

O-242-15

TRADE MARKS ACT 1994

**IN THE MATTER OF CONSOLIDATED OPPOSITION AND CANCELLATION
PROCEEDINGS (NOS. 101504 & 500045) BETWEEN
HALEWOOD INTERNATIONAL BRANDS LIMITED/HALEWOOD
INTERNATIONAL LIMITED & QUINTESSENTIAL BRANDS S.A.
IN RESPECT OF TRADE MARKS CONSISTING OF OR CONTAINING THE WORD
BERKELEY IN RELATION TO GOODS IN CLASS 33**

BACKGROUND

1. On 29 October 2010, Halewood International Brands Limited (hereafter “HIB”) applied to register the trade mark **Berkeley** in class 33 for a specification of goods which read “Alcoholic beverages”; the application, which was allocated no. 2562782, was published for opposition purposes on 28 January 2011.

2. On 3 February 2011, the application was opposed by Gilbert & John Greenall Limited (hereafter “GJG”) under section 5(2)(b) of the Trade Marks Act 1994 (“the Act”). The opposition, which is directed against all of the goods in the application, is based upon all of the goods (i.e. gin) in the following UK trade mark registration:

No. 2285612 for the trade mark: **BERKELEY SQUARE** which was applied for on 15 November 2001, published for opposition purposes on 9 January 2002 and which completed its registration process on 26 April 2002. This registration was assigned from GJG to Quintessential Brands S.A. (hereafter “QB”) in August 2011. In its Notice of opposition, GJG stated:

“1. The mark of the subject application is highly similar to the opponent’s earlier UK trade mark registration as the identical word BERKELEY is prominent in both marks. The marks are visually, conceptually and phonetically similar to one another when an overall comparison is made between them.

2. The mark of the subject application covers identical goods to those of the opponent’s earlier UK trade mark registration...”

3. HIB filed a counterstatement in which, inter alia, it (i) puts QB to proof of use, (ii) denies the competing trade marks are “confusingly similar”, (iii) comments that it has been using its trade mark in the United Kingdom in respect of alcoholic drinks since 1987 and (iv) notes that as the trade mark upon which the opposition is based was originally in the name of GJG, HIB puts QB to “proof of its entitlement.”

4. On 23 May 2013, Halewood International Limited (hereafter “HIL”) filed an application to declare QB’s trade mark invalid. The application, which is based upon section 5(4)(a) of the Act, indicates that HIL has used the trade mark **BERKELEY** throughout the United Kingdom since 1 January 1987 in relation to “a clear distilled spirit drink.” HIL states:

“At the relevant date, 15 November 2001, [HIL] had a high level of goodwill in the unregistered trade mark BERKELEY, such that it would have been able to succeed in a passing off action. The mark of the registration BERKELEY SQUARE, is similar with the mark of [HIL] such that its use constitutes a misrepresentation, likely to cause damage to the goodwill established in the BERKELEY mark. Further, [HIL] continues to have goodwill in its unregistered mark BERKELEY, by virtue of its BERKELEY product having been sold continuously in the UK for 26 years.”

5. QB filed a counterstatement in which the basis of the cancellation is denied. The opposition and cancellation proceedings were consolidated and the parties provided with an opportunity to file any further evidence they considered appropriate i.e. beyond that already filed in the opposition proceedings.

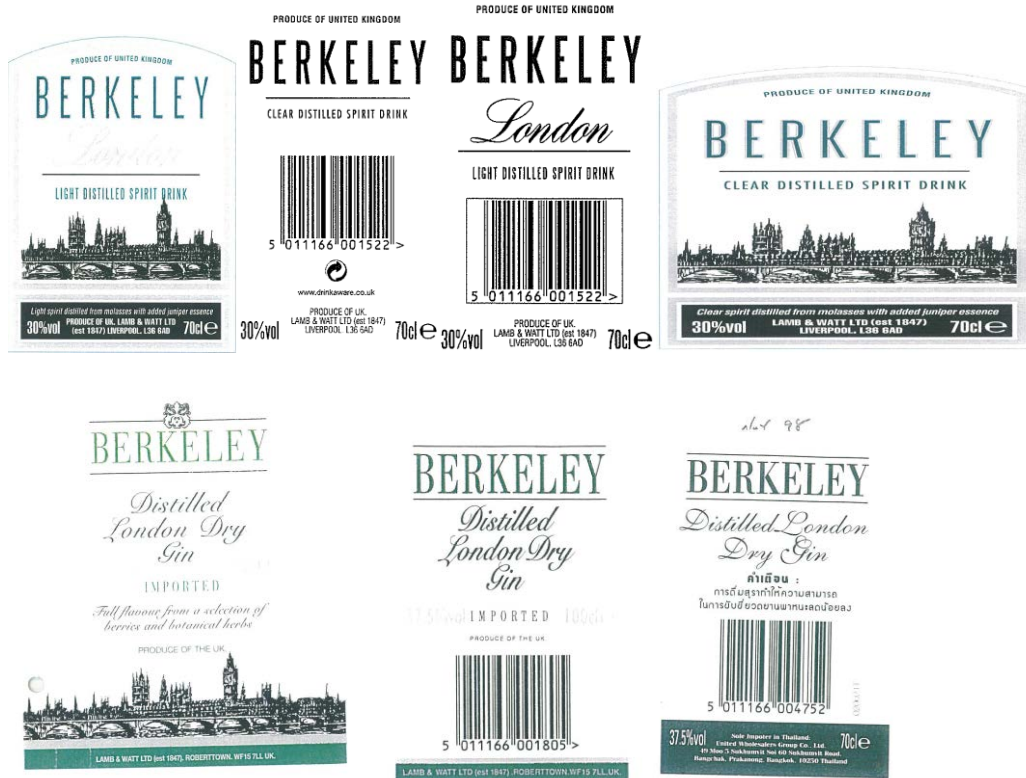
6. Both parties filed evidence. The matter came to be heard before me on 10 February 2015. At the hearing, HIB/HIL was represented by Miss Denise McFarland of counsel instructed by HIL; QB was represented by Mr Tom Alkin of counsel instructed by Novagraaf UK. Prior to the hearing, both parties sought leave to file additional evidence, requests I granted at the hearing; I will return to this additional evidence below.

Evidence filed during the evidence rounds

HIB's/HIL's evidence

7. This consists of five witness statements, two of which are from Simon Oldroyd; Mr Oldroyd is the Commercial Director of HIB and a Director of HIL, a company in the same group. Mr Oldroyd explains that he joined HIL in 1985 as an accountant, became Finance Director in 1992 and Commercial Director in 2001. The main points arising from Mr Oldroyd's statements are as follows:

- HIB has used the name BERKELEY in the United Kingdom since at least 1985 when he joined the company;
- The BERKELEY product began life as a 37.2% gin and then dropped to a 30% "gin" as part of a full range of "sub-norm" spirits;
- To the best of his knowledge, it was the first 30% gin product on the United Kingdom market;
- The name BERKELEY has been used in relation to a "clear distilled spirit drink". Exhibit SJO1 consists of what Mr Oldroyd describes as "a copy of the product label, along with copies of the previous label from 1998." The exhibit contains (i) a number of labels which appear to date from 2003 and 2006 on which the product is described as either a "light distilled spirit drink" or "clear distilled spirit drink", (ii) a number of what appear to be undated labels on which it is described as "Distilled London Dry Gin – 37.5%" and a label hand dated "Nov 98" on which it is also described as "Distilled London Dry Gin – 37.5%" A number of the labels provided contain references to the fact that the product is "Imported" and "Produce of the UK." In addition, many of the labels contain a reference to "Lamb & Watt Ltd (est 1847)" at addresses in Liverpool and Roberttown. The label from November 1998 also contains a reference to a sole importer in Thailand. Some of the labels provided are as follows:



- Lamb & Watt Ltd is a wholly owned subsidiary of Halewood International Holdings Plc, the ultimate parent company of the Halewood International group of companies;
- HIB is the brand holding company within the group and is also a wholly owned subsidiary of Halewood International Holdings Plc;
- Exhibit SJO2 consists of copies of the trade price lists of Halewood Vintners Ltd from 1987 to 1994. Halewood Vintners Limited changed its name to Halewood International Limited and was the main trading company in the Halewood group of companies. The exhibit also consists of Halewood International Limited's trade price lists from 1995-2001. The price lists from 1987 and 1988 contain, under the heading "GIN", references to "Berkeley London Dry 30%", from 1989, still under the heading "GIN", the entry changes to "Berkeley London Gin" (30%), in April 1990, still under the heading "GIN", the entry changes to "Berkeley London Dry" (30%), and in July 1990, under the heading "Light Spirits", the entry changes to "Berkeley London Light" (30%). The entry remains this way through 1991, 1992, 1993, 1994, 1995 (when the name on the trade price lists changes to Halewood International Ltd) until August 1996. In August 1996, still under the heading, "Light Spirits", the entry changes to "Berkeley London Spirit" and this entry is maintained through 1997, 1998, 1999 and 2001;

- The trade price lists were routinely sent to all existing customers (approximately 1000 companies and/or sole traders) until 2001, when the printed trade price list ceased;
- Although the Berkeley product had been sold in the United Kingdom since 1985, sales figures have only been retained back to 1999;
- The Berkeley product has been supplied to a total of 80 retailers in the United Kingdom including Asda, Co-operative, Sainsburys and Morrisons;
- During the period 1999 to 2010, a total of 69,765 cases of the Berkeley product were sold with each case containing 12 x 70cl bottles. Exhibit SJO3 consists of a spreadsheet which Mr Oldroyd explains contains “sales volumes by case for the period 1999-2011”. The document is headed “Case Sales – Berkleys 30%...”. I note that there are 80 undertakings listed including those mentioned by Mr Oldroyd. The case sales by year are as follows: 1999 – 2586, 2000 – 3023, 2001 – 2683, 2002 – 1332, 2003 – 12777, 2004 – 16198, 2005 – 17707, 2006 -13316, 2007 – 27, 2008 – 40, 2009 – 8, 2010 – 1 and 2011 – 67;
- Exhibit SJO4 consists of a range of invoices all of which contain a reference to “BERKELEY LONDON LIGHT 30%” (or similar) dated 30 January 2004 to Somerfield Stores Ltd (in which the amount in respect of the above entry reads £3773), 30 January 2004 to Asda Stores Limited (value £8112), 8 March 2004 to A F Blackmore And Son Limited (value £282.20), 1 April 2005, 13 March and 19 June 2006 to Asda Stores Limited (value £2704, £16224 and £2704);
- The above invoices were produced by HIB’s SAP system which was introduced in 2004, prior to which, HIB used an accounts system called Open Accounts. As invoices were only stored on the Open Accounts system for 6 years, HIB no longer has access to invoices produced by that accounting system. HIB has, however, been able to access some sales data that was stored on its Open Accounts system and exhibit SJO5 consists of a spreadsheet of sales data for the BERKELEY product between 1999 and 2004. Having noted that the product is referred to on the spreadsheet as “BERKELEYS LONDON” because “it was listed in this way on the Open Accounts system at the time”, Mr Oldroyd provides the following summary:

Year	No of cases	Value (approximate in £)
1999	11758	149,370
2000	2245	49,671
2001	5251	145,458
1999-2001 - Total	19254	344,499
2002	3353	52,795
2003	1610	87,551
Total	24217	484,845

- In the period up to 2001, HIB's marketed its goods using the price lists mentioned above and via its national sales force. Mr Oldroyd explains that its sales were made by sales people visiting existing and potential customers with the price list and sample products. It is, he goes on to explain, HIB's practice only to use advertising campaigns in relation to its leading brands, it does not, he states, commit to advertising campaigns in respect of all its product lines.

8. Having claimed that at the relevant date of 15 November 2001, HIB had sufficient goodwill in the name BERKELEY to sustain a passing off action against any company using a similar name for a similar or identical product, Mr Oldroyd states:

“9...Further, although sales of the BERKELEY product have tailed off in recent years, this is due to the changing marketplace and fluctuations in customer demand.”

9. The third statement comes from Robert Rishworth, a Director of HIL. Beyond confirming a number of facts in Mr Oldroyd's statement, the main points arising from Mr Rishworth's statement are:

- HIL is a wholly owned subsidiary of Halewood International Holdings Plc;
- HIL uses the name BERKELEY under licence from HIB;
- HIL was an “early producer of the lower strength liquids” and produced products in 70cl bottles (the norm at that time being bottles of 75cl);
- These two selling points differentiated HIL's products from its competitors and “won listings with new customers as well as continued trade with existing accounts”;
- Prior to 2001, there were a greater number of supermarkets and convenience chains in the United Kingdom than today.

Mr Rishworth concludes his statement in the following terms:

“4...By today's standards the volume of my company's products sold to these chains may not seem significant but sales volumes were spread between a greater number of customers and products bearing the mark were listed by a large number of retailers.”

10. The fourth statement comes from William Parker. Mr Parker explains that he has worked for 31 years as a drinks buyer. Between 2000 and 2002, he worked as a Buying Controller for United Buying Services Limited (hereafter “UBS”), a wholesale supplier of beverages to independent on and off licence premises. UBS was a customer of HIL and he was, he states, aware of “BERKELEY gin” as he regularly received price lists and portfolio information from HIL; he did not, however, purchase the product. Between

2002 and 2008, Mr Parker was the General Manager – Trading of Wine Cellar Limited (hereafter “WCL”) which ran a chain of off licences and wine shops in the United Kingdom. He states that during this period he “regularly purchased BERKELEY gin” from HIL. Mr Parker recalls that “BERKELEY gin” was a popular product with WCL’s customers because of its packaging and price point. He concludes his statement in the following terms:

“5. I recognise the name BERKELEY as a gin sold by [HIL]. I am not aware of any other drinks brands incorporating the word BERKELEY and if I saw a gin bearing the name BERKELEY SQUARE I would assume that this was a related brand and was also a product of [HIL].”

11. The fifth and final statement comes from Robert Woolf, the Managing Director of H&A Prestige Bottling Limited (hereafter “H&A”). Mr Woolf has over 35 years experience as a drinks buyer. From 1982 to 2001, he worked as a Purchasing Manager for Greenall’s Brewery Limited (hereafter “GBL”), a manufacturer and supplier of beverages to licensed premises and retailers; GBL owned some 400-500 off-licence retail outlets; following a management buy-out in 1997, the retail outlets were separated from the main GBL business and the new business was renamed Parisa Group (hereafter “PG”); Mr Woolf transferred from GBL and became Purchasing Manager for PG. He further explains that PG was an independent business that purchased products from a range of suppliers and that in the period 1997-2001 he regularly purchased “BERKELEY gin” from HIL. “BERKELEY gin” was, he states, a popular product with PG’s customers because of its quality, price point and because it was “to [his] knowledge the first gin product at 30% abv.” He adds that “BERKELEY was part of a full range of lower strength spirits produced by [HIL]...” In 2001, Mr Woolf became Purchasing Director of Classic Drinks Limited (hereafter “CDL”), a wholesale supplier of beverages to licensed premises. He states that CDL bought “BERKELEY gin” until CDL “ceased selling in October 2010.” He concludes his statement in the following terms:

“5. I recognise the name BERKELEY as a gin sold by [HIL]. I am now aware of the name BERKELEY SQUARE but if I hear the name BERKELEY in relation to gin I immediately think of the [HIL] product as I was aware of this product before I heard of BERKELEY SQUARE.”

QB’s evidence

12. This consists of three witness statements. The first, is from Warren Scott, a non-executive Director and co-owner of QB. The main points arising from Mr Scott’s statement are as follows:

- The gin product sold under the BERKELEY SQUARE name mark was first developed by GJG in Warrington in 2008;
- It was formally launched in the United Kingdom in 2009;

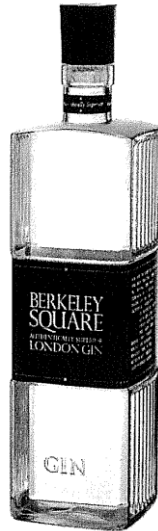
- Exhibit WS1 consists of (i) an extract from the June 2008 edition of *Drinks International* which Mr Scott explains is a United Kingdom based trade journal. At that time the product which would become known as BERKELEY SQUARE was known as “project VEDA”, and (ii) an extract from www.jrgmyr.com (which Mr Scott describes as “the spirits trade website”) dated 9 March 2009 in which BERKELEY SQUARE gin is mentioned and which contains the following:

“BLOOM is made by the guys from G & J Greenalls Distillery in Warrington UK. When Mr Eikerling dropped the bottle of BLOOM he mentioned that there will be another new gin from Greenalls: BERKELEY SQUARE GIN. [<http://berkeleysquaregin.com>]

So I had a look on the website and was surprised: The emblem is a lion...Last week Mr Eikerling gave me a phone call. He is on the road...and has two bottles of Berkleys Square Gin. Because of some short/production/something problems with the cork of BS Gin, there is still no bottle in the trade/market...I called a few bartenders and cocktail enthusiasts and we opened the first bottles out of the distillery at LE BON LION, our small private bar, opposite of LE LION...Currently I have no price for BERKELEY SQUARE gin.”

The somewhat unusual use of English combined with various references to Germany and prices quoted in € which also appear in the extract suggests that this is not a site that originates in or reflects the position in the United Kingdom.

- BERKELEY SQUARE gin is a specialist product which is only marketed to high end bars and four and five star hotels. There is a limited availability of the product in specialist wine merchants and high end spirit suppliers in the United Kingdom;
- Exhibit WS2 consists of extracts from www.internationalspiritschallenge.com which Mr Scott explains is a “UK based spirits trade website” and from www.gjgreenall.co.uk. The International Spirits Challenge is, he states, an independent spirits industry body based in the United Kingdom which holds “prestigious drinks award ceremonies in London each year.” The pages provided from www.gjgreenall.co.uk indicate that Berkeley Square was awarded silver awards in 2009 and 2012;
- Exhibit WS3 consists of an extract from www.theginblog.co.uk which Mr Scott explains is “an independent UK based website”. The extract, which dates from January 2011, contains a review of BERKELEY SQUARE gin: it also contains a picture of the bottle which looks like this:



The extract provided includes the following references: “For these reasons we recommend trying it in cocktails...”; “they have marketed Berkeley Square as the English gentlemen’s choice of gin...” and “Combine this with a price tag of over £30 and the target customer becomes clear...”

- Exhibit WS4 consists of an extract from the Spanish website www.ginebras.net which appears to date from 2012. Mr Scott notes that the article refers to Berkeley Square being first manufactured by GJG in 2009, adding that QB markets BERKELEY SQUARE in the United Kingdom and Spain, exporting it to the Spanish market from the United Kingdom;
- Exhibit WS5 consists of what Mr Scott describes as “true copies of invoices” taken from QB’s records, details of which are as follows: 8 September 2009 and 20 November 2009 to Bibendum Wines Limited of Barking (customer no. S5920301) in the amount of £5271.70 and £2259.30 respectively, 13 August 2010, 11 February 2011 and 24 October 2011 to Vanquish Wines Ltd of Essex (customer no. S5926401) in the amount of £768, £921.60 and £11520 respectively, 29 October 2010 to Hush of Warrington (customer no. S5926101) in the amount of £2913.54, 8 December 2011 to customer no. S5927301 in the amount of £768 and 3 September 2012 to customer no. S0595801) in the amount of £14,400. All of the entries for the amounts I have listed refer to “BERKELEY SQUARE 40%”;
- Exhibit WS6 consists of an extract dated 16 March 2011 taken from www.thecocktaillovers.com (which specialises in reviewing cocktail bars in London) and is a further review of QB’s BERKELEY SQUARE gin.

Mr Scott states:

“9. My company’s BERKELEY SQUARE trade mark has therefore been put to genuine commercial use for gin in the United Kingdom (and in respect of the export of gin from the United Kingdom to Spain) since 2009.”

13. The second statement is from Mike Salmon, the Marketing Director of Quintessential Brands Limited (hereafter “QBL”); QBL is QB’s United Kingdom subsidiary. Mr Salmon repeats comments contained in Mr Scott’s statement and provides background to the development and naming of BERKELEY SQUARE gin, which he describes as an “ultra premium brand”. Exhibit MS1 consist of (i) an extract dated 2011 obtained from *Esquire* magazine (which Mr Salmon explains is a monthly United Kingdom men’s magazine with a circulation in excess of 58,000 and readership of 130,000 per month), (ii) an article from online journal “Class” magazine from August 2011, and (iii) a copy of QBL’s United Kingdom press release which accompanied the launch of BERKELEY SQUARE gin in March 2009, all of which, he states, point to the expertise and skill behind the creation of BERKELEY SQUARE gin which in turn has led to its premium/exclusive nature.

14. The final statement is from Alistair Rawlence, a senior trade mark attorney at Novagraaf UK, QB’s professional representatives. Exhibit AJRQ consists of extracts obtained from the Internet all of which were, it appears, downloaded on 26 November 2013. The pages obtained from QB’s website www.berkeleysquaregin.com are of such poor quality I am unable to discern any detail; as a consequence, they do not assist. The pages obtained from www.masterofmalt.com (which appear to date from 2012) consist of a review of BERKELEY SQUARE gin and contain two user reviews of the product dated 7 September and 13 December 2012; all of the prices quoted are in €. The pages from www.barmagazine.co.uk are dated 1 October 2013. Under the heading “Berkeley Square Gin creates cocktail trail”, there appears, inter alia, the following: “Bars, hotels and restaurants across Mayfair in London are hosting a cocktail trail that offers six different drinks made with Berkeley Square Gin” and “...brings together bars that took part in the Berkeley Square Cocktail Competition...” The pages obtained from www.thecocktailgeek.com (which I am unable to date) consists of a further review of Berkeley Square gin and the final page obtained from www.harveynichols.com provides an opportunity to purchase “BERKELEY SQUARE LONDON GIN”. The price of a bottle is £36 and the product is described as “out of stock”.

Requests to file additional evidence before the hearing

15. As I mentioned above, in the days prior to the hearing both parties sought leave to file additional evidence. This was discussed as a preliminary point at the hearing and the evidence was admitted.

QB's further evidence

16. This consists of two further witness statements from Mr Rawlence. In the letter accompanying the first request, Mr Rawlence states that the purpose of his statement is to:

“...contradict Mr Oldroyd's evidence...”

17. Exhibit ARX1 to Mr Rawlence statement consists of printouts obtained from the Companies House website which indicate (i) that Halewood International Brands Limited (company no. 03896214) was originally incorporated as Alston View Limited on 17 December 1999 and changed to its current name on 30 March 2000, and (ii) that Halewood International Limited (company no. 03920410) was originally incorporated as Quotestock Limited on 7 February 2000, changed its name to Halewood International Production Limited on 30 March 2000 and changed to its current name on 28 June 2002. Attached to Mr Rawlence's second statement as exhibit ARX2 is an extract obtained on 9 February 2015 from www.hacontractbottling.co.uk. Under the heading “History”, the extract contains, inter alia, the following:

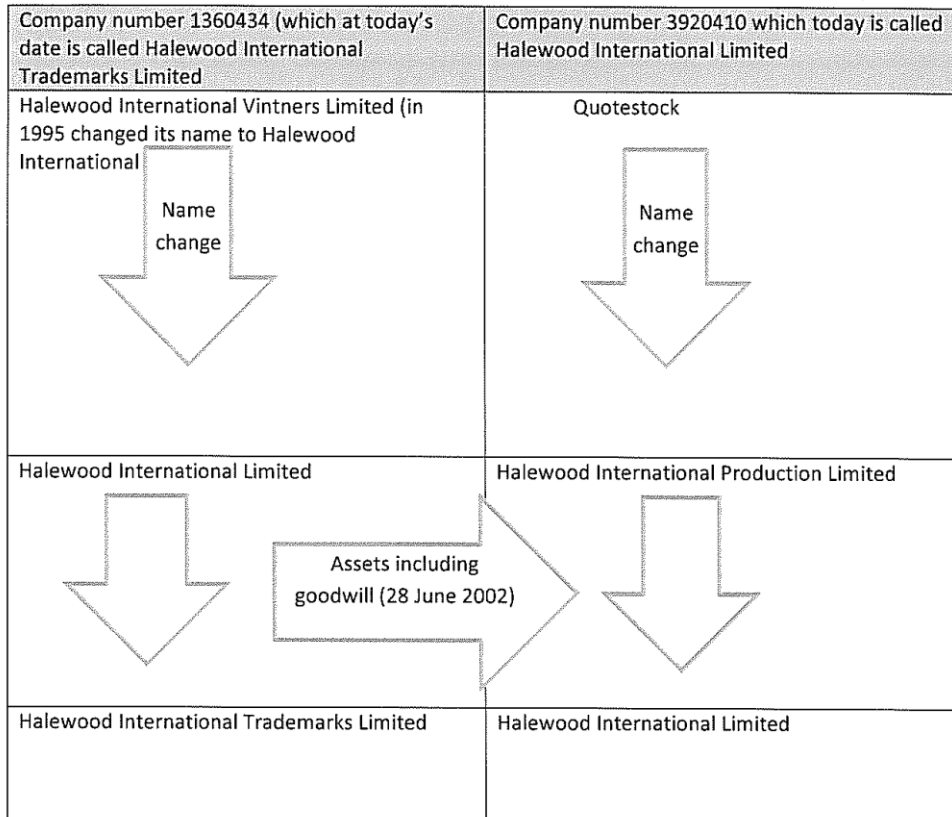
“In 2000 the business moved to a new 130,000 sq. ft, state of the art bottling and warehousing facility...The business was acquired by drinks entrepreneur John Halewood in 2003. In 2013 the business changed its name from H&A Prestige Packing Company Ltd to H&A Prestige Bottling Limited in order to reflect our focus on being simply the best in the business in bottling alcoholic and non-alcoholic beverages...H&A Prestige Bottling Limited specialise in the production of quality Branded and Own Label Spirits, Liqueurs, Wines and Bag in Box, Syrups and PET's for the licensed and multiple grocer markets.”

HIB's/HIL's further evidence

18. This consists of a witness statement from Aideen McCaffrey, an in-house solicitor at HIL. Ms McCaffrey explains that the purpose of her statement is:

“2...to set out the facts regarding the company structure of my company, and also regarding the point about the parties to the consolidated proceedings.”

19. Exhibit APM01 consists of a diagram showing the history and relationship between the various companies. It looks like this:



20. Exhibit APM02 consists of documents obtained from Companies House i.e. copies of a Certificate of Incorporation and Change of Name showing that company no. 1360434 was incorporated on 30 March 1978 as Halewood Vintners Limited, became Halewood International Limited in February 1995 and in June 2002 it became (and remains known as) Halewood International Trademarks Limited. Exhibit APM03 consists of similar documents in relation to company no. 3920410 confirming the details provided by Mr Rawlence mentioned above. Exhibit APM04 consists of what Ms McCaffrey describes as “part of the agreement to transfer the assets between said companies”. Although it will be necessary for me to return to this document later, for present purposes it is sufficient to say that it consists of an “Agreement for sale of assets” dated 7 May 2003 between company numbers 01360434 and 03920410. Ms McCaffrey states:

“5. The relevant date to note is 28 June 2002. With effect from 28 June 2002, company number 1360434 (then called Halewood International Limited) transferred its assets including its goodwill to company number 3920410 (then called Halewood International Production Limited)...Company number 1360434 on 28 June 2002 changed its name to Halewood International Trademarks Limited and company number 3920410 changed its name to Halewood International Limited. It is this Halewood International Limited that is the party to the cancellation proceedings in the consolidated proceedings”.

21. Exhibit APM05 consist of a letter from HIB to the Trade Marks Registry (“TMR”) dated 25 October 2013 and the TMR’s response of 20 November 2013. In its letter of 25 October 2013, HIB states:

“We wish to add Halewood International Limited as a party to the cancellation proceedings. On reviewing the documentation relating to use of the company’s trade marks, it has become apparent that for some years, the trade marks (both registered and unregistered), and the goodwill therein was owned by Halewood International Limited. Halewood International Limited and Halewood International Brands Limited are both wholly owned subsidiary companies of Halewood International Holdings plc, and have the same ownership and control.”

The TMR responded to that request in the following terms:

“I refer to the letter from Halewood international Brands Limited dated 25 October 2013, requesting to add Halewood International Limited as cancellation applicant...The parties should note that the TM26(I) was filed in the name of Halewood International Limited, so this request is not relevant. Halewood International Brands Limited are party to the consolidated proceedings as applicant in the opposition.” The parties should also note that previous official letters were erroneously headed up with Halewood International Brands Limited as cancellation applicant.”

In view of the above, Ms McCaffrey states:

“7. Following the receipt of IPOs confirmation in the above letter, no further action was taken as the IPO had confirmed that Halewood International Brands Limited and Halewood International Limited are party to the consolidated proceedings.”

Ms McCaffrey goes on to explain that Halewood International Brands Ltd was incorporated on 17 February 1999 and provides a clarification as to how the introductory part of Mr Oldroyd’s statement ought to have been worded.

Post hearing directions

22. Following the hearing, I wrote to the parties. In my letter of 12 February 2015, I stated:

“I refer to the substantive hearing held before me on 10 February 2015 in relation to the above proceedings.

Having re-read Mr Oldroyd’s second witness statement in light of the skeleton arguments and oral submissions at the hearing, I am still unable to reconcile the figures provided in exhibits SO3 and SO5. As a consequence, and as foreshadowed at the hearing, I direct HIB/HIL to provide, **within 7 days of the date of this letter**, a witness statement explaining the relationship between the

data in the exhibits mentioned. This witness statement should be copied to QB, who is then allowed **7 days from the receipt by it of the statement** to provide any submissions in reply it considers appropriate.

Insofar as the opposition proceedings are concerned, at the hearing counsel were in agreement as to the similarity in, inter alia, the competing trade marks, goods etc. However, having reviewed again the official file, the written submissions filed during the evidence rounds, the skeleton arguments and my own notes of the hearing, and although QB's use of its BERKELEY SQUARE trade mark was the subject of submissions at the hearing, unless I am mistaken, proof of use of this trade mark has never been **explicitly** referred to in either written submissions or by way of oral submissions at the hearing.

It is clear that UK trade mark no.2285612 is subject to proof of use and in its counterstatement HIB requested such proof (the relevant period for which is 29 January 2006 to 28 January 2011); as far as I am aware, at no point has HIB/HIL conceded that QB has made genuine use of its earlier trade mark.

Whilst I am able to make up my own mind on this point, given its relevance to the opposition proceedings, I think it only fair to allow the parties an opportunity, should they so wish, to provide written submissions upon this issue and/or to point me to the relevant parts of, for example, the skeleton arguments or other documentation which they feel clarifies the position. As a consequence, the parties are allowed **14 days from the date of this letter** to provide submissions on proof of use (and only on proof of use)."

Further evidence filed by HIB/HIL following the hearing

23. This consists of two witness statements. The first is from Mr Oldroyd, who explains how the discrepancies between exhibits SJO3 and SJO5 occurred (human error) and provides corrected data as exhibit SJO1. The second statement is from David Marsh. Mr Marsh has worked for HIL for over twenty years and is currently HIL's Purchasing Manager; he corroborates comments made in Mr Oldroyd's statement. Mr Oldroyd states that the corrected figures are as follows:

Year	No of cases	Value (approximate in £)
1999	3432	59,784.69
2000	3089	87,349. 16
2001	3383	112, 573.50
1999-2001 – Total	9904	259,707.35
2002	1332	40,668.93
2003	12777	176,105
Total	24013	476, 481.28

24. Although there is still a discrepancy between the figures relating to the period 1999 to 2002 (of some 1612 cases) contained in exhibit SJO3 to his original statement and

exhibit SJO1 to his current statement, Mr Oldroyd explains that the error is most likely to be in exhibit SJO3 (which consists of data taken from HIL's current operating system) as opposed to the data contained in exhibit SJO1 to his current statement which was taken from historical records. One explanation for such a difference is, he states:

"7...that the SJO3 record contains 24 less customer names than in SJO1 meaning that some sales volumes may not have been transferred across from the historic system onto S.A.P. for the period between 1999 and 2002."

Mr Oldroyd confirms that from 2003 the sales figures contained in exhibit SJO3 are correct. As provided for in my letter mentioned above, QB provided submissions in relation to this additional evidence. Although I will return to the detail of these submissions below, in short, QB submits that: (i) the new evidence still fails to explain the discrepancies identified, (ii) the provenance of the data is not properly explained and (iii) the data lacks credibility in any event.

25. That concludes my summary of all the evidence filed to the extent that I consider it necessary.

DECISION

26. The opposition is based upon section 5(2)(b) of the Act and the cancellation upon section 5(4)(a). The relevant provisions read:

"5 (2) A trade mark shall not be registered if because -

(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."

27. An earlier trade mark is defined in section 6 of the Act, the relevant parts of which state:

"6.-(1) In this Act an "earlier trade mark" means -

(a) a registered trade mark, international trade mark (UK) or Community trade mark or international trade mark (EC) which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks,

(2) References in this Act to an earlier trade mark include a trade mark in respect of which an application for registration has been made and which, if registered,

would be an earlier trade mark by virtue of subsection (1)(a) or (b), subject to its being so registered.”

“47(2) The registration of a trade mark may be declared invalid on the ground-

(a)...

(b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made.

Provided that this shall not affect transactions past and closed.”

“5(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented

a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

b)...

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

The relationship between the opposition and cancellation proceedings

28. If HIB/HIL is successful in their application to cancel QB’s earlier trade mark, the basis of QB’s opposition to HIB’s application will fall away. As a consequence, I will deal with the cancellation action, based upon section 5(4)(a) of the Act, first.

Section 5(4)(a) – case law

29. Halsbury’s Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165 provides the following analysis of the law of passing off. The analysis is based on guidance given in the speeches in the House of Lords in *Reckitt & Colman Products Ltd v. Borden Inc.* [1990] R.P.C. 341 and *Erven Warnink BV v. J. Townend & Sons (Hull) Ltd* [1979] AC 731. It is (with footnotes omitted) as follows:

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

(1) that the plaintiff's goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;

(2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by the defendant are goods or services of the plaintiff; and

(3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant's misrepresentation.

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

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

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

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

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

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

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

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

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

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

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

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

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

The earlier use by the claimant must relate to the use of the sign for the purposes of distinguishing goods or services. For example, merely decorative use of a sign on a T-shirt cannot found a passing off claim: *Wild Child Trade Mark* [1998] RPC 455.

The relevant date

30. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander Q.C. as the Appointed Person considered the relevant date for the purposes of s.5(4)(a) of the Act and concluded as follows:

“39. In *Last Minute*, the General Court....said:

‘50. First, there was goodwill or reputation attached to the services offered by LMN in the mind of the relevant public by association with their get-up. In an action for passing off, that reputation must be established at the date on which the defendant began to offer his goods or services (*Cadbury Schweppes v Pub Squash* (1981) R.P.C. 429).

51. However, according to Article 8(4) of Regulation No 40/94 the relevant date is not that date, but the date on which the application for a Community trade mark was filed, since it requires that an applicant seeking a declaration of invalidity has acquired rights over its non-registered national mark before the date of filing, in this case 11 March 2000.’

40. Paragraph 51 of that judgment and the context in which the decision was made on the facts could therefore be interpreted as saying that events prior to the filing date were irrelevant to whether, at that date, the use of the mark applied for was liable to be prevented for the purpose of Article 8(4) of the CTM

Regulation. Indeed, in a recent case before the Registrar, *J Sainsbury plc v. Active: 4Life Ltd O-393-10* [2011] ETMR 36 it was argued that Last Minute had effected a fundamental change in the approach required before the Registrar to the date for assessment in a s.5(4)(a) case. In my view, that would be to read too much into paragraph [51] of Last Minute and neither party has advanced that radical argument in this case. If the General Court had meant to say that the relevant authority should take no account of well-established principles of English law in deciding whether use of a mark could be prevented at the application date, it would have said so in clear terms. It is unlikely that this is what the General Court can have meant in the light of its observation a few paragraphs earlier at [49] that account had to be taken of national case law and judicial authorities. In my judgment, the better interpretation of Last Minute, is that the General Court was doing no more than emphasising that, in an Article 8(4) case, the prima facie date for determination of the opponent's goodwill was the date of the application. Thus interpreted, the approach of the General Court is no different from that of Floyd J in *Minimax*. However, given the consensus between the parties in this case, which I believe to be correct, that a date prior to the application date is relevant, it is not necessary to express a concluded view on that issue here.

41. There are at least three ways in which such use may have an impact. The underlying principles were summarised by Geoffrey Hobbs QC sitting as the Appointed Person in *Croom's TM* [2005] RPC 2 at [46] (omitting case references):

- (a) The right to protection conferred upon senior users at common law;
- (b) The common law rule that the legitimacy of the junior user's mark in issue must normally be determined as of the date of its inception;
- (c) The potential for co-existence to be permitted in accordance with equitable principles.

42. As to (b), it is well-established in English law in cases going back 30 years that the date for assessing whether a claimant has sufficient goodwill to maintain an action for passing off is the time of the first actual or threatened act of passing off: *J.C. Penney Inc. v. Penneys Ltd.* [1975] FSR 367; *Cadbury-Schweppes Pty Ltd v. The Pub Squash Co. Ltd* [1981] RPC 429 (PC); *Barnsley Brewery Company Ltd. v. RBNB* [1997] FSR 462; *Inter Lotto (UK) Ltd. v. Camelot Group plc* [2003] EWCA Civ 1132 [2004] 1 WLR 955: "date of commencement of the conduct complained of". If there was no right to prevent passing off at that date, ordinarily there will be no right to do so at the later date of application.

43. In *SWORDERS TM O-212-06* Mr Alan James acting for the Registrar well summarised the position in s.5(4)(a) proceedings as follows:

'Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. However, where the

applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made.”

31. In his skeleton argument, Mr Alkin stated:

“22. In this case, there is a considerable lapse of time between the filing date of [QB’s trade mark] and the application for cancellation... It is common ground that during those intervening years, the trade upon which Halewood International relies has “tailed off”. In those circumstances, it is also necessary for Halewood International to establish that it continued to own relevant goodwill, at the date of the application for cancellation...”

32. In support of this proposition, Mr Alkin referred to the comments of the Hearing Officer in *Geoffrey Thorpe and Robot Wars LLC and Robot Wars Limited* - BL-O-090-11. In that decision, the Hearing Officer referred to the comments of the Appointed Person, Professor Ruth Annand, in *Omega Engineering Inc and Omega SA (Omega AG) (Omega Ltd)* - BL O-227-05, where she stated:

“36. My own view is that the starting point for assessing relative invalidity under section 47(2) is the date of the application for registration of the attacked mark. This is because Article 4 of the Directive: (i) defines “earlier trade marks” for the purposes of relative invalidity as trade marks with a date of application for registration which is earlier than the date of application for registration of the attacked mark; and (ii) requires other earlier rights to have been acquired before the date of the application for registration of the attacked mark. However, I believe the wording of Article 4 (section 47(2)) may allow the tribunal to take into account at the date when invalidation is sought, matters subsequently affecting the earlier trade mark or other earlier right, such as, revocation for some or all of the goods or services, or loss of distinctiveness or reputation. I do not find the fact that the Directive specifically provides for defences to invalidation of non-use, consent and acquiescence indicative either way. A further question concerns the cut-off date for taking into account subsequent events. Is this the date of the application for a declaration of invalidity or the date when the invalidity action or any appeal is heard? The Opinion of Advocate General Colomer in Joined Cases C-456/01 P and C-457/01P *Procter & Gamble v. OHIM*, 6 November 2003, paragraphs 43 – 44, and the Court of First Instance decision in Case T-308/01 *Henkel KGaA v. OHIM (KLEENCARE)*, 23 September 2003, paragraph 26, although concerned with registrability and opposition respectively, indicate the latter. There are indications that timing issues under the harmonised European trade marks law are beginning to be brought to the attention of the ECJ (see, for example, the questions referred in Case C-145/05 *Levi Strauss & Co. v. Casucci SPA*)”.

The Hearing Officer also referred to the decision of the CJEU in *Levi Strauss & Co v Casucci SpA* case C-145/05 where the court stated:

“17 The proprietor’s right to protection of his mark from infringement is neither genuine nor effective if account may not be taken of the perception of the public concerned at the time when the sign, the use of which infringes the mark in question, began to be used.

18 If the likelihood of confusion were assessed at a time after the sign in question began to be used, the user of that sign might take undue advantage of his own unlawful behaviour by alleging that the product had become less renowned, a matter for which he himself was responsible or to which he himself contributed.

19 Article 12(2)(a) of Directive 89/104 provides that a trade mark is liable to revocation if, after the date on which it was registered, in consequence of acts or inactivity of the proprietor, it has become the common name in the trade for a product or service in respect of which it is registered. Thus, by balancing the interests of the proprietor against those of his competitors in the availability of signs, the legislator considered, in adopting this provision, that the loss of that mark’s distinctive character can be relied on against the proprietor thereof only where that loss is due to his action or inaction. Therefore, as long as this is not the case, and particularly when the loss of the distinctive character is linked to the activity of a third party using a sign which infringes the mark, the proprietor must continue to enjoy protection.

20 In the light of all the foregoing, the answer to the first and second questions must be that Article 5(1) of Directive 89/104 must be interpreted as meaning that, in order to determine the scope of protection of a trade mark which has been lawfully acquired on the basis of its distinctive character, the national court must take into account the perception of the public concerned at the time when the sign, the use of which infringes that trade mark, began to be used.....

36 Accordingly, after revocation in the particular case has been established, the competent national court cannot order cessation of the use of the sign in question, even if, at the time when that sign began to be used, there was a likelihood of confusion between the sign and the mark concerned.

37 Consequently, the answer to the fourth question must be that it is not appropriate to order cessation of the use of the sign in question if it has been established that the trade mark has lost its distinctive character, in consequence of acts or inactivity of the proprietor, so that it has become a common name within the meaning of Article 12(2) of Directive 89/104 and the trade mark has therefore been revoked.”

33. In her skeleton argument, Miss McFarland stated:

“13.6 In any event, whether one considers the date of [QB’s application] in November 2001 and/or the date at which the application was made by Halewood – at both (and all other material times) we submit that Halewood were possessed of common law rights in the name or mark Berkeley, and were possessed of sufficient rights to have prevented use by [QB] of the name or mark Berkeley Square by reason of the laws of passing off.”

34. The parties agree that the matter must be judged at both dates. Given the decisions in the cases mentioned above and the wording of Article 4(4)(b) of the Directive, which refers to:

“rights to a non-registered trade mark or to another sign...were acquired prior to the date of application for registration of the subsequent trade mark...and that non-registered trade mark or other sign confers on its proprietor the right to prohibit...” (my emphasis),

and as it is well established that the Act must, insofar as it is possible, be interpreted in line with the underlying provisions of the Directive, I also agree that it necessary for HIB/HIL to make good its claim to passing off at both dates (if it succeeds at the first date but not the second its application will, given the guidance in *Levi Strauss & Co v Casucci SpA*, fail). As there is no evidence which indicates that QB or GJG (i.e. the previous owners of the BERKELEY SQUARE trade mark) used it prior to the date of the application for registration, I will consider the position at both the date of QB’s application for registration i.e. 15 November 2001 and the date of the application for cancellation i.e. 23 May 2013.

If there is goodwill in the name BERKELEY, who owns it?

Primary approach

35. This was the issue upon which the request to file the majority of the additional evidence was based and was the subject of extensive and detailed submissions at the hearing. In approaching this issue, I begin by reminding myself that the application which gave rise to the opposition proceedings (which in turn gave rise to these cancellation proceedings) was filed in the name of HIB, whereas the application for cancellation was filed in the name of HIL. In their evidence, Messrs. Oldroyd (who is a director of HIB and HIL) and Rishworth (who is a director of HIL) explain that HIB is the brand holding company and, like Lamb & Watt Ltd and HIL, is a wholly owned subsidiary of Halewood International Holdings Plc, and that HIL uses the name BERKELEY under licence from HIB. In her evidence, Ms McCaffrey explains the relationship between these and other companies in the Halewood group and states:

“8. Halewood International Brands Limited was incorporated on 17 February 1999 [this should read 17 December 1999]. The reference in paragraph 2 of

SJO's witness statement to "my company" where the definition of "my company" means "Halewood International Brands Limited" was inserted in the wrong sentence of the statement. If the witness statement were to be revised [it would read] "I am the Commercial Director of Halewood International Brands Limited I am also Director of Halewood International Limited ("my companies") and any reference to one shall be construed as reference to the other and/or both. Thereafter, all references to "my company" would be replaced with "my companies."

36. The above comment indicates that the wording of Mr Oldroyd's statement was somewhat confused. This may have been because evidence was originally filed by HIB in the opposition proceedings (in which the application for registration was filed in the name of HIB) and this legend was simply carried through to the cancellation proceedings, notwithstanding the fact that the application for cancellation was filed in the name of HIL. Regardless of how the errors occurred, the corporate structure is, as I understand it, as follows:

Halewood International Brands Limited, Halewood International Limited and Lamb & Watt Ltd are all wholly owned subsidiaries of Halewood International Holdings Plc;

Halewood International Brands Limited is the brand holding company within the group;

Halewood International Limited uses the name BERKELEY under licence from Halewood International Brands Limited.

37. Halewood Vintners Limited (company no. 1360434) was incorporated in March 1978 and it is this company's name which appeared on the trade price lists from 1987 until 1994. This company changed its name to Halewood International Limited in February 1995 and it is this company's name which appeared on the trade price lists from 1995 to 1999; in June 2002, this company changed its name to Halewood International Trademarks Limited. Company no: 03896214 was incorporated on 17 December 1999 as Alston View Limited and changed its name to Halewood International Brands Limited on 30 March 2000. Company no. 3920410 was incorporated on 7 February 2000 as Quotestock Limited, changed its name to Halewood International Production Limited on 30 March 2000 and became Halewood International Limited on 28 June 2002; it is this company which Ms McCaffrey states is the applicant for cancellation. Where it is possible to discern, the invoices provided as exhibit SJ04 (which date from 2004 to 2006) originate from this HIL.

38. Exhibit APM04 also shows that in an Agreement dated 7 May 2003 (but which had an effective date of 28 June 2002), company no. 1360434 (which was previously known as Halewood International Limited – the "Vendor") sold its "business" (defined as "the business of buying and selling the drinks and beverages manufactured by the Purchaser and sold by the Vendor which constitutes the entire business of the Vendor"),

“with full title and guarantee” (clause 2), including goodwill (defined as “the goodwill of the Vendor in relation to the business, together with the exclusive right for the Purchaser or its assignee to represent itself as carrying on the Business in succession to the Vendor, and all trade names associated with the Business”) and Intellectual Property (defined as, inter alia, “registered and unregistered trademarks and service marks...”) to company no. 3920410 which by the time of the Agreement was known as Halewood International Limited (the “Purchaser”). The Agreement also includes references to “Brand Companies” (defined as, inter alia “...Halewood International Brands Limited”) and to “Royalty Agreements (defined as “the agreements for the payment of royalties for the use of trademarks used by the Vendor which are owned by the Brand Companies...”). Whilst at the hearing, Mr Alkin accepted that goodwill had been transferred to company no. 3920410, he pointed to the term “Rights” which appears in clause 1.1.1 of the Agreement and which is defined as “all rights of the Vendor against third parties with respect to products, material, merchandise, including contractual and tortious rights of acts against third parties”, and argued that as this term was not included in clause 2, “Agreement for Sale”, no rights of action i.e. passing off were transferred. In Miss McFarland’s view, the use of the phrase “full title and guarantee” in clause 2 of the Agreement served to transfer all rights to the “Purchaser”. Whilst it is true that the word “Rights” does not appear in clause 2 of the Agreement, when the Agreement is considered as a whole, I prefer Miss McFarland’s view of the matter.

39. Considering the evidence as a whole, it appears to me that the business which was carried on by company no. 1360434 i.e. Halewood Vintners Limited from at least 1987 and then by Halewood International Limited from 1995, was sold to Halewood International Limited (company no. 3920410) with effect from 28 June 2002. In my view, the Agreement transferred all rights, goodwill and intellectual property (including unregistered trade marks) including the responsibility of the “Purchaser” to continue to “adopt, perform and fulfil...the Royalty Agreements” (clause 3.2.2 of the Agreement refers). Thus any goodwill that had been built up under the name BERKELEY by Halewood Vintners Limited and Halewood International Limited (company no. 1360434) would, in my view, have been transferred to Halewood International Limited (company no. 3920410). At the point at which the application for cancellation was filed in May 2013, the only company which was called Halewood International Limited was company no. 3920410; as a consequence, it must be this Halewood International Limited which is the applicant for cancellation.

40. Insofar as Halewood International Brands Limited is concerned, this company (no. 03896214) was incorporated in December 1999 and became Halewood International Brands Limited in March 2000. It is this company which is identified as a “Brand Company” in the Agreement and it was to this company that both incarnations of Halewood International Limited were/are required to pay royalties by virtue of the fact that Halewood International Brands Ltd was, as Mr Oldroyd explains, the brand holding company within the group and, as Mr Rishworth explains, it is this company that licensed the use of the name BERKELEY to Halewood International Ltd (company no. 1360434). Finally, as far as I can tell, there is no specific mention of Lamb & Watt Ltd in

the Agreement. However, as the evidence of Messrs. Oldroyd and Rishworth are as one in this regard, and in the absence of cross-examination, I see no reason to doubt the evidence to the effect that like Halewood International Limited and Halewood International Brands Limited, it is also a wholly owned subsidiary of Halewood International Holdings Plc.

41. In summary, I intend to proceed on the basis that if there is any goodwill in the name BERKELEY, it is likely to be shared between HIL and Lamb & Watt Ltd. Whilst any goodwill with the general public is likely to accrue to Lamb & Watt Ltd, as those in the trade would be aware that HIL and Lamb & Watt Ltd were part of the same group of companies, they would, in my view, recognise the shared nature of any goodwill which existed. As any goodwill is now (at least) partially owned (following the Agreement) by the applicant for cancellation i.e. Halewood International Limited which is the company identified in the invoices from 2004 to 2006 in exhibit SJO4 and which acquired the relevant rights from the company of the same name which was identified in the trade price lists from 1995 and which was formerly known as Halewood Vintners Limited, that, in my view, is sufficient for HIL to bring these proceedings.

Secondary approach

42. Were my primary approach to be considered an error, in my view, it would not be material; I shall explain why. In his skeleton argument, Mr Alkin draws attention to the wording of the Trade Marks (Relative Grounds) Order 2007 (which came into force on 1 October 2007) concluding that:

“14. As foreshadowed above, a preliminary issue which needs to be resolved is the identity of the applicant for cancellation. This question is not merely a matter of form. An application for cancellation on the grounds of relative rights attack can only be brought by the owner of the relevant earlier rights...”

Insofar as it is relevant, this Order reads as follows:

“5.- (1) Only the persons specified in paragraph (2) may make an application for a declaration of invalidity on the grounds in section 47(2) of the Trade Marks Act 1994 (relative grounds).

(2) Those persons are -

(a) in the case of an application on the ground in section 47(2)(a) of that Act, the proprietor or a licensee of the earlier trade mark or, in the case of an earlier collective mark or certification mark, the proprietor or an authorised user of such collective mark or certification mark; and

(b) in the case of an application on the ground in section 47(2)(b) of that Act, the proprietor of the earlier right.

(3) So much of section 47(3) of that Act as provides that any person may make an application for a declaration of invalidity shall have effect subject to this article.

Transitional provisions

6.- (1)...

(2) Article 5 shall not apply to an application for a declaration of invalidity which relates to a trade mark the application for the registration of which was published before the coming into force of this Order.”

43. The combination of articles 5(1) and 5(2)(b) of the above Order make it clear than an application for a declaration of invalidity based upon sections 47(2)(b) and 5(4)(a) of the Act can only be brought by “the proprietor of the earlier right”, unless, as article 6(2) indicates, the declaration of invalidity “relates to a trade mark the application for registration of which was published before the coming into force of this Order” i.e. before 1 October 2007. As QB’s registration was published for opposition purposes on 9 January 2002, article 6(2) applies to these proceedings i.e. it is not necessary for the applicant for cancellation to be the proprietor of the earlier right. Consequently, whilst HIL is shown as the applicant for cancellation, if the evidence provided establishes that it and/or others in, in this case, the Halewood Group had a protectable goodwill in the name relied upon i.e. BERKELEY at the relevant dates that would, in my view, be sufficient (subject to my comments in paragraph 57) for the application to succeed.

Was there goodwill in the name BERKELEY when QB’s application was filed in 2001 and if so with whom was the goodwill associated?

44. The above question breaks down into a number of sub-questions, the first being:

What sign has been used?

45. HIB’s/HIL’s evidence indicates that Halewood Vintners Ltd (company no. 1360434) was incorporated in March 1978 and changed its name to Halewood International in February 1995. Exhibit SJO2 consists of copies of Halewood Vintners Ltd’s trade price lists from 1987 to 1994. I have summarised this evidence above. It indicates that between 1987 and the end of 1994, the product upon which HIB/HIL rely was described as either “gin” or a “light spirit” and was referred to as: “Berkeley London Dry”, “Berkeley London Gin” and “Berkeley London Light”. In 1995, the company name on the trade price lists changed to Halewood International Ltd and in August 1996 the product was described as “Berkeley London Spirit” and this description was maintained until the printed trade price lists ceased in 2001. Exhibit SJO1 consists of a range of labels a number of which I have reproduced above. In his statement, Mr Oldroyd describes the content of this exhibit thus:

“3...is a copy of the product label, along with copies of the previous label from 1998...”

46. At the hearing, Mr Alkin argued that the labels provided appear to be printer's proofs rather than actual labels. He pointed to the fact that the labels provided are from 2003 and 2006 and queried the accuracy of the handwritten date of 1998. He noted that a number of the labels include references to "imported", are in a language other than English and that the vast majority of the labels include a reference to Lamb & Watt Ltd. In relation to the sign that had been used, Mr Alkin concluded (by reference to the words in his skeleton argument) that:

"36(5) The product described in the price list is called BERKELEY LONDON spirit back to August 1996, then BERKELEY LONDON LIGHT back to April 1990, then BERKELEY LONDON DRY or BERKELEY LONDON GIN. At no point is it referred to as BERKELEY or even BERKELEY SPIRIT or BERKELEY LIGHT alone. Thus the mark used prior to November 2001 was actually BERKELEY LONDON..."

47. He also concluded that there was no evidence "to suggest that any of these labels were current prior to November 2001" and that the labels "which refer to BERKELEY alone were not current before November 2001." In response, Miss McFarland argued that given the date of Mr Oldroyd's statement in October 2013, this was the best evidence available to him. As to the name which had been used and which appears in the price lists/on the labels etc., she argued that even where the word London appeared, the word BERKELEY was dominant, the word London simply reflecting, for example, the imagery on the labels. I accept Miss McFarland's submission to the effect that by the time of Mr Oldroyd's statement in 2013 the "labels" he provides as exhibit SJO1 were likely to be the best evidence available to him. However, as Mr Alkin points out, the "labels" provided appear to be printer's proofs and those which do contain dates are from 2003 and 2006. I also agree with Mr Alkin that as the 1998 price lists mentioned above describes the product as a "light spirit", the label which is hand dated "Nov 98" appears to be incorrect, as the product is described as a 37.5% full strength gin.

48. As Mr Oldroyd's comment which I have reproduced above lacks specificity, I accept Mr Alkin's corresponding criticisms of the evidence in exhibit SJO1; in those circumstances, I must make the best of it I can. Proceeding on that basis, the presence of dates on the printer's proofs of 2003 and 2006 should, in my view, be taken as meaning that the label which is most likely to have appeared on the bottles from 2003 to 2006 were as depicted on the printer's proofs bearing those dates. As the product was only described in the trade price lists as "Berkeley London Dry" until April 1990, I infer that the labels which describe the product as "London Dry Gin" are from before this date. There is, however, as Mr Alkin states, no specific evidence which shows what label appeared on the bottle for the majority of the relevant period including prior to and at the date of QB's application in November 2001. However, even if the labels used also included the word "London" as shown above, the manner in which the product is described in the price list from (at least) 1996 to 2001 i.e. "Berkeley London Spirit" makes it, in my view, more likely that not (given the imagery which appeared on the

labels from 2003 to 2006), and as Miss McFarland submitted, that it is the word BERKELEY which is likely to have been the dominant element. In short, I intend to proceed on the basis that at the date of QB's application for registration, HIB's/HIL's label was more likely than not to have included the word BERKELEY as a dominant element and was, more likely than not, to have done so for some time prior to this date.

Upon what product had the name BERKELEY been used?

49. As to the goods upon which the name BERKELEY has been used, in his statement Mr Oldroyd explains that the product began its life as a "37.2% gin and then dropped to a 30% gin as part of a full range of sub-norm spirits". As the first trade price list provided (which dates from 1987) identifies the product as a 30% gin and as this reference to 30% is maintained in all the trade price lists provided, it is clear that by (at least) 1987 the HIB/HIL product was no longer a 37.2% gin. While there was some debate at the hearing as to how the product should be characterised (given that it is described in the trade price lists and on some of the labels as, inter alia, a "Light Distilled Spirit Drink"), and although it appears it was only a full strength gin for a relatively short period of time, it is a product which although not strictly gin, is, in my view, similar to gin to the highest degree.

How should I approach the figures relating to turnover and sales volumes?

50. At the hearing, the evidence provided by Mr Oldroyd as exhibits SJO3 and SJO5 was the subject of considerable discussion. Following the hearing, I issued a direction which led to the additional evidence I have summarised above. Mr Oldroyd has provided corrected figures and proffers an explanation as to how the errors occurred. For the sake of convenience, the corrected position is said to be as follows:

Year	No of cases	Value (approximate in £)
1999	3432	59,784.69
2000	3089	87,349.16
2001	3383	112,573.50
1999-2001 – Total	9904	259,707.35
2002	1332	40,668.93
2003	12777	176,105
1999-2003 – Total	24013	476,481.28
2004	16,198	Not provided
2005	17,707	Not provided
2006	13,316	Not provided
2007	27	Not provided
2008	40	Not provided
2009	8	Not provided
2010	1	Not provided
2011	67	Not provided
Total 1999-2011	71377	-

51. In his submissions in reply to this evidence, Mr Alkin states:

“6.It is unsatisfactory that Mr Oldroyd should advance this hypothesis [mentioned in paragraph 24 above] without first testing it against the figures. A moment’s analysis demonstrates that he cannot be correct...”

52. Having commented upon a number of aspects of the revised figures, he concludes:

“9...To get it wrong once and sign a statement of truth might be taken to be careless. To do it twice, the second time in purported correction of the first, is regrettable indeed.

10. The net result of the above is as follows:

(1) The new evidence still fails to explain the discrepancies identified by the Tribunal.

(2) The provenance of the Merchandising Data is not properly explained, hence the Tribunal cannot form a view as to its accuracy or completeness.

(3) The Merchandising Data lacks credibility in any event.

11...Having failed to take that opportunity, such doubts as remain should be resolved against Halewood. Indeed, in view of the problems identified above, the Tribunal may now feel that it has no reliable sales figures whatsoever for the years 1999-2001, in which case Halewood’s application for cancellation cannot succeed.”

53. In *Hart v Relentless Records* [2003] FSR 36, Jacob J. (as he then was) concluded that:

“62. In my view the law of passing off does not protect a goodwill of trivial extent...”

54. A small business which has more than a trivial goodwill can protect signs which are distinctive of that business under the law of passing off even though its reputation may be small. In *Stacey v 2020 Communications* [1991] FSR 49, Millett J. stated that:

“There is also evidence that Mr. Stacey has an established reputation, although it may be on a small scale, in the name, and that that reputation preceded that of the defendant. There is, therefore, a serious question to be tried, and I have to dispose of this motion on the basis of the balance of convenience.”

55. Many of Mr Alkin’s comments appear to be valid, however, even if I proceed on the basis that the amended figures provided contain a degree of imprecision, when one

considers the data relating to sales volumes/turnover figures in the context of the evidence as a whole, it would, in my view, be unrealistic for me to conclude that by the date of QB's application in 2001 the extent of the trade from (at least) 1999 up to 2001 could be characterised as so trivial as not to have established a protectable goodwill. In short, I am satisfied that by the date of QB's application in November 2001, a business had been conducted by, inter alia, HIL (company no. 1360434) under the name BERKELEY in relation to a light distilled spirit drink (akin to a gin) and that such business had acquired a protectable goodwill.

With whom was the goodwill associated?

56. At the hearing, Mr Alkin argued that if any goodwill existed in the name BERKELEY, it was, given the nature of the labels shown above (which refer only to Lamb & Watt Ltd and make no mention of HIB/HIL) only with the trade. He accepted, however, that those in the trade would be aware that Lamb & Watt Ltd and HIB/HIL were connected undertakings. He drew my attention to various comments in *Scandecor Development AB v Scandecor Marketing AB and Another* [1999] F.S.R. 26 in particular the following:

“There is no rule of law or presumption of fact that the goodwill generated by the trading activities of a wholly-owned subsidiary company belongs to the parent company or is the subject of an implied, if not an express, licence in favour of the subsidiary.”

57. Although the evidence establishes that HIL (company no. 3920410) uses the name BERKELEY under licence from HIB and that these companies and Lamb & Watt Ltd are all wholly owned subsidiaries of Halewood International Holdings Plc, there is no evidence to indicate on what basis Lamb & Watt Ltd uses the name BERKELEY or how any use by it accrues to HIL. The evidence does, however, show (see for example the statement of Mr Parker), that by 2001 those in the trade (having received the trade price lists) are likely to have been familiar with the name BERKELEY used in relation to a light distilled spirit drink akin to a gin and would have associated that use with (at least) HIL (company no. 1360434). However, as I mentioned above, as there is no evidence which explains the basis upon which Lamb & Watt Ltd uses the name BERKELEY or how any goodwill it may have would accrue to HIL, I am simply not in a position to conclude that any goodwill with the end consumer would accrue to HIL (company no. 3920410). Had it been necessary, it may have been appropriate to give HIB/HIL an opportunity to amend its pleadings to rely upon (and explain) how any any goodwill owned by Lamb & Watt Ltd accrued to it. However, for reasons which will become apparent shortly, that is not, in my view, necessary.

Would use of QB's trade mark in 2001 have constituted a misrepresentation which would have damaged Halewood's goodwill?

58. In his skeleton argument, Mr Alkin answered the above question as follows:

“41(1) Firstly, any goodwill was limited to the trade. Those in the trade may be expected to show a greater degree of care in distinguishing between various products than end consumers.

(2) To those in the trade, the difference between a gin and a light spirit is or ought to be significant.

(3) The marks BERKELEY SQUARE and BERKELEY LONDON are distinctively different. In particular the presence of the additional distinctive word LONDON in place of the generic word SQUARE differentiates the earlier product.

(4) Members of the trade who were familiar with the BERKELEY LONDON product would know that it was a Halewood group product. Even on a test of fair and notional use, the BERKELEY SQUARE gin product is not offered by Halewood.

42. As a result of the combination of these factors, and in particular the high degree of attention amongst the trade, it is submitted that use of BERKELEY SQUARE in connection with a true gin in November 2001 would not have amounted to an actionable misrepresentation liable to damage goodwill associated with the BERKELEY LONDON light spirit.”

59. The evidence of Messrs. Parker and Woolf are relevant (although I give somewhat less weight to the latter as, notwithstanding his previous experience, Mr Woolf’s company is part of the Halewood group). Focusing then on Mr Parker’s statement, as he has been a drinks buyer for some 31 years, it is, I think, reasonable for me to infer that he is likely to know his business fairly well. In addition, given his long experience, there is nothing to suggest that the conclusion he reaches would not be typical of those buying drinks on a commercial basis. Perhaps because the Halewood product sold under the name BERKELEY is so akin to gin, even he describes it as gin. He also concludes that he would assume that BERKELEY SQUARE was a “related brand and was also a product of [HIL].” That appears to me at least to put paid to points (2) to (4) of Mr Alkin’s submissions shown above. Although, for the reasons mentioned above, I place less reliance on Mr Woolf’s statement, I note that he states that ; “...if I hear the name BERKELEY in relation to gin I immediately think of the [HIL] product as I was aware of this product before I heard of BERKELEY SQUARE.” Insofar as the competing names are concerned, in their skeleton arguments and at the hearing, both counsel agreed that notwithstanding that QB’s trade mark also contains the additional word SQUARE (which, it was agreed, creates a degree of visual, aural and conceptual difference), the fact remains that as the competing names consist exclusively of or contain the word BERKELEY as the first word, it is this word that is likely to dominate the overall impressions both trade marks convey; I agree. In my view, there is a relatively high degree of visual and aural similarity between the names BERKELEY and

BERKELEY SQUARE. Whilst the presence of the word SQUARE in QB's trade mark is likely to evoke geographical connotations, the fact that the square in question also contains the surname BERKELEY still, in my view, results in a reasonable degree of conceptual similarity, such that when considered overall, the notional use of QB's trade mark in November 2001, would, given the goodwill that HIL (company no. 1360434) enjoyed in the name BERKELEY for a light distilled spirit drink with the trade, have constituted a misrepresentation. Given the degree of similarity in the competing names and the high degree of similarity in the competing goods, damage in the form of, for example, diversion of trade, in my view, is highly likely.

Was that goodwill extant at the date of QB's application for cancellation in May 2013?

60. Having concluded that HIL had a protectable goodwill with the trade in 2001, I must now go and determine if that goodwill was still extant when QB filed its application for cancellation in May 2013. At the hearing, Mr Alkin accepted that sales between 2003 and 2006 (sales data for which is provided in exhibit SJO3 and which Mr Oldroyd confirms is correct) was not trivial. In relation to the sales from 2007 to 2011 which amounted to some 143 cases (67 of which were sold in 2011 to H&A Prestige Packaging Company Ltd which is part of the Halewood group), Mr Alkin argued that these sales were trivial/de minimis and were likely, he speculated, to relate to the selling off of stock. Having confirmed, at the hearing, that he was not pursuing an argument in relation to the abandonment of goodwill, his position was that as there had been no demand for the product since 2007, there would be no residual goodwill at the date of the application for cancellation in 2013.

Residual goodwill

61. In *Ad Lib Club Limited v Granville* [1971] FSR 1 (HC), Vice Chancellor Pennycuik stated that:

"It seems to me clear on principle and on authority that where a trader ceases to carry on his business he may nonetheless retain for at any rate some period of time the goodwill attached to that business. Indeed it is obvious. He may wish to reopen the business or he may wish to sell it. It further seems to me clear in principle and on authority that so long as he does retain the goodwill in connection with his business he must also be able to enforce his rights in respect of any name which is attached to that goodwill. It must be a question of fact and degree at what point in time a trader who has either temporarily or permanently closed down his business should be treated as no longer having any goodwill in that business or in any name attached to it which he is entitled to have protected by law.

In the present case, it is quite true that the plaintiff company has no longer carried on the business of a club, so far as I know, for five years. On the other hand, it is said that the plaintiff company on the evidence continues to be

regarded as still possessing goodwill to which this name AD-LIB CLUB is attached. It does, indeed, appear firstly that the defendant must have chosen the name AD-LIB CLUB by reason of the reputation which the plaintiff company's AD-LIB acquired. He has not filed any evidence giving any other reason for the selection of that name and the inference is overwhelming that he has only selected that name because it has a reputation. In the second place, it appears from the newspaper cuttings which have been exhibited that members of the public are likely to regard the new club as a continuation of the plaintiff company's club. The two things are linked up. That is no doubt the reason why the defendant has selected this name".

62. Miss McFarland's position on this issue (taken from her skeleton argument and bearing in mind that abandonment was not part of QB's case), was as follows:

"7.4...It is accepted by Halewood and their evidence explains that due to changes in market conditions, the trade which they commenced in or about the mid-1980s and which continued for some 26 odd years, was paused in 2012. [QB] seems to argue that any pause or temporary cessation of trade serves to sever any relevant goodwill...Halewood reject such arguments.

(a) [Halewood] have simply had a relatively short term gap in production and sales, and it has always been their intention to re-launch their products under and by reference to the said name or mark Berkeley as soon as the market conditions support such commercial decision. Indeed they are shortly to re-launch a product range back onto the UK market under and by reference to the said name or mark."

63. In addition, Miss McFarland relied upon the following passages from *Wadlow* and *Kerly's* respectively:

Wadlow (3rd ed) para 3-178:

"..the goodwill in a discontinued business may continue to exist and be capable of being protected , provided that the claimant intended and still intends that his former business should resume active trading. It is not necessary that the prospect should be imminentThe claimant's intention to resume business may be more readily believed where the original cessation was forced on him by external circumstances but this factor is not conclusive either way."

Kerly's Law of Trade Marks and Trade Names (15th ed) para 18-060:

....."If business ceases or suspends trading temporarily, there remains a residual goodwill which the claimant might wish to sell or use in a reopened business...Where no positive decision is made to abandon the goodwill but trade under the mark has nonetheless ceased with no concrete plans for restarting

operations, the question of whether any goodwill survives and for how long is a question of fact in each case.”

64. Miss McFarland argued that one of the relevant facts was the extent to which the name may be kept in the consumer’s mind after sale, arguing that as bottled spirits have a long shelf life and may sit on a shelf for a prolonged period of time, a residual goodwill would remain. In his skeleton argument, Mr Alkin approached the issue of residual goodwill in the following manner:

“47. It follows in turn that any goodwill which was once attached to the BERKELEY LONDON product had long since died by May 2013. Although Halewood remain willing and able to supply the product, nobody wanted it in 2013 and nobody wants it now.

48. Halewood International may contend instead that the application for cancellation can succeed on the basis of residual goodwill surviving from 2006. In *W.S. Foster & Son Limited v Brooks Brothers UK Limited* [2013] EWPC 18, Recorder Ian Purvis QC (sitting as a deputy of the Patents County Court) explained the acid test for the survival of residual goodwill as follows:

“74. Goodwill is not merely the memory of a business. It is the ‘attractive force which brings in custom’. The acid test for its existence in the present case must be whether, seeing a new pair of shoes bearing the ‘Peal & Co.’ name and the fox and boot brand, such customers would place any reliance on the quality of the old product from the early 1960s when considering whether to buy it. Plainly they would not. The brand would have to justify itself afresh.”

49. Thus, mere memory of a business or a product after a period of absence is not the same thing as residual goodwill. Residual goodwill will only exist if, following a notional re-launch of the product in question, the customer who recalls the old product would place reliance on the quality of that product when considering whether to buy the new one.

50. Here they would not for at least three reasons:

- (1) The zero demand for the product since at least 2011 is direct evidence that, upon a notional re-launch in 2013, nobody would buy the new product in reliance on the quality of the old because nobody wanted to buy the old product. Hence the new product would have to justify itself afresh.
- (2) Any drinks product which re-emerged after a six and a half year absence would be assumed to have been made by a new production process in any event (rather than being old stock made by the original process). It would therefore have to justify itself afresh for this further reason.

- (3) Any goodwill attached to the BERKELEY LONDON light spirit product in 2006 was modest in any event. Although sales had improved somewhat for a period of 2003 to 2006, these were still comparatively low. Thus there would have been no sense on the part of consumers that this is a widely popular brand even prior to its disappearance from the shelves in 2007. Such consumers would be inherently unlikely to rely upon the quality of such a small product when considering whether to buy a re-launched version 6 years later.”

65. I have already concluded that HIL had a protectable goodwill with the trade in 2001 when QB’s application was filed. Although sales continued at, what Mr Alkin accepts, was a modest level until 2006, at this point they reduced dramatically. In 2007, only 27 cases of the product were sold to 5 undertakings (17 being sold to one undertaking i.e. Blakemore C&C). Although in 2008 this figure increased to 40 cases (also sold to 5 undertakings with 30 sold to Blakemore C&C), in 2009 this figure reduced to 8 cases (sold to 3 undertakings) and in 2010 only 1 case was sold to one undertaking (described, I note, as “Samples Account”). Insofar as the sales in 2011 of 67 cases to H&A Prestige Packing Company Ltd is concerned, I do not place any reliance on this figure given the associated nature of this company to HIB/HIL. In short, it appears to me that between 2007 and the date of QB’s application for cancellation in 2013, in effect only 75 cases of the BERKELEY product was sold of which 47 cases were sold to one undertaking i.e. Blakemore C&C. Although at the hearing Miss McFarland cautioned me about taking judicial notice of the size of the market for spirits/gin, I am, I think, entitled to infer that the size of the market for either is likely to be fairly significant (although the latter will, of course, be smaller than the former).

66. I have not found this any easy matter to decide. In reaching a conclusion, I have kept a range of factors in mind, including, inter alia, the length of time the BERKELEY product had been on the market, the sales volumes and turnover figures provided, the number and nature of HIL’s customers (including major supermarkets) and the shelf life of the product, although insofar as the latter is concerned, there is nothing to suggest that the BERKELEY product was of the sort that would be stored and resold at a later date as would, for example, malt whisky. However, the fact that the intensity of use for the period for which evidence has been provided has been (at best) modest, and as the BERKELEY name had not been promoted to any material extent, leads me to conclude (without needing to decide on the size of the market for spirits/gin), that the extent of sales after 2006 is to be regarded as trivial and would have been insufficient for the goodwill which existed in 2001 (or indeed 2006) to have survived when QB filed its application for cancellation in 2013. As a consequence of that conclusion, HIL’s application to invalidate QB’s registration on the basis of section 5(4)(a) fails.

Conclusion in relation to the cancellation action based upon section 5(4)(a)

67. HIL’s application to invalidate QB’s registration on the basis of section 5(4)(a) fails.

The opposition proceedings

68. I must now go on and consider QB's opposition to HIB's trade mark application. QB is relying upon the trade mark shown in paragraph 2 above, which qualifies as an earlier trade mark under the above provisions. As this trade mark completed its registration process more than 5 years before the publication date of the application in suit, it is subject to proof of use, as per section 6A of the Act. In its Notice of opposition, QB states that its earlier trade mark has been used upon the goods for which it stands registered i.e. gin, and in its counterstatement, HIB puts QB to proof of this claim. The relevant sections of the Act read as follows:

“6A Raising of relative grounds in opposition proceedings in case of non-use

(1) This section applies where –

(a) an application for registration of a trade mark has been published,

(b) there is an earlier trade mark in relation to which the conditions set out in section 5(1),(2) or (3) obtain, and

(c) the registration procedure for the earlier trade mark was completed before the start of the period of five years ending with the date of publication.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if –

(a) within the period of five years ending with the date of publication of the application the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

(b) the earlier trade mark has not been so used, but there are proper reasons for non-use.

(4) For these purposes –

(a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(5) In relation to a Community trade mark, any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Community.

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.

(7) Nothing in this section affects –

(a) the refusal of registration on the grounds mentioned in section 3 (absolute grounds for refusal) or section 5(4) (relative grounds of refusal on the basis of an earlier right), or

(b) the making of an application for a declaration of invalidity under section 47(2) (application on relative grounds where no consent to registration).”

Section 100 of the Act is also relevant and reads:

“If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

Proof of use

69. Both parties accepted my invitation to make specific written submissions on this point. I do not intend to repeat all of these submissions here, however, I note that HIB/HIL has commented on two points. As to its comments on the format of Mr Scott’s witness statement, I note that the copy of the witness statement in the hearing bundle is signed and dated 29 October 2012; as a consequence, HIB’s/HIL’s criticism in this regard is without merit. The second point relates to the documents provided as exhibit WS5 to Mr Scott’s statement. HIB/HIL state:

“3...The documents do not appear to be invoices, but print outs from an accounting system. The documents from the exhibit which fall within the relevant period purport to show orders from three companies.... There is no further information about these orders to show whether these were genuine sales of the product, no proof as to whether invoices actually went out, whether payment was made and the goods supplied. [QB] has not provided sales figures, nor details of advertising expenditure, numbers of customers, outlets at which the products were sold.”

70. QB responded to the submissions above, in the following terms:

“13. First they ignore the remainder of [QB’s evidence] which...would be enough on its own to satisfy the requirement for proof of use.

14. Second the criticism itself is hopeless. If the suggestion is that the records are forgeries [she] would have to allege this in terms and put the allegation to Mr Scott. If the suggestion is that the records lack credibility [she] would have to explain why this was so. She does none of these things. Thus, the submission can only be that these records are somehow incapable of discharging the burden of proof. This is plainly incorrect. Absent specific criticism, the existence of those records supported by Mr Scott’s statement make it more likely than not that the sales were made. The Tribunal is therefore entitled to rely upon them to make a finding.”

71. Insofar as the lack of any further information is concerned, QB states:

“15...There is no requirement that [QB] do any more than prove genuine use...This is a low threshold designed only to weed out sham use. A minimal amount of genuine use will therefore suffice, and [QB’s] evidence establishes at least that. Thus the fact that [QB] could have filed more evidence is irrelevant. Any conclusion to the contrary would be contrary to the principle of proportionality.”

72. In reaching a conclusion, I must apply the same factors as I would if I were determining an application for revocation of a trade mark registration based on grounds of non-use; the relevant period for present purposes is the five year period ending with the date of the publication of the application for registration i.e. 29 January 2006 to 28 January 2011. In *Stichting BDO and others v BDO Unibank, Inc and others* [2013] EWHC 418 (Ch) Arnold J commented on the case law of the Court of Justice of the European Union (“CJEU”) in relation to genuine use of a trade mark:

“In *SANT AMBROEUS Trade Mark* [2010] RPC 28 at [42] Anna Carboni sitting as the Appointed Person set out the following helpful summary of the jurisprudence of the CJEU in Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, Case C-259/02 *La Mer Technology Inc v Laboratoires Goemar SA* [2004] ECR I-1159 and Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759 (to which I have added references to Case C-416/04 P *Sunrider v OHIM* [2006] ECR I-4237):

"(1) Genuine use means actual use of the mark by the proprietor or a third party with authority to use the mark: *Ansul*, [35] and [37].

(2) The use must be more than merely 'token', which means in this context that it must not serve solely to preserve the rights conferred by the registration: *Ansul*, [36].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end-user by enabling him, without any possibility of confusion, to distinguish the goods or services from others which have another origin: *Ansul*, [36]; *Sunrider*, [70]; *Silberquelle*, [17].

(4) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, i.e. exploitation that is aimed at maintaining or creating an outlet for the goods or services or a share in that market: *Ansul*, [37]-[38]; *Silberquelle*, [18].

(a) Example that meets this criterion: preparations to put goods or services on the market, such as advertising campaigns: *Ansul*, [37].

(b) Examples that do not meet this criterion: (i) internal use by the proprietor: *Ansul*, [37]; (ii) the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle*, [20]-[21].

(5) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including in particular, the nature of the goods or services at issue, the characteristics of the market concerned, the scale and frequency of use of the mark, whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them, and the evidence that the proprietor is able to provide: *Ansul*, [38] and [39]; *La Mer*, [22]-[23]; *Sunrider*, [70]-[71].

(6) Use of the mark need not always be quantitatively significant for it to be deemed genuine. There is no *de minimis* rule. Even minimal use may qualify as genuine use if it is the sort of use that is appropriate in the economic sector concerned for preserving or creating market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor: *Ansul*, [39]; *La Mer*, [21], [24] and [25]; *Sunrider*, [72]”.

73. Although minimal use may qualify as genuine use, the CJEU stated in Case C-141/13 P, *Reber Holding GmbH & Co. KG v OHIM* (in paragraph 32 of its judgment), that “not every proven commercial use may automatically be deemed to constitute genuine use of the trade mark in question”. The factors identified in point (5) above must therefore be applied in order to assess whether minimal use of the mark qualifies as genuine use.

74. In considering evidence, it is a matter of viewing the picture as a whole, including whether individual exhibits corroborate each other. In Case T-415/09, *New Yorker SHK Jeans GmbH & Co. KG v OHIM*, in relation to the need to get a sense from the overall picture of the evidence, notwithstanding that individual pieces may not, of themselves, be compelling, the General Court (“GC”) stated:

“53 In order to examine whether use of an earlier mark is genuine, an overall assessment must be carried out which takes account of all the relevant factors in the particular case. Genuine use of a trade mark, it is true, cannot be proved by means of probabilities or suppositions, but has to be demonstrated by solid and objective evidence of effective and sufficient use of the trade mark on the market concerned (COLORIS, paragraph 24). However, it cannot be ruled out that an accumulation of items of evidence may allow the necessary facts to be established, even though each of those items of evidence, taken individually, would be insufficient to constitute proof of the accuracy of those facts (see, to that effect, judgment of the Court of Justice of 17 April 2008 in Case C-108/07 P *Ferrero Deutschland v OHIM*, not published in the ECR, paragraph 36).”

75. In *Dosenbach-Ochsner AG Schuhe und Sport v Continental Shelf 128 Ltd*, BL O/404/13, Mr Geoffrey Hobbs Q.C., sitting as the Appointed Person, stated:

“21. The assessment of a witness statement for probative value necessarily focuses upon its sufficiency for the purpose of satisfying the decision taker with regard to whatever it is that falls to be determined, on the balance of probabilities, in the particular context of the case at hand. As Mann J. observed in *Matsushita Electric Industrial Co. V. Comptroller- General of Patents* [2008] EWHC 2071 (Pat); [2008] R.P.C. 35:

[24] As I have said, the act of being satisfied is a matter of judgment. Forming a judgment requires the weighing of evidence and other factors. The evidence required in any particular case where satisfaction is required depends on the nature of the inquiry and the nature and purpose of the decision which is to be made. For example, where a tribunal has to be satisfied as to the age of a person, it may sometimes be sufficient for that person to assert in a form or otherwise what his or her age is, or what their date of birth is; in others, more formal proof in the form of, for example, a birth certificate will be required. It all depends who is asking the question, why they are asking the question, and what is going to be done with the answer when it is given. There can be no universal rule as to what level of evidence has to be provided in order to satisfy a decision-making body about that of which that body has to be satisfied.

22. When it comes to proof of use for the purpose of determining the extent (if any) to which the protection conferred by registration of a trade mark can legitimately be maintained, the decision taker must form a view as to what the evidence does and just as importantly what it does not ‘show’ (per Section 100 of

the Act) with regard to the actuality of use in relation to goods or services covered by the registration. The evidence in question can properly be assessed for sufficiency (or the lack of it) by reference to the specificity (or lack of it) with which it addresses the actuality of use.”

76. QB’s evidence indicates that the gin that would become known as BERKELEY SQUARE was developed in 2008 by GJG. On 17 March 2009, QB’s UK’s subsidiary, QBL, issued a United Kingdom press release “Introducing Berkeley Square”. Although it does not say to whom this press release was sent, it includes an image of the bottle and label in which the gin would be sold. BERKELEY SQUARE gin won two silver awards at the 2009 International Spirits Challenge and was reviewed on theginblog.co.uk in January 2011. As to the “invoices” provided as exhibit WS5, I note HIB’s/HIL’s comments and agree that the documents provided appear to be printouts from QB’s accounting system rather than actual invoices, however, in relation to HIB’s/HIL’s criticisms of these documents, I agree with QB’s comment to the effect that it is “more likely than not that the sales were made.” Proceeding on this basis, I note that only the invoices dated 8 September and 20 November 2009 to Bibendum Wines Limited, 13 August 2010 to Vanquish Wines Ltd and 29 October 2010 to Hush actually fall within the relevant period; these invoices evidence sales of BERKELEY SQUARE gin in the amount of £11,212.54. However, this exhibit also contains invoices which although from after the relevant period, evidences further sales of BERKELEY SQUARE gin from 11 February, 24 October and 8 December 2011 and 3 September 2012, totalling £27,609.60. Other documents (again after the relevant period) show, inter alia, Berkeley Square gin being reviewed in *Esquire* magazine at an unspecified date in 2011 (the article including an indication of its price and whence it can be obtained i.e. “£35 at Thedrinkshop.com”). Further documents, again all from after the relevant period, point to BERKELEY SQUARE gin winning a further silver medal at the International Spirits Challenge in 2012 and to the continued availability of BERKELEY SQUARE gin into 2013. Mr Scott states that sales have made in the United Kingdom and in respect of export sales to Spain (exhibit WS4 appears to confirm the latter).

77. In its counterstatement, HIB noted that trade mark registration no. 2285612 was originally in the name of GJG and it put QB to “proof of its entitlement.” A review of official records indicates that GJG assigned the trade mark to QB on 5 August 2011. In a letter to the TMR dated 10 August 2012, Mr Rawlence stated:

“Please note that Quintessential Brands S.A. is in fact part of the Gilbert & John Greenall Limited Group...”

As this issue played no part in HIB’s/HIL’s evidence, its submissions filed during the course of the proceedings, its skeleton argument, its submissions at the hearing or in its written submissions following the hearing, I intend to proceed on the basis that it no longer challenges QB’s entitlement to the registration.

78. As is so often the case in proceedings before the TMR, QB’s evidence is far from perfect, however, in my view, Messrs. Scott and Salmon are well placed to provide the

evidence they do (particularly Mr Scott). When considered as a totality, QB's evidence paints a picture of a gin product which began life in 2008, which by March 2009 was ready to be the subject of a press release under the name BERKELEY SQUARE and which, during 2009, won two silver awards at the International Spirits Challenge. In addition, BERKELEY SQUARE gin has appeared in various blogs (from both during and after the relevant period) and although sales during the relevant period only amounted to some £11k, the product was at this point in its infancy and sales continued after the relevant period and are shown to have amounted to some £27k. As to those goods that were exported from the United Kingdom for sale in the Spanish market, these sales are still likely to be relevant given the wording of section 6A(4)(b). Considered overall, I am satisfied that during the relevant period, QB made genuine use of its BERKELEY SQUARE trade mark in relation to gin. Sales/references to BERKELEY SQUARE which originate from after the relevant period merely serve, in my view, to confirm the genuineness of the use within the relevant period.

Section 5(2)(b) – case law

79. The following principles are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

The principles

- (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 be dominated by one or more of its components;
- (f) however, it is also 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 creates a risk that the public will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

The average consumer and the nature of the purchasing decision

80. As the case law above indicates, it is necessary for me to determine who the average consumer is for alcoholic beverages. I must then determine the manner in which such goods are likely to be selected by the average consumer in the course of trade. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

“60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median.”

81. The average consumer of alcoholic beverages is a member of the adult general public. Such goods are sold through a range of channels, including retail premises such as supermarkets and off-licences (where they are normally displayed on shelves and are obtained by self selection) and in public houses and restaurants (where they are displayed on, for example, bottles/optics behind the bar and where the trade marks will

appear on drinks lists, menus etc.). Whilst I accept that when alcoholic beverages are sold in public houses and restaurants, there will be an oral component to the selection process, as indicated above there is nothing to suggest that such goods are sold in such a manner as to preclude a visual inspection. Consequently, while they may be ordered orally in public houses and restaurants, it is likely to be in the context of, for example, a visual inspection of the bottle/optic or drinks list/menu prior to the order being placed. Considered overall, the selection process, in my view, will be a predominantly visual one, although aural considerations will play their part.

As to the level of attention that will be paid, such goods, as a general rule, are not terribly expensive. However, whether being self selected in a retail environment such as a supermarket or ordered in a bar or restaurant, the average consumer will wish to ensure they obtain the correct type, flavour, size and strength of alcoholic beverage. In addition, as it is not uncommon for the average consumer to have an established preference in relation to such goods, they are, in my view, likely to display an average degree of care during the selection process.

Comparison of goods

82. In *Gérard Meric v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM) case T-133/05, in which the GC stated:

“29 In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by the trade mark application (Case T-388/00 *Institut für Lernsysteme v OHIM – Educational Services (ELS)* [2002] ECR II-4301, paragraph 53) or when the goods designated by the trade mark application are included in a more general category designated by the earlier mark (Case T-104/01 *Oberhauser v OHIM – Petit Liberto (Fifties)* [2002] ECR II-4359, paragraphs 32 and 33; Case T-110/01 *Vedial v OHIM – France Distribution (HUBERT)* [2002] ECR II-5275, paragraphs 43 and 44; and Case T- 10/03 *Koubi v OHIM – Flabesa (CONFORFLEX)* [2004] ECR II-719, paragraphs 41 and 42).”

83. As “gin” in the earlier trade mark would be included within the phrase “alcoholic beverages” in the application, the goods are identical on the principles outlined in *Merici*. The term “alcoholic beverages” is relatively broad in scope and will include within it a range of, for example, alcoholic wines, spirits, liqueurs, alcopops and alcoholic cocktails. However, as there is no evidence or submissions which suggest that HIB/HIL has any commercial interest in any goods other than those upon which the name BERKELEY had been used by it in the past i.e. a light distilled spirit drink akin to gin, and as it has offered no fall-back specification, there is, in my view, no need for me to consider whether and to what extent any of the goods I have listed above are similar to gin.

Comparison of trade marks

84. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a trade mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the trade marks must be assessed by reference to the overall impressions created by the trade marks, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

“.....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

85. It would be wrong, therefore, artificially to dissect the trade marks, although, it is necessary to take into account the distinctive and dominant components of the trade marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the trade marks.

86. Earlier in this decision I commented on the general agreement between counsel regarding the degree of similarity in the competing trade marks and I concluded that there was a relatively high degree of visual and aural similarity between the names BERKELEY and BERKELEY SQUARE and a reasonable degree of conceptual similarity; the fact that HIB’s application is for the word Berkeley in title case does not affect this analysis. I shall proceed on the basis that the competing trade marks are similar to the extent I have identified.

Distinctive character of QB’s earlier trade mark

87. The distinctive character of a trade mark can be appraised only, first, by reference to the goods in respect of which registration is sought and, secondly, by reference to the way it is perceived by the relevant public – *Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91. In determining the distinctive character of a trade mark and, accordingly, in assessing whether it is highly distinctive, it is necessary to make an overall assessment of the greater or lesser capacity of the trade mark to identify the goods for which it has been registered as coming from a particular undertaking and thus to distinguish those goods from those of other undertakings - *Windsurfing Chiemsee v Huber and Attenberger* Joined Cases C-108/97 and C-109/97 [1999] ETMR 585. I have summarised QB’s use of its BERKELEY SQUARE trade mark in paragraph 78 above. Suffice to say that as there is no evidence of any use prior to the date of application in November 2001, I have only the inherent characteristics of the trade mark to consider. Although I am aware that BERKELEY SQUARE is a location in central London, I have no evidence or submissions which suggest that it is either descriptive of or non-

distinctive for gin. It is, absent use, in my view, possessed of an average degree of inherent distinctive character.

Likelihood of confusion

88. In determining whether there is a likelihood of confusion, a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods and vice versa. As I mentioned above, it is also necessary for me to keep in mind the distinctive character of QB's trade mark as the more distinctive this trade mark is, the greater the likelihood of confusion. I must also keep in mind the average consumer for the goods, the nature of the purchasing process and the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them he has retained in his mind.

89. In his skeleton argument, Mr Alkin stated:

“13. On a global assessment, this identity of goods, strong similarity between mark and sign, and average degree of attention paid by the average consumer combine to create a clear likelihood of confusion...”

90. At the hearing, Miss McFarland confirmed that she agreed with the above analysis, as do I. **As a consequence, QB's opposition to HIB's application succeeds in full.**

Overall conclusion

91. HIL's cancellation action based upon section 5(4)(a) has failed and QB's opposition to HIB's application for registration has succeeded in full.

Costs

92. As QB has been successful, it is entitled to a contribution towards its costs. At the hearing, counsel agreed that costs should follow the event and should be based upon the scale of costs included in Annex A of the Tribunal's Practice Notice (TPN) 4 of 2007. Using that TPN as a guide, but bearing in mind the consolidated nature of these proceedings, the additional evidence filed prior to and following the hearing (in particular the corrective witness statement of Mr Oldroyd dated 18 February 2015 and exhibit SJO1 thereto), and the duration of the hearing (which lasted three hours), I award costs to QB on the following basis:

Preparing statements and considering the other side's statements:	£400
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Preparing evidence and considering and commenting upon the other side's evidence:	£1000
Preparing for and attending a hearing:	£800
Official fee:	£200
Total:	£2400

93. I order Halewood International Brands Limited and Halewood International Limited (jointly) to pay to Quintessential Brands SA the sum of **£2400**. This sum is to be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 27th day of May 2015

C J BOWEN
For the Registrar
The Comptroller-General