O/016/21

In the matter of UK Trade Mark Application No.3357125 to register JOLLIBEE for a range of goods and services in classes 9, 16, 25, 28 and 35 in the name of B&B Cole Limited (the Applicant)

and

Opposition thereto No. 416090 by Jollibee Foods Corporation (the Opponent)

and

In the matter of an Appeal to the Appointed Person by the Opponent against the Decision of the Hearing Officer O-123-20 for the Registrar, The Comptroller General dated 27th February 2020

DECISION OF THE APPOINTED PERSON

Introduction

1. B&B Cole Limited applied to register the word mark JOLLIBEE on 29th November 2018 ('the Filing Date') in respect of a range of goods and services in classes 9, 16, 25, 28 and 35. The Hearing Officer set out the full range of those goods and services in Annex A to his decision.

2. The Application was opposed by Jollibee Foods Corporation of the Philippines (the Opponent) on two grounds – first, under section 5(4)(a) of the Trade Marks Act 1994 (as amended) ("the Act") namely that use of the mark applied for was liable to be prevented by the law of passing off by reason of the Opponent's trading under the mark JOLLIBEE in relation to its fast-food outlet prior to the date of application and second, under section 5(3) (mark with a reputation) based on UK trade mark no. 3,086,498 for the word mark JOLLIBEE registered for various foodstuffs in class 29 and for '*services for providing food and drink; restaurant services'* in class 43 ('the Earlier Mark').

The Hearing Officer's Decision

3. The Hearing Officer, Mr Allan James, rejected the Opposition. On the s.5(3) ground Mr James found first, that the Opponent failed to establish a qualifying reputation at the filing date, but second, in any event, even if the Opponent had a

reputation, the relevant public would not make a link between the Mark applied for and the Earlier Mark, nor would any damage result. As for the s.5(4)(a) ground, he found that the Opponent had acquired goodwill in the UK under the sign JOLLIBEE at the filing date, but the Applicant's use of the contested mark would not give rise to any misrepresentation.

4. In his Decision, Mr James analysed the evidence with care and made a number of findings. To my understanding, none of his findings of primary fact is challenged on this Appeal. Rather, the 8 grounds of appeal are challenges to the Hearing Officer's evaluation of various elements of the applicable legal tests.

5. The Opponent JFC has a substantial fast-food business with around 1400 outlets around the world, albeit most are in the Far East, the Middle East and the USA/Canada. Its first JOLLIBEE outlet in Europe was opened in Italy in March 2018. On 20th October 2018, it opened its first outlet in the UK in Earls Court, London. The Hearing Officer related the evidence of Ms Molera of the Opponent which went to the publicity and media attention which the launch attracted and he noted, correctly, that there was a period of 40 days between the launch and the Filing Date. However, underpinning the Hearing Officer's rejection of both grounds of opposition was a combination of (a) the lack of similarity between the goods and services applied for and any services or goods in which the Opponent managed to establish either a goodwill or reputation and (b) the short amount of time available before the Filing Date for the Opponent to build either goodwill or reputation in the UK.

The Appeal in outline

6. In seeking to reverse the rejection of each ground of opposition, the Appellant/Opponent criticises the Hearing Officer's Decision on 8 grounds, which I shall deal with in turn below. By its Respondent's Notice, the Respondent/Applicant submits the Hearing Officer erred in finding that the Opponent owned a goodwill at the Filing Date.

7. The hearing of the Appeal took place by videolink on 12th October 2020. Ms Charlotte Blythe appeared for the Opponent/Appellant and Mr Jamie Muir Wood

appeared for the Applicant/Respondent. I am grateful to both sides for their skeleton arguments and succinct oral submissions.

Standard of appeal

8. This appeal is by way of review of the Hearing Officer's decision. Neither surprise at a Hearing Officer's conclusion, nor a belief that he or she has reached the wrong decision suffices to justify interference in this sort of appeal. Before that is warranted, it is necessary for me to be satisfied that there was a distinct and material error of principle in the decision in question or that the Hearing Officer was wrong. The relevant principles were set out in *TT Education Ltd v Pie Corbett Consultancy* [2017] RPC 17 by Daniel Alexander QC sitting as the Appointed Person at [14]-[52] and his conclusions were approved by Arnold J in *Apple Inc v Arcadia Trading Limited* [2017] EWHC 440 (Ch). Mr Alexander QC said in particular that:

> "… In the case of a multifactorial assessment or evaluation, the Appointed Person should show a real reluctance, but not the very highest degree of reluctance, to interfere in the absence of a distinct and material error of principle. Special caution is required before overturning such decisions. In particular, where an Appointed Person has doubts as to whether the Registrar was right, he or she should consider with particular care whether the decision really was wrong or whether it is just not one which the appellate court would have made in a situation where reasonable people may differ as to the outcome of such a multifactorial evaluation (*REEF*, *BUD*, *Fine & Country* and others)."

9. Subsequently, the Supreme Court in *Actavis Group PTC v. ICOS Corporation* [2019] UKSC 1671 dealt with the role of the appellate court at [78] to [81]. Lord Hodge said:

> "78. … Where inferences from findings of primary fact involve an evaluation of numerous factors, the appropriateness of an intervention by an appellate court will depend on variables including the nature of the evaluation, the standing and experience of the fact-finding judge or tribunal, and the extent to which the judge or tribunal had to assess oral evidence: *South Cone Inc v Bessant* , *In re Reef Trade Mark [*2002] EWCA Civ 763; [2003] RPC 5 , paras 25-28 per Robert Walker LJ.

…

> 80. What is a question of principle in this context? An error of principle is not confined to an error as to the law but extends to certain types of error in the application of a legal standard to the facts in an evaluation of those facts. What is the nature of such an evaluative error? In this case we are not concerned with any

> challenge to the trial judge's conclusions of primary fact but with the correctness of the judge's evaluation of the facts which he has found, in which he weighs a number of different factors against each other. This evaluative process is often a matter of degree upon which different judges can legitimately differ and an appellate court ought not to interfere unless it is satisfied that the judge's conclusion is outside the bounds within which reasonable disagreement is possible. …
>
> 81. Thus, in the absence of a legal error by the trial judge, which might be asking the wrong question, failing to take account of relevant matters, or taking into account irrelevant matters, the Court of Appeal would be justified in differing from a trial judge's assessment of obviousness if the appellate court were to reach the view that the judge's conclusion was outside the bounds within which reasonable disagreement is possible. It must be satisfied that the trial judge was wrong …"

10. Although this Appeal does not involve an appeal from a Hearing Officer who has assessed the likelihood of confusion for an opposition based upon section 5(2)(b) of the Act, the additional guidance from Mr Iain Purvis QC sitting as the Appointed Person in *Rochester* BL O/049/17 at [33] is applicable by analogy to an assessment of whether a likelihood of deception exists to found an objection under s. 5(4)(a):

> "… the reluctance of the Appointed Person to interfere with a decision of a Hearing Officer on likelihood of confusion is quite high for at least the following reasons:
>
> (i) The decision involves the consideration of a large number of factors, whose relative weight is not laid down by law but is a matter of judgment for the tribunal on the particular facts of each case
>
> (ii) The legal test 'likely to cause confusion amongst the average consumer' is inherently imprecise, not least because the average consumer is not a real person.
>
> (iii) The Hearing Officer is an experienced and well-trained tribunal, who deals with far more cases on a day-to-day basis than the Appellate tribunal.
>
> (iv) The legal test involves a prediction as to how the public might react to the presence of two trade marks in ordinary use in trade. Any wise person who has practised in this field will have come to recognize that it is often very difficult to make such a prediction with confidence. … Any sensible Appellate tribunal will therefore apply a healthy degree of self-doubt to its own opinion on the result of the legal test in any particular case."

11. I have kept these principles in mind on this appeal.

The Appeal

12. The Appellant chose, in its TM55, Skeleton Argument and oral submissions, to develop its criticisms of the s.5(4)(a) ground first, in its Grounds 1 to 5. It then developed its grounds 6 to 8 relating to the s.5(3) ground of opposition. In his Decision, Mr James dealt with the s.5(3) ground first before moving to s.5(4)(a). I propose largely to follow the same course because some of his findings in relation to s.5(4)(a) are better understood in the light of what he had already said on s.5(3). However, logically I must deal with Ground 2 first, because it impacts on both grounds of opposition.

Ground 2 (and Ground 7) –the inherent distinctiveness of JOLLIBEE

13. In paragraph 40 of his Decision, the Hearing Officer made his assessment of the distinctive character of the earlier mark JOLLIBEE:

> "40. The earlier mark will be seen by average consumers as either an invented word or as a mis-spelling of Jolly Bee. In either event the mark is not descriptive. It therefore has at least an average degree of inherent distinctive character: above-average to those who see it as an invented word. The evidence does not show that the distinctiveness of the mark has been materially enhanced by the relevant date (to UK consumers) through use."

14. The Appellant asserts this analysis is flawed. On the first alternative, the Appellant says the distinctiveness should have been assessed as high to very high on the basis that the mark is an invented word with no meaning whatsoever, is in no way descriptive of fast-food services and therefore has the highest degree of distinctiveness. On the second alternative (mis-spelling), the Appellant asserts that the words JOLLY and BEE does not have a relevant descriptive meaning for fast-food services or products and therefore the degree of distinctiveness should have been assessed as high or at least above average, not average.

15. It seems to me that both these arguments suffer from the same flaw – that as soon as a mark has no descriptive connotation of the goods or services in issue it must automatically be assigned a very high or high degree of distinctive character. These arguments effectively ignore the character of the mark in issue, although less so on the second alternative. Even the category of marks which have no descriptive connotation will vary in their degree of distinctive character. In this instance, I detect no error of principle in the Hearing Officer's findings. Indeed, I agree with them.

Ground 6 – did the Earlier Mark have a reputation at the Filing Date?

16. The Appellant contends that the Hearing Officer erred in his finding at [31] that it had failed to establish that the Earlier Mark had a reputation at the Filing Date. Although it accepts that the Hearing Officer accurately summarised its evidence on the point at [10]-[19] of his Decision, the Appellant contends that the Hearing Officer wrongly discounted the evidence of media coverage of the UK launch.

17. The Appellant does not allege any error of law. Indeed, the Hearing Officer directed himself entirely appropriately and accurately in [20] as to the requirements for a section 5(3) objection and in [21] from *General Motors* as to the requirement for a qualifying reputation. Due to the importance of the issue, the Hearing Officer also cited additional relevant caselaw in later paragraphs.

18. The Appellant's criticism centres on [24] of the Decision, but it needs to be read in context:

> "22. There is no evidence about the size of the UK market for food products of the kinds covered by the earlier mark or restaurant services. However, even if the enquiry is limited to fast food and fast food outlets, the market is clearly huge and would be measured in £billions. The opponent's share of the UK market at the relevant date was therefore microscopic. The use was focussed on one fast food restaurant in central London which had been open for 40 days. There is no evidence as to the amount spent promoting the outlet and the goods sold at it. This analysis of the relevant factors identified by the CJEU provides a bleak outlook for the opponent's prospects of succeeding under s.5(3).
>
> 23. JFC points to three other factors which it considers to assist its claim. Firstly, the level of UK media interest in the opening of its first UK fast food outlet. Secondly, spill over reputation from its worldwide business. Thirdly, the familiarity of the UK-based Filipino community with the JOLLIBEE brand.
>
> 24. I accept that there was significant UK media interest in the launch of the first JOLLIBEE outlet in the UK. However, it was far from saturation coverage and was mostly in articles on online websites. In the absence of any real evidence of substantial investment in promoting the UK launch of JOLLIBEE, I do not consider that this comes close to establishing that a significant part of the UK public for food or fast food was familiar with the JOLLIBEE mark at the relevant date.
>
> 25. Reputation is a knowledge threshold. ……"

19. In [25], having accurately characterised reputation as a 'knowledge threshold' citing that description by HHJ Hacon at [69(6)] in the *Burgerista* case [2018]

EWHC 35 (IPEC), the Hearing Officer then went on to consider the second and third points made by the Appellant: spill-over and the UK-based Filipino community. I did not detect any criticism levelled at his analysis of those two points, so I need not extend the citation.

20. As for [24], the Appellant accepts and relies on the first sentence but then submits the Hearing Officer immediately fell into error in the second. It says that there is no requirement that media coverage must saturate the market in order to establish reputation. It also contends that the criticism that it was 'mostly in articles on online websites' is irrelevant.

21. I do not consider that the Hearing Officer was setting any requirement that saturation coverage was required to establish reputation. His observations in the second sentence of [24] were simply part of his assessment of the degree of publicity generated before and at the time of the launch. It is important to remember that the media coverage concerned the opening of a single fast-food outlet in Earl's Court in London only 40 days or so before the Filing Date. The Appellant opened this first UK outlet in Earl's Court precisely because the area is home to a significant expat Philippino community, who were aware of JOLLIBEE outlets in the Philippines.

22. Although the Appellant drew my attention to the coverage of the opening in the national press and indeed I reviewed all of the Appellant's evidence, I have to say I remain entirely unconvinced that the Hearing Officer committed any error. As he said in [22], in the context of the UK market comprising fast-food outlets, the scale of the business was microscopic. Even allowing for the significant media coverage at the point of launch, which the Hearing Officer plainly took into account, he made an assessment based on all the evidence he had reviewed. Furthermore, he measured his assessment against another recent case where a mark has been held not to qualify for a reputation, namely *Spirit Energy Ltd v Spirit Solar Ltd* (BL/034/20, Mr Philip Johnson as the Appointed Person), characterising this case as weaker (correctly, in my view) than in *Spirit Energy*. Accordingly, I reject this Ground of Appeal.

Ground 8 – link

23. Although the Hearing Officer's decision on reputation meant that the Appellant's s5(3) ground failed at the first hurdle, he went on to consider whether the relevant public would make a link between the marks on the assumption that there was a qualifying reputation. He directed himself by reference to the factors identified in *Intel* and considered each factor on the evidence. He concluded that average UK consumers would not make a 'link', alternatively that any link would be so weak and fleeting that it would not result in any serious risk of any of the commercial consequences covered by s.5(3).

24. The Appellant contends that the Hearing Officer gave insufficient weight to the high distinctive character of the Earlier Mark and the identity of the respective marks and too much weight to the dissimilarity of the respective goods and services. This is not a promising foundation for an error of principle, but I will assess whether the Hearing Officer's decision can be said to be wrong.

25. There are a number of problems with the Appellant's arguments on this ground. First, it will be noted it assumes it has succeeded on Ground 2/7, when it has not. Second, the arguments appear to proceed on the basis that there was, at the Filing Date, virtually a country-wide reputation in JOLLIBEE. On the assumption made by the Hearing Officer, to my way of thinking, the Appellant had only just crept over the line on reputation. However, the strength of reputation is plainly relevant to the assessment of link and on any view, this reputation was not strong or widespread.

26. In all the circumstances, I could not find any basis on which I could interfere with the Hearing Officer's findings. Once again, in fact, I agree with him.

Section 5(4)(a) - Goodwill

27. The first point the Hearing Officer decided under this Ground of Opposition was that the Appellant had acquired goodwill in the UK by the Filing Date. The Respondent challenges this finding by its Respondent's Notice. However, as the Hearing Officer observed (by reference to *Stannard v Reay* [1967] FSR 140) the law of passing off protects businesses operating on a relatively small scale and/or over a relatively short period of time. His reasoning also reflected the point that the

reputation and goodwill may only apply in a particular geographical area e.g. London.

28. The Hearing Officer concluded that the law of passing off could have been used by the Appellant to prevent another trader opening a food outlet in London at the Filing Date under the name JOLLIBEE. I entirely agree. There is nothing in the Respondent's point, even though strictly, it does not arise for the reasons explained below.

29. For the avoidance of doubt, the Hearing Officer's finding that the Appellant had acquired a limited goodwill by the Filing Date by its trading in the UK necessarily involved a finding also that the Appellant had a related limited reputation, which is the foundation for any misrepresentation which might result from the use of the mark applied for. However, a reputation for a s.5(4)(a) ground does not equate with a reputation required to qualify for protection under the s.5(3) ground of objection. There are different threshold requirements.

Misrepresentation

30. Having decided correctly that the Appellant had acquired goodwill (and reputation) in JOLLIBEE by the Filing Date, the Hearing Officer moved on to consider whether there was a misrepresentation/likelihood of deception. Necessarily this requires a multi-factorial assessment of all the relevant circumstances.

31. Under its Grounds 1, 3, 4 & 5, the Appellant alleges a variety of errors in the assessment of misrepresentation. I will consider Ground 3 first, because it concerns an allegation of intent on the part of the Respondent/Applicant.

Ground 3

32. The Appellant argues that the Hearing Officer erred by failing to infer that the Respondent intended to take unfair advantage of the Appellant's goodwill. It acknowledges that it did not plead any case on intention, but points to (a) the adoption of the identical neologism in circumstances where (b) the Respondent/Applicant, so the Appellant says, must have been aware of the 'extensive media coverage', which must give rise to a prima facie case that the

Respondent copied the Appellant's name. It poses the question: how else could an identical name otherwise come about?

33. Effectively the same argument was put to and dealt with by the Hearing Officer, who decided, after carefully examining the pleaded case and the Appellant's evidence, that no specific allegation was made that the Respondent adopted JOLLIBEE with the intention of taking advantage of the Appellant's goodwill or with the intention of passing off. He concluded that the Respondent '*cannot therefore be criticised for failing to answer an allegation that was not clearly made'*.

34. I agree. The way the argument is phrased explains why the Appellant cannot be permitted to raise this point now, let alone to criticise the Hearing Officer for deciding it in the Appellant's favour. If the Appellant had pleaded intention (a serious allegation amounting to dishonest conduct), then either the question posed above would have been addressed in the Respondent's evidence or, if not addressed, the absence of sufficient explanation would have allowed an inference to be drawn. Since the Appellant did not plead any point on intention, there is no possible basis on which I can draw the inference the Appellant invites me to draw: that the Respondent intended to pass itself off as connected with the Appellant, thereby intending to benefit from the Appellant's goodwill. The Hearing Officer's treatment of this point was entirely correct.

Grounds 1, 4 & 5

35. I deal with Grounds 1, 4 & 5 together because they all concern the multi-factorial assessment of misrepresentation. The Hearing Officer took a few paragraphs to discuss the various arguments presented because he recognised in [46] it was pivotal to the ground of opposition. The core of his decision is, however, stated in [46], as follows, where JFC is the Appellant and Cole is the Respondent:

> "46. In my judgement, this is where JFC's case falls down. This is because the modest extent of the goodwill acquired under JOLLIBEE prior to the relevant date, combined with the fact that the respective goods/services are in different sectors of the market, means that there was no likelihood that a substantial number of JFC's (UK) customers, or potential customers, would be deceived into believing that Cole's goods/services are connected with JFC's fast-food restaurant. The fact that JFC may have given away some T-shirts, toys and bags as promotional items at the

time of opening its London outlet changes nothing. JFC is plainly not in the business of clothing, bags or toys."

36. Under Ground 1 the Appellant makes a number of criticisms of the Hearing Officer's reasoning on misrepresentation in [46]-[51]:

    a. that the Hearing Officer failed to take any account of two key factors: the identity of the marks and the distinctiveness of the Earlier Mark;

    b. he gave too much weight to the fact that the respective goods and services are in different sectors of the market;

    c. he discounted the evidence that the Appellant had a history of giving away T-shirts, toys and bags as promotional items (as the Hearing Officer had summarised in [17]);

37. In Ground 4, the Appellant contends that, even if the Hearing Officer was correct not to draw an inference that the Respondent intended to take unfair advantage of the Appellant's goodwill, he focussed too much on the absence of such an intention. It is said he ignored the other factors which pointed in favour of a misrepresentation.

38. Ground 5 overlaps with the points I have summarised in 36.b and 36.c above. The Appellant says the Hearing Officer should have addressed misrepresentation by reference to particular categories of goods or services and not collectively. It contends there was a higher risk of misrepresentation in respect of toys, games and playthings and clothing, in view of the promotional items given away by the Appellant at or around the UK launch.

39. The contention that the Hearing Officer failed to take account that the respective marks were identical is untenable. When considering the s.5(3) ground he had expressly stated the marks were identical. He did not need to repeat that point a few paragraphs later when considering the s.5(4)(a) ground. In any event, there is not the slightest indication that he had forgotten this, nor is it remotely likely. The other contention regarding distinctiveness depends on Ground 2 succeeding, but it failed.

40. As to the point in 36.c above, it is clear that the Hearing Officer explicitly considered the items given away by the Appellant but considered the giving away

of those promotional items did not change his conclusion based on the goodwill/reputation generated by the Filing Date and the fact that the respective goods/services are in different sectors of the market. As the Hearing Officer said, the Appellant '*is not in the business of toys, clothing or bags'*. He had already considered a related point in the context of the s.5(3) ground at [35]-[37], in terms of the expectation of the average consumer regarding clothing and toys being sold or given away with food. The giving away of toys, t-shirts and bags by way of promotional items at or around the launch of the single UK outlet does not widen the limited goodwill/reputation which the Appellant had acquired by the Filing Date to embrace a business in such items. Furthermore, in the great scheme of things, the quantities of such items must necessarily have been limited (albeit that there was no evidence as to the quantities) and are likely to have been acquired by fans who were already aware of the brand. For these reasons, I consider the Hearing Officer was entirely correct in his analysis in the last two sentences of [46].

41. As for Ground 5, as the Respondent submitted, the Hearing Officer had already analysed certain categories of goods and services when dealing with the Appellant's arguments as to the alleged proximity of the respective goods and services under the s.5(3) objection where, it is safe to assume, the Appellant had put forward what it regarded as its best arguments. The 'higher risk of misrepresentation' argument for toys, games, playthings and clothing largely falls away because of my conclusion in the previous paragraph, and I note that the Appellant did not identify any other goods or services as being sufficiently proximate to give rise to misrepresentation. Overall, in the circumstances of this case, I can detect no error, let alone of principle, in the way the Hearing Officer considered the supposed proximity of the respective goods and services. He clearly had in mind the goods and services for which application was sought and the extent of the modest goodwill and reputation generated by the 40 days or so of the Appellant's trading in the UK.

42. There is no basis whatever for Ground 4. As I have said when dealing with Ground 3, the Hearing Officer cannot be criticised for rejecting the unpleaded allegation of intent. Equally, he cannot be criticised for dealing with the point, which is what this Ground amounts to.

43. Standing back to review the Hearing Officer's finding that the circumstances which existed at the Filing Date gave rise to no misrepresentation, it is a conclusion derived from his multi-factorial assessment of all those circumstances. I am not in any way persuaded he made any error in that assessment. His conclusion is not at all surprising and in fact I agree with it.

44. Overall, the Appellant has made a series of arguments on this Appeal which appeared to assume that its trading, reputation and goodwill were all very significantly more extensive than was the case. The Hearing Officer considered the evidence carefully and reached sensible and well-reasoned conclusions. I note that many of the Appellant's contentions on appeal were quarrels with the weight given to particular points. Such contentions are not promising bases for an appeal tribunal to interfere.

45. For all these reasons, I dismiss the Appeal.

Costs

46. The Hearing Officer made an award of £1,800 as a contribution towards the costs of the Applicant. So far as the costs of the Appeal are concerned, I order the Appellants to pay £800 by way of contribution to the costs incurred by the Respondent/Applicant in dealing with this Appeal.

47. Therefore, the Appellant/Opponent must pay to the Applicant or its representatives the total sum of £2,400 (being the combination of the award made by the Hearing Officer and my award in respect of the Appeal) on or before Monday 25th January 2021.

JAMES MELLOR QC
The Appointed Person
8th January 2021