by this company, namely: application 2474199 for a series of marks with the word text "DON'T FORGET THE LYRICS". The application form shows that Ms Cariagas made the declaration of use and that the contact point for queries was Mr Blanchard. The application was made on 5 December 2007 in respect of entertainment shows and other entertainment services. The application was opposed by RDF Media Group Plc who produce and distribute television programmes and who launched a show called DON'T FORGET THE LYRICS in October 2007. The TM7 and statement of grounds for the opposition are provided. It shows that prior to the application being made, the show had been launched in the US and some other territories and that it was launched as a format and a finished programme at an industry trade show in Cannes. Opposition was made under section 3(6) and 5(4)(a). The application was deemed withdrawn as AP did not file a defence on form TM8.

19) In his written evidence Mr Blanchard comments upon some of the above. In relation to the opposition from Mr Oaj (the Juiced Up business), Mr Blanchard states that after being made aware of Mr Oaj's use he phoned him (in December 2007) and that because NGU was going to use the mark in England he offered him a licence in Scotland. Mr Blanchard states that Mr Oaj indicated that he no longer planned to use the mark and, so, the conversation ended. He says at no point did he discuss a fee and that if he did it would have been for a nominal amount of £1. The aim of any agreement would have been to ensure that both parties knew where they could operate.

20) In relation to some of NGU's applications having been opposed he says that this is not a crime as this happens to many companies and, in fact, NGU succeeded in the ENERGY JUICES opposition. He says that some were not defended due to correspondence being sent to an old address. In relation to corresponding company names, he states that this does not imply any wrong doing and that the class of business of the company referred to is not always clear and that some were incorporated after the date of application. He highlights that Coco-Cola have applied for the words NEVER GIVE UP despite it being the company name of NGU.

The BBC report

21) Ms Pygall provides an extract from the website of BBC Scotland. It is about what is referred to as a trade mark scam which has previously caused havoc in the US. The businesses operating the scam are referred to as "trade mark trolls". The scam relates to the registering of existing business names with an attempt to lease or sell the name back to the legitimate business. The article refers to two Scottish juice bar chains (Juiceling and Juiced Up) that were contacted by NGU. A BBC reporter went undercover as a representative of Juiceling. It is reported that NGU, who were represented by Mr Blanchard, wanted £65,000 but he compromised on £58,000. This was despite Mr Johnson of Juiceling being offered the mark for £25,000-£30,000 the previous year. The reporter claims that

Mr Blanchard was aggressive, threatening court action etc. It is reported that when the reporter unmasked himself, Mr Blanchard stated that his applications were made in good faith. The report refers to 34 applications made by NGU for juice related names, 4 of which relate to existing businesses (the two beyond Juiceling and Juiced Up are not specifically identified).

22) Mr Blanchard comments on the BBC report in his written evidence. He says that it has caused NGU problems and that its juice bar plans are on hold until the good name of the company and himself has been cleared. He says that the undercover reporter pretended to buy the mark, the sale only being agreed after rejecting many offers and telling him that he did not wish to sell. The eventual offer was too large to turn down. He adds that JUICELING (the trade mark the subject of the undercover approach) was to be used as the name of a children's drink and was coined by him as a combination of juice and sapling (Mr Blanchard had, at the time, brought lots of samplings for his garden). He says that the BBC were offered the opportunity to see his business plans and branded materials but they refused. An email from Marcus Ryder at the BBC responding to a telephone conversation he had with Mr Blanchard confirms this. Mr Blanchard states that the BBC were not interested in the truth. Mr Blanchard states that the BBC have faked things on television (various examples are given). He highlights that the progress of his applications were stopped during the examination phase but they were subsequently allowed to proceed after Mr Blanchard provided evidence to the Intellectual Property Office about his applications.

The offers to sell/buy

23) Various communications between Loom and NGU are referred to. Also referred to are exchanges between NGU and a company called Names and Domains Limited ("NOM"), the latter apparently wishing to purchase the FRUIT SWIRL trade mark from NGU. During the proceedings Mr Blanchard became suspicious of the approach from NOM and questioned whether Loom were behind it. It was clear from the evidence that Mr Blanchard's suspicions were correct so I directed Loom to clarify this by way of evidence. Evidence from Ms Marsland confirmed that Farncombe International were appointed as inquiry agents to investigate NGU. Its initial enquiries found no trade but in conversations between Farncombe and Mr Blanchard it was reported that NGU was to open a chain of juice bars via an entity named Energy Juices Ltd. After the opposition was launched further investigations were made to see whether use had commenced or whether there was interest in selling the trade mark. Ms Marsland states that after the opposition was launched the investigators [as NOM] approached Mr Blanchard. This appears to have been via a telephone conversation. They reported that Mr Blanchard would consider selling depending on what was offered but that he also asserted that there were plans to use the mark for juice bars; he was also keen on knowing whether NOM were acting on behalf of someone else. In relation to this telephone conversation, Mr Blanchard states that he received an unsolicited telephone call from Victoria West of NOM

informing him that it had a client wanting to buy the FRUIT SWIRL trade mark. Mr Blanchard states that he informed Ms West that he had no plans to sell because it was a key part of the business but she was free to make an offer as:

“We are a business and if someone offers you the right price for an asset then it is worth considering”

24) The evidence of both parties then brings forward the following email exchanges between NOM and NGU:

NOM to NGU – 27 April 2010

After thanking Mr Blanchard for his time earlier [presumably the telephone conversation], NOM offers £1000 to purchase the trade mark application.

NGU to NOM – 27 April 2010

Offer refused by Mr Blanchard as it does not come close to covering NGU’s costs let alone the value of the trade mark to NGU. Mr Blanchard states that if a more sensible offer is made then NOM should also indicate where and how it will used, and who it is for.

NOM to NGU – 28 April 2010

NOM request an indication as to how much NGU would be willing to sell the trade mark for.

NGU to NOM – 28 April 2010

Mr Blanchard states that “As we were not intending on selling it I think you need to make an offer to entice us to sell”. He then highlights that trade marks sell for tens of thousands to hundreds of thousands of pounds. He also repeats his request for information regarding NOM’s proposed use for the mark.

NGU to NOM – 30 April 2010

Mr Blanchard states that he still awaits the information regarding proposed use, but adds that NGU would consider the sum of £75,000 plus VAT.

25) In terms of the exchanges between NGU and Loom, I note that on 30 April, shortly after NGU made its counter-offer of £75,000 to NOM, NGU emailed Loom stating that they had received an offer earlier in the week and although NGU had no intention of selling, the other company had now been informed that NGU will accept an offer of £75,000. It is added that should the sale go-ahead the Intellectual Property Office will advise Loom. I do not need to detail the content of the other exchanges, they are more argument between the parties with Loom claiming that this shows bad faith and that this was akin to inviting Loom to make a similar offer, with NGU on the other hand, claiming good faith.

NGU's business plans

26) Mr Blanchard provides materials relating to NGU's proposed juice business. He provides:

- An A4 double page flyer aimed at targeting potential host sites for juice bars. The primary name is ENERGY JUICES. Other signs are also used on the mocked-up kiosk and menu including: juiced on the spot naturally, feelgoodfast.co.uk, it's a natural thing, all the good stuff, it's all about the fruit, energy fruit swirl (which is on the menu as a frozen yogurt product);
- Mr Blanchard's business card which is headed "energize your body and mind" and also contains the words FEEL GOOD FAST;
- A map of Westfield in London showing proposed locations, this is again headed with ENERGY JUICES;
- A foldable menu which shows the energy fruit swirl product;
- A photograph of a woman wearing a t-shirt which on the front says ENERGY FRUIT SWIRL and on the back it's a natural thing;
- An A4 flyer for ENERGY FRUIT SWIRL;
- An invoice from Cavaliers Custom t-shirts for promotional printing dated 21 June 2007 for the sum of £500 which Mr Blanchard says is for the above t-shirts;
- A letter to Westfield Shopping Towns Limited from Mr Blanchard dated 2 July 2007 about its leasing proposal;
- Invoices from Magellan to Mr Blanchard for the supply of business plans etc. One is dated 3 July 2007 the other 29 June 2007;
- A copy of the ENERGY JUICES strategic business plan dated August 2007. Fruit Swirl is mentioned in the plan. The plan includes further kiosk mock-ups featuring various signs as discussed earlier and further photographs of staff wearing t-shirts (ENERGY JUICES). A presentation slide show is also provided in printed form.
- A screen-shot showing the electronic file properties of the above documents showing that it was created on 2 August 2007 (the business plan and presentation) and 2 July 2007 (the leasing proposal).

27) Ms Marsland's evidence contains what is, essentially, a critique of the above with comments including:

- That many of the documents provided by Mr Blanchard make no reference to FRUIT SWIRL.
- That there is a discrepancy between the files names of some of the documents between those printed in April 2010 and the version said to be created in Spring 2007.
- That despite the business plan referring to branding being consistent, the staff in uniforms are not consistent with other parts of the evidence.
- There is nothing to date the photographs of the FRUIT SWIRL t-shirts and no way of tying the invoices to them.
- That whilst the disc cover of the bid proposal was branded, this was ENERGY JUICE not FRUIT SWIRL.

Was the whole application made in bad faith?

28) The above issues are at least potential factors in the assessment I need to make. I have outlined Mr Blanchard's written evidence. Mr Blanchard also attended the hearing for cross-examination. When I comment further on the issues, I will, of course, take into account what Mr Blanchard added during cross-examination. I should set out, though, what I thought of Mr Blanchard as a witness. In my view, he was something of a mixed bag. When answering some of Mr Malynicz' points he came across as enthusiastic, knowledgeable, direct and convincing, however, at other times, he was a lot less convincing; I will highlight as I go on where this was so. Having said that, just because Mr Blanchard came across convincingly on some occasions does not mean that I will automatically accept his evidence. Even the most convincing of witnesses can be untruthful. Mr Malynicz encouraged me not to believe what Mr Blanchard was saying and not to give him the benefit of any doubt, particularly when there was any conflicting evidence. He asked, effectively, that I should not be beguiled by Mr Blanchard. I will guard against doing so, but will assess Mr Blanchard's evidence in an objective and fair manner bearing in mind the totality of the evidence before the tribunal.

29) I should state upfront that Mr Malynicz is quite correct in his assessment of the law in that if NGU had no intention whatsoever to use the FRUIT SWIRL trade mark and that, in actual fact, it was filed for some other reason, then a finding of bad faith can be made. This can clearly be seen in the decision of Mr David Kitchin QC (sitting as the Appointed Person) in *Kinder Snappy* (BL O/279/03) where he stated at paragraph 23:

"I am unable to accept these submissions. *Gromax* makes it clear that bad faith is not limited to cases involving actual dishonesty and includes some dealings which fall short of the standards of acceptable commercial

behaviour observed by reasonable and experienced men in the area being examined. Section 32(3) of the Act requires an applicant for registration to state that the trade mark in issue is being used by the applicant with his consent in relation to the goods or services in relation to which it is sought to be registered, or that the applicant has a bona fide intention that it should be so used. Insofar as the applicant makes a materially false statement in this regard then I believe that the application is made in bad faith. This was clearly the view of Jacob J. in *De La Mer*, and he evidently had well in mind the difference in approach of OHIM as revealed by *Trillium*.”

30) In the *Kinder Snappy* case the ground succeeded on the basis of the stockpiling of marks incorporating the word KINDER with no intention of using them. A large number of marks had been filed with no use having been made of them and with no explanation of the plan to use being put forward by the applicant; the inference drawn was that such action was aimed at providing broader protection for the applicant’s primary KINDER mark. The stockpiling argument is also put forward in the present proceedings, but it is, of course, a feature of Mr Blanchard’s case that he has an intention to use the opposed mark(s) and that he has filed business plans etc to support such a proposition.

31) In terms of the large number of marks NGU has filed, Loom focus, not unexpectedly, on those that have been the subject of opposition, particularly successful or partially successful oppositions. However, it is clear from the table I provided earlier in this decision that a good number, indeed the majority, have proceeded to registration without a hitch. Beyond a few marks that I will come on to, there is no evidence that the majority of the marks have caused other business any problems or that attempts have been made to sell or licence the marks to businesses which were already operating. Ms Pygall highlighted other companies that had similar names to the trade marks filed, however, without better evidence as to the exact business provided and when it traded, this is nothing more than speculation. It is also worth noting that nothing was identified in terms of the FRUIT SWIRL mark. No party, be it Loom or a third party, has been identified as an apparent victim. Nevertheless, I think it clear from the evidence that there are some question marks about a number of NGU’s applications. That includes the JUICED-UP trade mark which was the subject of a successful opposition under section 3(6) and the JUICELING trade mark the subject of the BBC report. Under cross-examination Mr Blanchard strenuously denied any bad faith in relation to these marks. However, the JUICED-UP opposition decision dealt with such matters and I do not consider it appropriate to re-open matters particularly given that the opposition has now been upheld on appeal. Mr Blanchard also denied any wrong-doing with the various television programme names referred to earlier. This is one of the areas where I found his evidence to lack conviction. His explanations as to why he came up with these names, although not implausible, are improbable. The suggestion that this was coincidental is not accepted. Taking all this into account, I must accept that a

minority of NGU's applications had a degree of direct opportunism with the intention to take advantage, in some way, of other traders. Direct opportunism cannot, however, be assumed to be the case with the others. This, though, does not automatically mean that there was an intention to use the others. There may well still be a stockpiling objective (as opposed to an intention to use) albeit without a direct opportunistic intention to take advantage of a particular trader.

32) During cross-examination Mr Malynicz asked a series of questions about why such a large number of marks had been applied for in relation to the juice bar business. Mr Blanchard answered by referring to the use of, effectively, sub-brands. In other words, that whilst the ENERGY JUICE mark was the primary name of the juice bar, the other marks were to be used, in some way, in connection with it. There followed a game of spot the mark with Mr Blanchard. I do not consider it necessary to detail this in full, it is fair to say that a good proportion (but not all) were included in his business plan (etc.) evidence as can be seen in my summary of Mr Blanchard's business plans, which included the mark the subject of these proceedings. There was nothing implausible or improbable in terms of Mr Blanchard's responses about this mark.

33) Mr Malynicz also asked a series of questions about other companies which Mr Blanchard had been involved with. It was clear from the answers given that none of these businesses had really got off the ground, although Mr Blanchard did explain what some of the plans and ideas were. There is little that can be read into this either way.

34) In terms of the business plans etc. submitted by Mr Blanchard, it was submitted that these had been, effectively, fabricated; the allegation being that they camouflaged Mr Blanchard's true motivation. It was highlighted that there were some dating discrepancies between various documents provided. However, despite Mr Blanchard being on the stand, Mr Malynicz did not put these issues to him. Other discrepancies were discussed with Mr Blanchard, including the use of a mark ENGERY FRUIT SWIRL as opposed to FRUIT SWIRL. However, as I highlighted to Mr Malynicz at the hearing, the designation ENERGY and the designation FRUIT SWIRL are actually separate designations, in the materials, separated by individual TM indicators. In terms of fabrication, therefore, I see no reason to doubt that the plans etc. were produced when they were claimed to have been produced. Such material includes invoices from third parties regarding design and printing work. Again, there is no reason to doubt their authenticity. This, though, does not fully answer the question because they could have been produced purely as a camouflage, acting as a front for the trafficking business. That question can only really be answered when looking at the evidence together.

35) The primary indicators are, therefore, that a large number of marks have been filed, some of which have dubious motivation. That the majority, though, including this present application, have no direct opportunistic motive. That

business plans have been produced showing various marks including the opposed mark which, on the face of it, have nothing improper about them. That NGU has shown a willingness to sell its marks (including the present one) for large sums of money. The factors push and pull both towards and away from bad faith. Mr Foley, in the Juiced-Up decision, felt that the business plans were a sham. Even though his decision on bad faith was upheld on appeal, little was said in the appeal decision about this aspect. No counter-evidence has been provided to demonstrate a sham. Loom could, for example, have approached Westfield to ask them for evidence about the approaches Mr Blanchard had made. I find it difficult to conclude that the business plans were not real. Mr Malynicz argued that those involved in dubious businesses can be sophisticated in their scams. Whilst this may be so, it would seem an extremely elaborate cover-up: too elaborate to my mind. Therefore, whilst I bear in mind the argument that someone who has acted dishonestly with other applications should not be given the benefit of the doubt, I do not think that Mr Blanchard's dubious conduct should taint every application he has made. He may have been opportunistic after the event in terms of his willingness to sell the mark, but based on the totality of the evidence I am not persuaded that the business plans were a sham to cover the stockpiling of trade marks. It seems to me that there was a plan to run a juice bar business and that the FRUIT SWIRL trade mark was to form a part of that business. **The claim that the whole application was filed in bad faith due to their being no intention to use the marks must, therefore, fail.**

Was the application in class 25 made in bad faith?

36) The wording of section 3(6) indicates that an application may be refused "to the extent" that it has been made in bad faith. This supports the proposition that a partial attack against an application may be made, in this instance, an attack against class 25 only. This is consistent with Article 13 of the Directive which, essentially, stipulates that an application may only be refused to an appropriate extent. Mr Hobbs QC (sitting as the Appointed Person) summed up matters in the *Demon Ale* case when he stated:

"With these considerations in mind, it appears to me that Article 13 of the Directive and Section 3(6) of the Act (Article 3(2)(d) of the Directive) combine to require that a sign should only be registered for use as a trade mark in relation to goods or services specified (i) without bad faith on the part of the applicant; and (ii) within limits which leave the application altogether free of objection under the provisions of the 1994 Act."

37) I have set out above some of the guidance that arises in respect of bad faith claims made on the basis of there being no *bona fide* intention to use the mark, or applied to this claim, no bona fide intention to use the mark for the goods in class 25. Based on my findings in relation to the previous bad faith claim, I come from the starting point that NGU had an intention to use the mark in association

with a juice bar business, in fact, it was to be used as a mark for part of the product range (a frozen yoghurt type product). In relation to clothing NGU stated in its counterstatement(s):

“These [business plans] will include in them artwork of our t-shirts, kiosks, frozen yoghurt fruit yoghurt machine, menus and cups etc.”

and

“We will also use this trade mark on our staff uniforms & juice bar clothing that we will sell and give away.”

38) In terms of the written evidence, there are photographs of NGU’s staff (or people pretending to be staff as the photographs were part of plans for the proposed business) wearing t-shirts with FRUIT SWIRL on them and, also, other designations relating to its juice bar business. There are also invoices relating to t-shirt printing. The evidence has been criticized because the invoice does not directly link to the t-shirts, with the resulting suggestion that the FRUIT SWIRL t-shirts may have been mocked up after the opposition was filed with a view to supporting NGU’s claims. I do not accept such criticisms. The evidence has been provided and the invoice is not inconsistent. Mr Blanchard’s written evidence is that the invoice does relate to the t-shirts. Mr Blanchard was questioned about this during cross-examination. There was nothing in his responses that led me to conclude that he was being untruthful.

39) However, nothing in the written evidence really supports the proposition that there was an intention to sell clothing as part of the juice bar business. Mr Malynicz highlighted that whilst some of the business plans mentioned clothing, this was only in the context of such clothing being for staff uniforms. During cross-examination Mr Blanchard focused more on uniforms and promotional use than clothing sales, but he did at one point maintain that there was an intention to sell clothing such as t-shirts via its stands. I am not persuaded by Mr Blanchard in relation to clothing sales. The focus of the evidence is on uniforms etc. What he added on the stand struck me as nothing more than an after thought in an attempt to meet the objection. On the basis of the evidence before the tribunal, my finding is that whilst there was an intention to use the mark on staff uniforms and for purely promotional purposes, there was no intention to use the mark in relation to the sale of clothing to the public.

40) Mr Malynicz argued that if the only form of intended use (as I have found) was use in relation to staff uniforms/promotional items then this does not save NGU because by making the statement on the Form TM3 that it had a *bona fide* intention to use the trade mark, this is akin to making a statement that the mark would be used in a trade mark sense. To that extent, the decision of the CJEU in case C-495/07 *Silberquelle GmbH v Maselli-Strickmode* was brought to my attention, from which it is clear that a mark used only in a promotional capacity

does not constitute genuine use of a trade mark. Mr Maylnicz equated genuine use with the use envisaged by the declaration made on the Form TM3. Whilst I do not doubt that the declaration itself envisages genuine trade mark use, the question that is before me is whether the making of the declaration was an act of bad faith. To that extent, if NGU knew at the time of making its application that it intended to use the mark FRUIT SWIRL on promotional clothing and uniform, such as t-shirts, then the question that arises is whether, in those circumstances, NGU acted in bad faith in making the declaration.

41) I believe the answer to this question is that NGU's conduct would, in those circumstances, be regarded as an act of bad faith. Whilst NGU is unlikely to have been aware of the legal implications of genuine use and that the use it envisaged would not meet such a test, any business or businessperson would appreciate that trade marks are registered for trading purposes and that the goods and services specified in an application for registration should mirror the companies trading plans. To apply for registration for goods (in this case class 25 goods) and to sign a declaration that there is a *bona fide* intention to use and trade in such goods when there is not such intention is something which, in my view, will be considered by reasonably experienced people in the field as something which falls short of acceptable commercial behaviour. **The claim under this head succeeds in relation to NGU's class 25 goods.**

COSTS

42) NGU has been largely successful and is entitled to a contribution towards its costs¹⁰. When calculating such costs I do so on the basis that NGU have not been professionally represented and would not have incurred legal expenses. I therefore reduce by 50% what I may have otherwise awarded. I have also made a reduction in what I may otherwise have awarded to reflect the fact that the opposition under section 3(6) partially succeeded. I hereby order Fruit of the Loom, Inc to pay Never Give Up Limited the sum of £800:

Preparing a statement(s) and considering the other side's statement -
£200

Considering and filing evidence - £350

Attending the hearing - £250

Total - £800

I have not awarded anything in relation to the cross-examination of Mr Blanchard because he attended the hearing anyway as NGU's representative.

¹⁰ Costs are normally awarded on the basis of the registrar's published scale in Tribunal Practice Notice 4/2007.

43) The above sum should 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 4th day of April 2012

**Oliver Morris
For the Registrar,
The Comptroller-General**