

O/377/21

TRADE MARKS ACT 1994

IN THE MATTER OF THE UK DESIGNATION OF INTERNATIONAL

REGISTRATION NO. 1376884

BY CASELLA WINES PTY. LIMITED

FOR PROTECTION OF THE FOLLOWING TRADE MARK

IN CLASS 33:

THE CLIPPER

AND

IN THE MATTER OF THE OPPOSITION THERETO

UNDER NO. 412606 BY

KALLO FOODS LIMITED

BACKGROUND AND PLEADINGS

1. Casella Wines Pty Limited (“the holder”) designated the International Registration (“IR”) shown on the front cover of this decision for protection in the United Kingdom on 11 October 2017. The designation was accepted and published on 2 March 2018 in respect of the following goods:

Class 33

Fortified wines; sparkling wines; wine; none of the foregoing being cocktails.

2. On 30 May 2018, the designation was opposed by Kallo Foods Limited (“the opponent”). The opposition is based on sections 5(3) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”) and concerns all the goods in respect of which the designation was made.

3. Under section 5(3), the opponent is relying on the following UK Trade Marks (“UKTMs”):

UKTM No. 2499915A

CLIPPER NATURAL, FAIR & DELICIOUS

Filing date: 10 October 2008

Registration date: 5 June 2009

Goods and services for which the opponent claims a reputation:

Class 30

Beverages, tea and coffee; tea and coffee products; coffee beans; coffee substitutes; tea bags; fruit and herbal teas, fruit and herbal infusions; green tea; white tea; flavoured teas; iced tea; tea substitutes; instant coffee; ground coffee; coffee beans; chocolate and cocoa-based beverages; confectionery; chocolate based products; oat based food and drinks; malt based food and drinks; ice cream;

bread, biscuits, cakes, pastries, cookies; preparations for making the aforesaid goods; granola, sugar, sugar cubes and sticks; sauces; spices; flavourings, flavouring syrups, essences.

Class 35

Retail services connected with the sale of beverages, preparations for making beverages; retail services by mail order and by the Internet connected with the sale of beverages, preparations for making beverages.

UKTM No. 2499915B



Filing date: 10 October 2008

Registration date: 5 June 2009

Goods and services for which the opponent claims a reputation:

Class 30

Beverages, tea and coffee; tea and coffee products; coffee beans; coffee substitutes; tea bags; fruit and herbal teas, fruit and herbal infusions; green tea; white tea; flavoured teas; iced tea; tea substitutes; instant coffee; ground coffee; coffee beans; chocolate and cocoa-based beverages; confectionery; chocolate based products; oat based food and drinks; malt based food and drinks; ice cream; bread, biscuits, cakes, pastries, cookies; preparations for making the aforesaid goods; granola, sugar, sugar cubes and sticks; sauces; spices; flavourings, flavouring syrups, essences.

Class 35

Retail services connected with the sale of beverages, preparations for making beverages; retail services by mail order and by the Internet connected with the sale of beverages, preparations for making beverages.

UKTM No. 2285740, a series of three marks:

CLIPPER

CLIPPER

CLIPPER

Filing date: 16 November 2001

Registration date: 8 August 2003

Goods for which the opponent claims a reputation:

Class 30

Tea and coffee; tea and coffee products; tea bags; fruit and herbal teas, fruit and herbal infusions; green tea; flavoured teas; instant coffee; ground coffee; coffee beans; chocolate beverages and cocoa beverages.

4. The opponent claims that the contested mark is identical and/or highly similar to the earlier marks, which have a reputation in the United Kingdom. It notes that the goods are dissimilar. It claims that use of the contested mark without due cause would:

- Take unfair advantage of the significant reputation it has built up over a number of years and be an attempt to ride on the coat-tails of the earlier marks. The contested mark would benefit from the opponent's investment in advertising and promotion of the earlier marks and so would enjoy a commercial advantage in the marketplace without having made the same investment;

- Be detrimental to the distinctive character of the earlier marks, as such use would be confusing and would weaken the earlier marks' ability to identify the goods and services for which they are registered; and
- Be detrimental to the reputation of the earlier marks, as the power of attraction of the earlier marks would be reduced.

5. Under section 5(4)(a), the opponent claims that it has used the sign **CLIPPER** in the course of trade since at least 1984 in relation to the following goods: *Tea, tea products, tea bags, fruit and herbal teas, fruit and herbal infusions, green teas, white teas, flavoured teas, chocolate beverages, cocoa beverages, hot chocolate, coffee, coffee products*. The opponent claims that use of an identical and/or highly similar mark by the holder constitutes misrepresentation which would result in damage. It notes that there is not a common field of activity between the parties, but avers that use of the contested mark would lead consumers to believe that the opponent endorsed, recommended or approved of the holder's products.

6. Following a cooling-off period, the holder filed a defence and counterstatement denying the claims made and putting the opponent to proof of use and reputation of the earlier marks, and of goodwill in the sign **CLIPPER**.

7. The matter came to be heard before me by videolink on 10 March 2021. The holder was represented by Alan Fiddes of Urquhart-Dykes & Lord LLP. The opponent did not attend but has been represented throughout these proceedings by Novagraaf UK.

EVIDENCE AND SUBMISSIONS

8. The opponent filed evidence in the form of a witness statement dated 19 March 2020 from Mr Jason Edward Boxer, the Finance Director of Kallo Foods Limited. He sets out the history of the business behind the CLIPPER brand, which was sold to the opponent's ultimate parent company Koninklijke Wessanen NV in 2012.¹ In the UK, the brand operates through Kallo. Also provided are sales figures, screenshots of the CLIPPER Teas website, selections of invoices and news articles, and information on

¹ Exhibit JEB1.

marketing and promotional activity. I shall return to this evidence in more detail where appropriate in my decision.

9. Neither party made any written submissions.

DECISION

10. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Trade Marks Act relied on in these proceedings are derived from an EU Directive. This is why this decision continues to make reference to the trade mark case law of EU courts.

Proof of Use of the Earlier Marks

11. The marks that the opponent is relying on qualify as earlier marks under section 6(1) of the Act. As they all completed their registration process more than five years before the date of publication of the designation for protection in the UK, they are subject to the provisions of section 6A of the Act, which is as follows:²

“(1) This section applies where –

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

(b) there is an earlier trade mark of a kind falling within section 6(1)(a), (b) or (ba) 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 As the proceedings were commenced on 30 May 2018, the relevant legislation is as it was before the amendments made by The Trade Marks Regulations 2018, SI 2018/825, which came into force on 14 January 2019.

(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 European Union trade mark or international trade mark (EC), any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Union.

(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.”

12. The holder put the opponent to proof of use of those marks. The relevant period in which use must be shown is the five years ending with the date of publication of the designation of the IR for protection in the UK: 3 March 2013 to 2 March 2018.

13. In his skeleton argument, Mr Fiddes for the holder accepted that the opponent had used the marks on which it relies in relation to the manufacture and sale of tea, coffee and hot chocolate in the UK. At the hearing, he clarified this position, submitting that in his view no use had been shown for coffee beans or coffee substitutes.

14. The case law on genuine use was summarised by Arnold J (as he then was) in *Walton International Limited v Verweij Fashion BV* [2018] EWHC 1608 (Ch):

“114. *The law with respect to genuine use.* The CJEU has considered what amounts to ‘genuine use’ of a trade mark in a series of cases: Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, *La Mer* (cited above), Case C-416/04 *Sunrider Corp v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [2006] ECR I-4237, Case C-442/07 *Verein Radetsky-Order v Bundersvereinigung Kamaradschaft ‘Feldmarschall Radetsky’* [2008] ECR I-9223, Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759, Case C-149/11 *Leno Merken BV v Hagelkruis Beheer BV* [EU:C:2012:816] [2013] ETMR 16, Case C-609/11 P *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR, Case C-141/13 *Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [EU:C:2014:2089] and Case C-689/15 *W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse* [EU:C:2017:434], [2017] Bus LR 1795.

115. The principles established by these cases may be summarised as follows:

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

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Leno* at [29]; *Centrotherm* at [71]; *Reber* at [29].

(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 to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Leno* at [29]; *Centrotherm* at [71]. Accordingly, affixing of a trade mark on goods as a label of quality is not genuine use unless it guarantees, additionally and simultaneously, to consumers that those goods come from a single undertaking under the control of which the goods are manufactured and which is responsible for their quality: *Gözze* at [43]-[51].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14] and [22]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71]; *Reber* at [29].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Leno* at [29]-[30], [56]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving 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. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72] and [76]-[77]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32].

15. Having examined the evidence, I can see no use of the marks for any goods other than those that have been accepted by Mr Fiddes. The website screenshots and invoices in Exhibits JEB5 and JEB9 respectively indicate that tea, coffee and hot chocolate were offered for sale, and purchased, during the relevant period. However, I can see no use for coffee beans or coffee substitutes or any other goods in the

aforementioned exhibits, the articles in Exhibit JEB13 or the promotional activity shown in Exhibits JEB11, JEB12 and JEB14.

16. I now turn to the Class 35 retail services covered by UKTM Nos 2499915A and 2499915B. In *Oakley, Inc v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-116/06, the General Court (“GC”) noted that:

“... the objective of retail trade is the sale of goods to consumers, which includes, in addition to the legal sales transaction, all activity carried out by the trader for the purpose of encouraging the conclusion of such a transaction, and that that activity consists, inter alia, in selecting an assortment of goods offered for sale and in offering a variety of services aimed at inducing the consumer to conclude the abovementioned transaction with the trader in question rather than with a competitor.”³

17. Mr Boxer states that the CLIPPER range of products are either sold through its own website or by third-party retailers.⁴ Selling goods on a website is not in itself the supply of retail services: see *Tony Van Gulck v Wasabi Frog Limited*, BL O/391/14, paragraph 9. Of the ten screenshots from the opponent’s website which are included in Exhibit JEB5, four fall within the relevant period. However, while all of these indicate that an online shop is available, none show any retail services being offered. The remaining exhibits provide evidence that the goods were on sale in supermarkets and other retailers. The opponent has not shown use of UKTMs Nos 2499915A and 2499915B for the services in Class 35.

18. For the purposes of section 5(3), the goods that are in play are as follows:

Mark	Goods
UKTM No. 2499915A and UKTM No. 2499915B	<u>Class 30</u> <i>Tea and coffee; tea and coffee products; tea bags; fruit and herbal teas, fruit and herbal</i>

³ Paragraph 43.

⁴ Witness statement, paragraph 12.

Mark	Goods
	<i>infusions; green tea; white tea; flavoured teas; tea substitutes; instant coffee; ground coffee; chocolate and cocoa-based beverages.</i>
UKTM No. 2285740	<u>Class 30</u> <i>Tea and coffee; tea and coffee products; tea bags; fruit and herbal teas, fruit and herbal infusions; green tea; flavoured teas; instant coffee; ground coffee; chocolate beverages and cocoa beverages.</i>

Section 5(3)

19. Section 5(3) of the Act is as follows:

“A trade mark which –

(a) is identical with or similar to an earlier trade mark,

[...]

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

20. The relevant case law can be found in the following judgments of the Court of Justice of the European Union (“CJEU”): *General Motors Corp v Yplon SA* (Case C-375/97), *Intel Corporation Inc v CPM United Kingdom Ltd* (Case C-252/07), *Adidas Salomon AG v Fitnessworld Trading Ltd* (Case C-408/01), *L’Oréal SA & Ors v Bellure*

& Ors (Case C-487/07) and *Interflora Inc & Anor v Marks and Spencer plc & Anor* (Case C-323/09). The law appears to be as follows:

- a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors*, paragraph 24.
- b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors*, paragraph 26.
- c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Salomon*, paragraph 29, and *Intel*, paragraph 63.
- d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods and/or services, the extent of the overlap between the relevant consumers for those goods and/or services, and the strength of the earlier mark's reputation and distinctiveness; *Intel*, paragraph 42.
- e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or that there is a serious likelihood that such an injury will occur in the future; *Intel*, paragraph 68. Whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel*, paragraph 79.
- f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods and/or services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods and/or services for which the earlier mark is registered, or a serious risk that this will happen in the future; *Intel*, paragraphs 76 and 77.

g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel*, paragraph 74.

h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact on the earlier mark; *L'Oréal*, paragraph 40.

i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation; *Interflora*, paragraph 74, and the court's answer to question 1 in *L'Oréal*.

Reputation

21. In *General Motors*, the CJEU held that:

"24. The public amongst which the earlier trade mark must have acquired a reputation is that concerned by that trade mark, that is to say, depending on the product or services marketed, either the public at large or a more specialised public, for example traders in a specific sector.

25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.

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

27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use and the size of the investment made by the undertaking in promoting it.

28. Territorially, the condition is fulfilled when, in the terms of Article 5(2) of the Directive, the trade mark has a reputation 'in the Member State'. In the absence of any definition of the Community provision in this respect, a trade mark cannot be required to have a reputation 'throughout' the territory of the Member State. It is sufficient for it to exist in a substantial part of it."

22. Mr Fiddes submitted that the evidence filed by the opponent was insufficient to show that the marks had a reputation:

"... The information provided consists of limited evidence of annual sales figures and advertising spend but provides little evidence relating to the perception of the brand by relevant consumers or independent evidence of the extent of the reputation apart from a very limited number of press articles. In addition there is no evidence of the geographical location of such sales so it is impossible to determine what level of reputation the Opponent has."⁵

23. He drew my attention to the decision of the Appointed Person, Mr Phillip Johnson, in *Spirit Energy Limited v Spirit Solar Limited*, BL O/034/20, as an example of a case where it was found that the evidence did not establish that the opponent in those proceedings had a qualifying reputation for the purposes of section 5(3). In his decision, Mr Johnson reviewed the evidence adduced to show reputation against the

⁵ Skeleton argument, paragraph 3.5.

factors set out by the CJEU in *General Motors* and I shall follow the same approach here. Before doing so, I note that, at the hearing, Mr Fiddes submitted that if I were able to find that any of the marks had a reputation it would be “incredibly narrow”.

24. The goods for which Mr Fiddes accepted that use had been shown are widely and frequently purchased by the general public throughout the UK. I find that this is the relevant public amongst which the opponent must show that the marks have a reputation.

25. Mr Boxer states that sales of CLIPPER branded products were £15,571,104 in 2014, £15,390,065 in 2015, £15,579,039 in 2016, £15,868,031 in 2017, £15,482,070 in 2018 and £16,348,929 in 2019. This adds up to £94,239,238 over six years.⁶ It is not possible to determine what proportion of these sales relates to each of the beverages for which use has been accepted. The opponent’s own website presents the company as one specialising in tea:⁷



⁶ Witness statement, paragraph 13.

⁷ Exhibit JEB5, page 36.

26. UKTM Nos 2499915A and 2499915B and the first mark in the series UKTM No. 2285740 are shown on the packaging of the products. This can be seen more clearly on the image below from Exhibit JEB7:⁸



27. Tea accounts for nearly three-quarters of the sales recorded on the UK invoices dating from 30 July 2014 to 4 July 2017.⁹ They add up to £16,067.05, with £5,580.14 for coffee and £375.14 for hot chocolate.

28. Exhibit JEB10 contains an online article from September 2018 which gives statistics on the UK tea market. According to this article, the market was £575.6 million in 2015. This includes fruit, herbal and specialty tea products as well as black tea. Even if all the opponent's sales for 2015 can be attributed to tea, this would account for just over 2.5% of the market. Clipper is included in a chart of tea brands, coming below PG Tips, Tetley, Typhoo, Yorkshire Tea, Twinings and some supermarket own brands, in numbers of users in 2017. The chart, produced by Kantar media, suggests that over 1.3 million people drink Clipper tea.¹⁰

29. Mr Boxer states that the brand was founded as a Fairtrade tea company in 1984 and that the current branding has been in use since 2008.¹¹ He also says that the goods are sold through major supermarkets in the UK, and this is verified by the

⁸ Page 44.

⁹ Exhibit JEB9, pages 58-72. One invoice relates to sales to a French customer; the remaining eleven invoices are after the date of designation.

¹⁰ Exhibit JEB10, page 87.

¹¹ Exhibit JEB6.

evidence of the invoices to which I have already referred and information on marketing material used in Waitrose and Tesco as part of the “Ditch the old bag” campaign which ran in 2014.¹² A sample review of views of the TV advertisement in March of that year showed that it was run during TV shows *Come Dine with Me*, *8 out of 10 Cats* and *Gogglebox*.¹³ I consider it reasonable to infer that the marks were used throughout the UK.

30. The table below gives details of advertising and promotional expenditure in the UK.¹⁴ I note that the only examples provided in the evidence show advertising and promotions relating to tea.

Spend	Year			
	2014	2015	2016	2017
TV and Outdoor Advertising Spend	501,300	1,550,039	549,269	215,386
Print Media Spend	21,542	222,240	4,730	47,344
Digital Media Spend	76,355	1,220	34,196	124,038
Public Relations Spend	50,000	80,681	117,470	117,949
Advertising Agency Spend	564,829	5,166	-	-
Sampling events Spend	3,388	8,796	289,947	139,118
Consumer/other promotion and POS Spend	21,542	41,724	25,177	94,042
Discount Coupons Spend	10,704	12,971	24,853	52,078
Product samples Spend	6,675	52,840	124,978	100,558
Design & Media productions Spend	-	75,000	280,880	175,996
Packaging Design Spend	81,810	-	139,957	69,037
Market research Spend	60,040	68,812	60,174	64,738
Packaging Concept development Spend	6,675	201,605	62,388	94,307

31. Taking the evidence as a whole, I consider that the opponent has shown that the earlier marks have a reasonable reputation for tea produced and supplied to the consumer in an ethical way. The Fairtrade label and logo are prominent on the packaging. However, the market share suggests that the marks would not have the strongest reputation for tea in general.

¹² Exhibit JEB14, pages 114-115.

¹³ *Ibid*, page 111.

¹⁴ Witness statement, paragraph 16.

Link

32. In assessing whether the public will make the required mental link between the marks, I must take account of all relevant factors. The following were identified by the CJEU in *Intel*:

- The degree of similarity between the conflicting marks;
- The nature of the goods or services for which the conflicting marks are registered, or proposed to be registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public;
- The strength of the mark's reputation, which I have already considered above;
- The degree of the earlier mark's distinctive character, whether inherent or acquired through use; and
- Whether there is a likelihood of confusion.

33. At the hearing, Mr Fiddes admitted that the marks were similar and that no good argument could be made to challenge the view that "CLIPPER" was "the essential feature" of the earlier marks, which meant the comparison would be between CLIPPER and THE CLIPPER. On that basis, the marks would be highly similar, if not identical.

34. Registered trade marks possess varying degrees of inherent distinctive character from the very low, because they are suggestive of, or allude to, a characteristic of the goods or services, to those with high inherent distinctive character, such as invented words which have no allusive qualities. "CLIPPER" does not allude to, or describe, a characteristic of the goods for which I have found reputation. It is possible that some consumers will make the connection with tea clippers, the ships that sailed the trade routes between Europe and the East Indies in the 19th century, but they are likely to be a small proportion of the public. The earlier marks have an average degree of inherent distinctiveness, but on the basis of the evidence I have considered above, I

find that this has been enhanced to an above average degree through the use made of the marks.¹⁵

35. The opponent admits that the goods are dissimilar. Hence there would be no likelihood of confusion under section 5(2)(b), which was, of course, not pleaded in these proceedings.

36. Mr Fiddes submitted that the public would not make a link between the marks, as any reputation that the opponent enjoyed would be confined to a narrow range of products. I agree that no link would be made. Although tea and wine may be sold by the same retailers, they will not be found in the same aisles. Production processes are different. As the opponent's reputation covers tea, rather than extending more widely to a variety of different foodstuffs and beverages, I see no reason why the earlier mark would be brought to the mind of the public when seeing the contested IR used for wine. A link is not made out, and the opposition fails under section 5(3).

Section 5(4)(a)

37. Section 5(4)(a) is as follows:

“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.”

¹⁵ I recognise that enhanced distinctiveness and reputation are not the same. However, the factors that must be taken into account when making the assessment are.

38. In *Reckitt & Colman Products Limited v Borden Inc. & Ors* [1990] RPC 341, HL, Lord Oliver of Aylmerton described the ‘classical trinity’ that must be proved in order to reach a finding of passing off:

“First, he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying ‘get-up’ (whether it consists simply of a brand name or a trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff’s goods or services. Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by him are the goods or services of the plaintiff. Thirdly, he must demonstrate that he suffers or, in a quia timet action, that he is likely to suffer damage by reason of the erroneous belief engendered by the defendant’s misrepresentation that the source of the defendant’s goods or services is the same as the source of those offered by the plaintiff.”¹⁶

Relevant Date

39. In *Advanced Perimeter Systems v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC, sitting as the Appointed Person, quoted with approval the summary made by Mr Allan James, acting for the Registrar, in *SWORDERS Trade Mark*, BL O/212/06:

“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

¹⁶ Page 406.

complained about, and then to assess whether the position would have been any different at the later date when the application was made.”¹⁷

40. There is no evidence that the holder has used the IR before the date of designation, and so 11 October 2017 is the relevant date for the purposes of this ground.

Goodwill

41. The concept of goodwill was considered by the House of Lords in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantages of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start. The goodwill of a business must emanate from a particular centre or source. However widely extended or diffused its influence may be, goodwill is worth nothing unless it has the power of attraction sufficient to bring customers home to the source from which it emanates.”

42. In his skeleton, Mr Fiddes submitted that the evidence filed by the opponent did not show that it had sufficient goodwill associated with the sign **CLIPPER** for the goods claimed: *Tea, tea products, tea bags, fruit and herbal teas, fruit and herbal infusions, green teas, white teas, flavoured teas, chocolate beverages, cocoa beverages, hot chocolate, coffee, coffee products*. However, at the hearing, he submitted that the opponent might be able to show that they had goodwill, but that misrepresentation and damage were not made out.

43. The evidence that I have considered under section 5(3) shows that the opponent has made sales to, and conducted marketing and promotional activities aimed at, UK

¹⁷ Quoted in paragraph 43 of BL O-410-11.

customers. I am satisfied that at the relevant date it had protectable goodwill in relation to tea. There is some, although less, evidence of sales of *chocolate beverages, cocoa beverages, coffee and coffee products*. This largely derives from the invoices and there is little other evidence.

44. In *Smart Planet Technologies, Inc. v Rajinda Sharma (Recup Trade Mark)*, BL O/304/20, Mr Thomas Mitcheson QC, sitting as the Appointed Person, reviewed the case law on goodwill and concluded that:

“... a successful claimant in a passing off claim needs to demonstrate more than nominal goodwill. It needs to demonstrate significant or substantial goodwill and at the very least sufficient goodwill to be able to conclude that there would be substantial damage on the basis of the misrepresentation relied upon.”¹⁸

45. In his analysis of the facts of that particular case, the Appointed Person stressed the importance of taking into account the size of the market for the goods or services at issue and the likely impact upon it of the sales shown in the evidence. I have no evidence on the size of the market for coffee and coffee products, or chocolate and cocoa beverages, but it is likely to be large. Sales of £5,580.14 for coffee and £375.14 for hot chocolate in nearly three years appear to me to be very small.

46. Although the opponent had not detailed which products were responsible for the overall sales figures, I was able to find that it had goodwill in relation to tea because there is evidence of marketing and promotion of the sign in connection with those goods and the media articles and opponent’s own website describe CLIPPER as a brand of tea. In the case of coffee and chocolate, this kind of evidence has not been adduced. Taking the evidence as a whole, I find that the opponent has shown protectable goodwill in relation to *Tea, tea products, fruit and herbal teas, fruit and herbal infusions, green teas, white teas and flavoured teas* and that the sign CLIPPER was distinctive of these goods at the relevant date.

¹⁸ Paragraph 34.

Misrepresentation

47. The relevant test was set out by Morritt LJ in *Neutrogena Corporation & Anor v Golden Limited & Anor* [1996] RPC 473 at [493]:

“There is no dispute as to what the correct legal principle is. As stated by Lord Oliver of Aylmerton in *Reckitt & Colman Products Ltd v Borden Inc* [1990] RPC 341 at page 407 the question on the issue of deception or confusion is:

‘is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the public will be misled into purchasing the defendants’ [product] in the belief that it is the respondents’ [product].

The same proposition is stated in Halsbury’s Laws of England 4th Edition Vol. 48 para. 148. The necessity for a substantial number is brought out also in *Saville Perfumery Ltd v June Perfect Ltd* (1941) 58 RPC 147 at page 175; and *Re Smith Hayden’s Application* (1945) 63 RPC 97 at page 101.”

48. Paragraph 309 of *Halsbury’s Laws of England* Vol. 97A (2012 reissue) states that:

“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.”

49. Mr Fiddes submitted that there is no misrepresentation as the public would not be confused. They would not mistakenly infer from the use of the contested IR that the holder’s goods are from the same source as, or are connected to, the opponent’s.

50. The opponent admits that the parties do not share a common field of activity, but this is not in itself fatal to its case. However, in *Harrods Limited v Harrodian School Limited* [1996] RPC 697 (CA), Millet LJ said that:

“Where there is no or only a tenuous degree of overlap between the parties’ respective fields of activity the burden of proving the likelihood of confusion and resulting damage is a heavy one. In *Stringfellow v McCain Foods (G.B.) Ltd* [1984] RPC 501 Slade LJ said (at page 535) that the further removed from one another the respective fields of activities, the less likely was it that any member of the public could reasonably be confused into thinking that the one business was connected with the other; and he added (at page 545) that

‘even if it considers that there is a limited risk of confusion of this nature, the court should not, in my opinion, readily infer the likelihood of resulting damage to the plaintiffs as against an innocent defendant in a completely different line of business. In such a case the onus falling on plaintiffs to show that damage to their business reputation is in truth likely to ensue and to cause them more than minimal loss is in my opinion a heavy one.’

In the same case Stephenson LJ said at page 547:

‘... in a case such as the present the burden of satisfying Lord Diplock’s requirements in the *Advocaat* case, in particular the fourth and fifth requirements, is a heavy burden, how heavy I am not sure the judge fully appreciated. If he had, he might not have granted the respondents relief. When the alleged ‘passer off’ seeks and gets no benefit from using another trader’s name and trades in a field far removed from competing with him, there must, in my judgment, be clear and cogent proof of actual or possible confusion or connection, and of actual damage or real likelihood of damage to the respondents’ property in their goodwill, which must, as Lord Fraser said in the *Advocaat* case, be substantial.’¹⁹

51. It is unlikely, in my view, that a substantial number of members of the public would be misled into believing that the holder’s wine comes from the opponent. Given the differences in raw materials and production processes, the public will not assume that the same business sells both goods unless there is some other factor that must be considered. If the opponent’s goodwill lay in the sale of a variety of food and beverages, such an assumption would be more plausible, but that is not the case here. I find there is no misrepresentation.

52. The section 5(4)(a) ground fails.

OUTCOME

53. The opposition has failed and the UK designation by Casella Wines Pty. Limited may proceed to registration.

COSTS

54. The holder has been successful and is entitled to a contribution towards its costs in line with the scale set out in Tribunal Practice Notice (TPN) 2/2016.

¹⁹ Pages 714-15

55. At the hearing, Mr Fiddes submitted that costs should be towards the higher end of the scale as, in his view, the holder had been put to “considerable unnecessary costs”. He noted that the opponents had decided not to attend the hearing or file any written submissions in lieu of attendance, but acknowledged that they were within their rights to take that decision. I have considered his submissions, but it must also be noted that it was the holder that requested the hearing instead of asking for a decision to be taken from the papers.

56. In the circumstances, I award the holder the sum of £1000 as a contribution towards the cost of the proceedings. This award has been calculated as follows:

Preparing a statement and considering the other side’s statement: £400

Preparing for and attending a hearing: £600

TOTAL: £1000

57. I therefore order Kallo Foods Limited to pay Casella Wines Pty. Limited the sum of **£1000**. This sum should be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.

Dated this 20th day of May 2021

**Clare Boucher
For the Registrar,
Comptroller-General**