

# O-206-15

THE TRADE MARKS ACT 1994  
IN THE MATTER OF TRADE MARK APPLICATION 2611972  
BY THE PROPER PIZZA COMPANY LIMITED  
FOR REGISTRATION OF MARKS IN CLASSES 30, 35 and 43  
AND OPPOSITION THERETO UNDER NO 103460  
BY JAMES MICHAEL ALEXANDER HAMMOND

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## DECISION

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### INTRODUCTION

1. This is an appeal from the Decision of Mr Oliver Morris for the Registrar dated 15 July 2013 whereby he upheld the opposition to registration of a series of marks of the which distinctive and dominant element were the words THE PROPER PIZZA COMPANY in an otherwise rather non-distinctive logo form. The precise form of that is not relevant for this appeal.
2. The marks were published in respect of the following goods and services:  
Class 30: Fresh pizza; pizza; pizza products; prepared meals in the form of pizzas.  
  
Class 35: Business assistance relating to franchising; advisory services relating to franchising; provision of business advice relating to franchising; provision of business information relating to franchising; advisory services relating to publicity for franchisees; provision of business assistance in the establishment and operation of franchises.  
  
Class 43: Services for providing food and drink; provision of pizza; all catering services relating to pizza.
3. Mr Hammond opposed the registration of the marks on the basis that he had used the name THE PROPER PIZZA CO (and a logo based upon these words) since May 2009, first in Norwich and then expanding to other parts of the UK. The use claimed was, unsurprisingly, in respect of pizza (and related products) and catering services.
4. Mr Hammond contended that the applicant's marks were ineligible for

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registration in the light of section 5(4)(a) of the Trade Marks Act 1994 (“the Act”) in that use of them was liable to have been prevented under the law of passing-off at the relevant date.

5. Extensive evidence was filed of Mr Hammond’s use of the term THE PROPER PIZZA CO for his business and the applicant also filed evidence of the use of its mark. The applicant denied Mr Hammond’s goodwill and said that there would be no misrepresentation or damage, particularly having regard to the descriptive nature of the respective marks. The Hearing Officer, however, held that Mr Hammond had a relevant goodwill at the relevant time, that there was a likelihood of misrepresentation in respect of the notional use of the marks in question and consequent damage. The opposition therefore succeeded.
6. The applicant appeals, contending that the Hearing Officer was wrong on all three of these points. The opponent advances a respondent’s notice by which it alleges (in essence) that if the mark is descriptive (which forms part of the applicant’s case) it should not be registered in any event under other provisions of the Act.

### APPROACH TO APPEAL

7. This appeal is a review of the hearing officer's Decision. Robert Walker LJ (as he then was) said of such appeals:

“...an appellate court should in my view show a real reluctance, but not the very highest degree of reluctance to interfere in the absence of a distinct and material error of principle” ( Reef Trade Mark [2003] RPC 5 at [28]; see also BUD Trade Mark [2003] RPC 25 ).

8. See also *Indian Motorcycles Limited v Indian Motorcycles International* O-439-14, 10 October 2014 and references therein to the principles articulated by the Court of Appeal and High Court, particularly with respect to passing off cases.

### LAW

9. The Hearing Officer set out the relevant law at paragraphs [5]-[7] of the judgment as follows.

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5) The elements of passing-off (often referred to as the classic trinity) can be summarised as: 1) goodwill, 2) misrepresentation and 3) damage. In *Reckitt & Colman Products Ltd v Borden Inc* [1990] R.P.C.341, Lord Oliver summarised the position thus:

“The law of passing off can be summarised in one short general proposition - no man may pass off his goods as those of another. More specifically, it may be expressed in terms of the elements which the plaintiff in such an action has to prove in order to succeed. These are three in number. First he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying 'get-up' (whether it consists simply of a brand name or trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff's goods or services. Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff...Thirdly he must demonstrate that he suffers, or in a quia timet action that he is likely to suffer, damage by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff.”

6) The concept of goodwill was explained in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 at 223 as:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom.”

7) To qualify for protection under the law of passing-off, goodwill must be of more than a trivial nature.

There is no dispute that these were the right principles.

### **GROUND OF APPEAL**

10. The grounds of appeal and the argument advanced at the hearing challenged the correctness of the Hearing Officer's approach to each of the elements of the tort of passing off. It is convenient to deal with these in turn.

### **GOODWILL**

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11. First, the applicant contends that the Hearing Officer erred in finding that goodwill attached to the opponent's business because the name was purely descriptive and that he gave inadequate consideration to whether the public would associate the name with the opponent alone and no other. The applicant refers particularly to the fact that the opponent accepted that the mark was descriptive.
12. The Hearing Officer dealt with the issue of goodwill at [15]-[36] of the decision and he reviewed the extensive evidence on both sides, which included material relating to the establishment of the applicant's business and its manner of trade.
13. The most important parts of the evidence related to the trade that the opponent had conducted under the mark THE PROPER PIZZA CO and whether that could give rise to a protectable goodwill at the date of application for the mark. This was summarized as follows in the decision:

### **What trade has Mr Hammond conducted?**

26) It was in the second part of 2008 that Mr Hammond purchased his first pizza oven which he says was used for small scale local bookings gained through personal recommendations and local advertising. The emails to/from Mr Groom support the timing of this; although the information attached to Mr Groom's letter is hearsay evidence, given its confirmatory nature, I am willing to give it some weight. The first advertisement for the service appeared in the Triangle Norwich Magazine in October 2008, as depicted earlier. The same publication also contained what is more akin to an advertorial headed "Ever thought of holding your very own pizza party?"; the text then reads "The Proper Pizza Co is based in Norwich...". The material provided by Mr Groom also contains his design for the initial website which he states (and which Mr Hammond also confirms) was live at least by 17 December 2008.

27) Mr Hammond states that he contacted event organizers around the country and gives an example of an email to and from an event organizer (the emails are from May 2009). It is stated that he was "testing the market" at this stage. Mr Hammond states that the first "public event" at which he traded was the Norfolk and Norwich Festival in May 2009. Another letter solicited for the proceedings is provided (page 37) from the organiser of this event which confirms that Mr Hammond has been engaged by the festival since 2009 and confirms that he has been trading as The Proper Pizza Co. Mr Hammond states that he has traded at this event every year since 2009.

28) Mr Hammond states that from May 2009 his business expanded. He refers to various events at which he catered. I will detail all his bookings later. Mr Hammond describes this as his 2009 trial period, following which he had a

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“steady flow of enquiries and bookings into early 2010” which led him to invest in The Proper Pizza Co and employ the services of an accountant.

29) Mr Hammond refers to events at which he catered in 2010 (he mentions 7 locations plus numerous events in Norfolk) and 2011 (four non-Norfolk locations are given). He states that his turnover has doubled since 2009. He states that this year (2012 given the date of his witness statement) has been the busiest yet and examples of events attended are given. The material in pages 45 to 238 are referred to which includes various emails, invoices etc. It is all consistent with operating the type of business which Mr Hammond describes.

14. The Hearing Officer considered the evidence relating to the precise manner of use in detail, including the fact that the Mr Hammond used a web address which was different and did not use the disputed mark and that the actual pizza oven which he used had the words PIZZA PARTY on them.
15. The Hearing Officer then considered the manner in which the mark had been put before the public including by way of advertising. He also set out in detail the bookings obtained by Mr Hammond at a range of events and functions between 2008 and early 2012. These showed a fairly steady stream of bookings during that period and, in particular, during the summer months. They included functions at which at least tens of thousands of people attended. Moreover, while the majority of bookings were in the Norwich region, there were events attended by Mr Hammond in other parts of the country.
16. The Hearing Officer then set out his conclusions:

36) As I have already stated, the nature of Mr Hammond’s use is capable of generating goodwill associated with the name The Proper Pizza Co. Goodwill relates to the attractive force that brings in custom. In so far as the weddings, parties and similar functions at which Mr Hammond catered, goodwill will have been created with the persons who have booked Mr Hammond to attend. Such persons will take cognisance of the name of the business and they will rely on that name should they wish to book again. There will also be some goodwill with event organisers. Even though (as demonstrated by both sides’ evidence) it is often the case that the caterer will have to pay to attend the event, the quality of the catering provided may contribute to the success of the event and it may be the case that event organisers seek particular caterers to attend. (As demonstrated by PPC’s evidence (which I will assess shortly) of event organizers seeking caterer recommendations and, also, event organizers seeking references from other organizers). I am less persuaded that there is any significant goodwill with the event-goers; as the name of a food providing business at an event may not be noticed by the event-goer, nevertheless, it still contributes something. In terms of geography, whilst Mr Hammond’s business began in the Norwich area, and whilst there is less than national goodwill, I

**am satisfied that the expansion demonstrates goodwill and of more than a local nature at the relevant date. The business is, after all, a mobile one.**

17. The applicant has a number of criticisms of this aspect of the decision, developed in the grounds of appeal and skeleton argument of which some were given greater focus at the hearing. It is convenient to group some of these criticisms, rather than treating each point in the skeleton and grounds individually.

**The criticisms of the Hearing Officer's approach**

18. The first, and overarching criticism, is that the Hearing Officer failed to take proper account of the descriptiveness of the term in which goodwill was claimed. That, it is said, led him to take an erroneous approach in evaluating whether the opponent's activities had generated goodwill, by giving a secondary meaning to the descriptive term.
19. A number of the individual arguments were directed to this point and I deal with them together. They centre on the point made by the Court of Appeal in the case concerning extended passing off *Diageo North America Inc. v. Intercontinental Brands (ICB) Ltd* [2011] RPC 2 at [24] that:

*“The more general and descriptive the name is, the more difficult it will be to establish the reputation and goodwill of the claimant in that term and the existence of a misrepresentation by the defendant in the use of the same name”*

20. As to this point, there is a spectrum of distinctiveness, running from marks which make no reference to the nature or quality of the goods to those which are wholly descriptive of them. In certain cases, terms are prima facie descriptive but, with use, may acquire a secondary meaning. In other cases, terms which have some descriptive connotation may nonetheless operate effectively to denote trade origin from the outset. As I read the decision, the Hearing Officer approached the case on the basis that “The Proper Pizza Co[mpany]” fell more naturally into the latter category. Although it has clear descriptive connotation, it is a term which is likely to be taken by a significant proportion of the relevant public to denote a particular undertaking and its goods and services and was used as such. At para. [22] the Hearing Officer expressly rejected the suggestion that the term had been used descriptively.

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21. Although it is true that he did not conduct a secondary meaning analysis, in the light of that finding, I am not persuaded that it was necessary for him to have done so. In effect, he was saying implicitly that the only real question in considering goodwill was the extent of use of the mark and that it was not necessary to undertake a separate analysis.
22. In approaching the case in this way, in the circumstances of this case, I do not think he can be criticized. The applicant, in applying for registration of a mark whose dominant and distinctive element was, in substance, THE PROPER PIZZA COMPANY, must have itself proceeded on the basis that this term had at least an element of distinctiveness. Moreover, the Hearing Officer found that the use in question was to identify not a type of business but a specific undertaking. Analysis of secondary meaning is more appropriate where a term naturally denotes a kind of goods or services but where it is then said that it has come to denote trade origin, not where it has been used to denote trade origin from the outset. I do not think that what was said in *My Kinda Town v. Soll* [1983] RPC 407 is therefore apposite to the present case where, in effect, both side are contending at least on this appeal, if not always consistently at other times, that the term in question is capable of, and is intended to denote, different trade origins.
23. Cases of passing off turn heavily on their specific facts and it is necessary to apply care in drawing analogies. *My Kinda Town* was an actual passing off case, not requiring the notional assessment called for under the Act with respect to potential activities. At first instance the claim succeeded. The basis upon which it failed on appeal was largely that the evidence of confusion was not proven to be caused by the similarity of name and that the court was of the view that an ordinary member of the public would only get the impression that both businesses sold the same kind of product, not that they were related. The Court of Appeal made it clear that the descriptiveness of the marks was one factor which needed to be considered against the background of the facts as a whole in deciding whether there was a misrepresentation.
24. In connection with this point, the applicant points out that there is no specific evidence that the public associated the term with the opponent at the relevant time. That is true but I do not think it is fatal. Goodwill is commonly

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established by showing that there has been relevant use without also showing directly the consequence of that use in terms of public understanding.

25. Second, the applicant criticizes the Hearing Officer's approach to evaluation of the degree of use. It contends that the hearing officer failed to appreciate that any goodwill generated among the consumers of the opponent's pizzas at events would be limited because they would be unlikely to know or recall the name of the caterer and that the only goodwill was among those ordering catering services and this was very limited, partly because of the infrequency of the events. The applicant draws attention to the fact that the opponent undertook only 5 major events in a two-year period outside Norfolk and that 65% of the 41 bookings were for private functions, the remainder being for events in Norfolk and contends that this is a situation far removed from that in *Stannard v. Reay* [1967] FSR 140 (where there was continuous trade on a small scale) to which the Hearing Officer referred.
26. I am also unpersuaded by these points. Even though the events were infrequent if averaged over a full year, for the summer season, they were very regular. Those attending the events and seeing the name of the caterer which they could hardly have avoided since it was emblazoned on the front of the stall (as shown in the exhibits) would almost certainly have appreciated that this was being put forward as the trade origin of the goods and services in question. It is true that the events were heavily focused on Norfolk but there is evidence of wider trade. Having regard to the authorities which were cited by the Hearing Officer, in my judgment there was enough use to justify a finding that there was a relevant goodwill. I do not think that the fact that the use was in connection with private functions makes any difference and he took into account the public with which the goodwill would subsist.
27. As to the degree of use, in my view the Hearing Officer had sufficient evidence to find that goodwill had been established although the facts were very different to *Stannard v. Reay*. Where a business is likely to be seasonal and focused on weekends, of which outdoor catering is an example, and there is evidence of it taking place throughout the relevant season, it is likely that sufficient goodwill will be generated thereby, even if there is limited activity at other times.



28. Third, the Hearing Officer expressly dealt with the suggestion that the mark of the opponent's business would be taken to be PIZZA PARTY, because of the use of that term on the ovens. That does not detract from the overall finding of goodwill.
29. Fourth, I do not consider that the absence of registration of domain name or trade mark makes any real difference to the evaluation of goodwill.
30. In summary, I have not been able to detect any error of principle in the Hearing Officer's approach not can it be said to be clearly wrong. Put simply, Mr Hammond was using the mark which (in substance) is sought to be registered to identify his business throughout most of the summer event season for four years prior to the application, albeit mainly in Norfolk. The term "The Proper Pizza Co" is certainly partly descriptive but equally it is readily understandable that members of the relevant public would treat it as identifying a particular source. It is well established that a more than trivial goodwill suffices for a passing off case (see e.g. *Knight v. Beyond Properties Pty Ltd & Ors* [2007] EWHC 1251 and, as regards catering businesses, *Bocacina Limited v. Boca Cafes Limited* [2013] EWHC 3090 (IPEC)). It need not be national in scope.
31. In those circumstances, I consider that the Hearing Officer had a reasonable basis in law and on the evidence for saying that sufficient goodwill had been generated by the relevant date.

#### **MISREPRESENTATION AND DAMAGE**

32. The applicant contends that the hearing officer erroneously concluded that misrepresentation was likely to occur and that the Hearing Officer was wrong to conclude that there was a likelihood of damage.
33. The Hearing Officer dealt with the issue of misrepresentation as follows (emphases added):

37) PPC have stated that it has not had a single enquiry meant for Mr Hammond, Mr Hammond responds that this cannot be said with certainty and that it is plausible that members of the public having seen his stall at events, might telephone PPC to make an enquiry. Mr Hammond refers to him receiving emails and calls from his clients who have seen PPC's trailer and have assumed that its trailer was part of his business. At page 273 of his exhibit there is an example of this, consisting of an email from Lindsay Porter of LCP Marketing Ltd who, Mr Hammond explains, has been a client for a

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number of years. In her email Ms Porter states that she was surprised to see a van called The Proper Pizza Company at the “Burnham Show” and was even more surprised to see that it was not [Mr Hammond’s] company. She refers to this as “taking your name and trading of your goodwill”. Little can be read into the claimed absence of confusion or Mr Hammond’s claimed evidence of confusion. The evidence of confusion was not actual confusion because the client was able to work out that the business was not Mr Hammond’s business. In terms of the absence of confusion, little can be taken from this because the parties have so far targeted different types of event and (largely) different parts of the country, hence, there has been little opportunity for confusion to arise.

38) Mr Hammond uses his mark in a particular style when advertising and in his signage etc. However, it is clear from the evidence that this business is known as The Proper Pizza Co. Although PPC’s marks are depicted in logo form, it is the words that form the most memorable part of them. That the words used are very similar THE PROPER PIZZA CO v THE PROPER PIZZA COMPANY LTD is a strong indicator in favour of misrepresentation. In terms of the goods/services, the class 43 services in PPC’s application are either identical or very similar – when this is added to the mix it is clear that a misrepresentation is likely. I have borne in mind the submissions from PPC that the words themselves are not highly distinctive, nevertheless, weighing the various factors, I consider that misrepresentation is likely. PPC submitted that the distinctive nature of its trailer is a factor to bear in mind. I disagree that this is the case because it is the notional use of the applied for marks that must be considered and such use could never be limited to a particular type of trailer. In relation to the class 35 services, the various franchising services, they clearly have the capacity to operate in relation to franchising a pizza based business. For those who know of Mr Hammond’s goodwill a substantial number will consider that the services being offered will be in relation to his pizza based business. That leaves pizza and pizza products. These goods are so inextricably linked to the service that I consider a misrepresentation to also be likely here.

34. The applicant makes a number of points in the appellants notice, skeleton and oral argument. I will summarise and deal in turn with those upon which particular stress was placed.
35. First, the applicant contends, in particular, with reference to the *Jif Lemon* case that even memorable names may not involve misrepresentation and that there is no monopoly in common or descriptive words. It is said that the Hearing Officer did not adequately take account of these matters.
36. I am unpersuaded by this argument. In making his evaluation, the Hearing Officer expressly took account of the nature of the mark and the fact that it was in part descriptive (see emphases added above). Although this is an area in which reasonable people may differ, as the difference between the courts in

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*My Kind Town* demonstrates, in my view the Hearing Officer had sufficient basis for concluding that a misrepresentation was likely, if goodwill was shown to exist. This was a case in which, on the evidence, it appeared that both sides were to some extent using “The Proper Pizza Company” as a brand rather than purely descriptively. In those circumstances, as in *Jif*, it was reasonable for the Hearing Officer to conclude that there was sufficient distinctiveness attributable to the opponent’s use for misrepresentation to be notionally likely for at least some notional and fair uses of the mark in question. The Hearing Officer thought it was clear. That may have been a little strong but in any event there was ample basis for a finding that, on the balance of probabilities, there would be the notional misrepresentation.

37. Second, the applicant contends that the opponent has not established goodwill in a sufficiently well defined class of goods and refers to a line of authority of cases concerning so-called “extended” passing off. I do not consider that these cases have application to a situation of this kind. The opponent’s objection is not that the use of the term would have constituted passing off because the applicant was wrongly claiming to be a “proper pizza” but because the term “The Proper Pizza Co[mpany]” was distinctive in the conventional way, which he found that it was in his evaluation of goodwill.
38. Third, the applicant points to significant differences in the respective parties actual businesses including the manner of trade, location of trade and the nature of the pizzas in question. I do not consider that these matters, such as the precise type of pizza made by the applicant and opponent respectively, were relevant to the Hearing Officer’s determination. It should be remembered that the challenge to registration does not depend on the precise nature of the goods or services actually supplied by the applicant for the mark. While these may be available points in defence to an actual claim for passing off, the Hearing Officer had to consider a notional claim of passing off with respect to any of the goods or services in the specification. He expressly made this distinction in the passage set out above and he was right to do so.
39. Fourth, the Hearing Officer also took account of the apparent absence of evidence of actual confusion, to which the applicant draws attention, and gave a reasonable explanation for why that evidence may not have come to light. Here therefore expressly distinguished between the absence of evidence of

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confusion and evidence of absence of confusion in accordance with well-established principles.

40. As to the other points advanced in the grounds of appeal, I reject the contention that the Hearing Officer's finding was contrary to the approach of the Court of Appeal in *Harrods v Harrodian School* [1996] RPC 697. The effect of the finding was not to confer monopoly rights in the term the subject of registration. It was limited to a finding that at least some notional fair use within the scope of the registration would have amounted to passing off.
41. Nor does the registration of the mark prevent the use of the term "a proper pizza" or a similar term as such. It may be possible to use such a term in respect of pizzas or their supply descriptively.
42. The Hearing Officer dealt with the issue of damage as follows:

39) In relation to damage, as observed in the case-law mentioned earlier, there is clear potential for damage to arise, not just in the form of diverted bookings, but also damage in a more general sense, including dilution of the distinctiveness of Mr Hammond's name, and the damage that could be done to Mr Hammond's goodwill/business more generally.

43. In the circumstances of this case, the finding of goodwill and a misrepresentation would be likely to lead to some relevant damage and the Hearing Officer was not in error in so holding. He set out the relevant law and I cannot identify any error of principle in his findings of fact as to the kinds of damage that may occur.

### CONCLUSION ON MAIN APPEAL

44. For these reasons, in my judgment, the Hearing Officer was entitled to reach the conclusion that he did on the evidence presented and there is no sound basis for interfering with his conclusions.

### RESPONDENT'S NOTICE

45. In the light of my conclusions, it is unnecessary to address the Respondent's notice. I do not, in any event, think that it is possible to advance an argument that the mark is invalid for want of distinctiveness in this way on appeal if the main attack fails, given that the point was not run below and constitutes a free standing ground of opposition.

**CONCLUDING OBSERVATIONS**

46. Finally, it is important to appreciate the limited effect of this decision, in the light of the submissions in the skeletons and at the hearing.
47. Although I have upheld the Hearing Officer's decision, I have done so for two main reasons. First, that the hearing officer made no error of principle and was not clearly wrong: he was entitled to come to the decision he reached on the evidence before him. Second, the evaluation of whether there would be passing off in the context of trade mark registration must consider the notional fair use of the mark applied for, including its use in respect of a mobile pizza business focused on the Norfolk area and largely catering for private parties.
48. Whether any actual use of the applicant's mark in any given context and in any given different location or in a different way would constitute passing off is a quite different question which this decision does not address in any way.
49. This decision is confined strictly to the question of whether the applicant should be entitled to register the mark in issue, not whether the applicant is in fact entitled to use it in any particular way, location or context which would be an issue to be determined on different principles, taking into account the specific nature and context of the use in question.

**OVERALL CONCLUSION**

50. The appeal must be dismissed.

**COSTS**

51. The opponent seeks an order for off-scale costs by way of slight uplift on the basis that the appeal was hopeless and the grounds prolix.
52. I see no reason for departing from the ordinary scale of costs in this case. The arguments advanced on appeal were attractively, albeit fully, put and involved no unusual or abusive conduct. I have also not found it necessary to consider the respondent's notice which was prima facie without merit, albeit really deployed as a squeeze on the main claim.
53. In my view the appropriate sum to award in costs for preparing and attending the appeal is £700. This sum should be paid, in addition to the costs of the case before the Hearing Officer of £1700, within seven days.

DANIEL ALEXANDER QC

Appointed Person

30 April 2015

**Representation**

Mr G Cunningham appeared for the applicant for registration.

Mr T St Quentin appeared for the opponent.