

O/145/22

TRADE MARKS ACT 1994

**IN THE MATTER OF THE APPLICATION FOR TRADE MARK NO. 3556512
IN THE NAME OF SERGE DAVIES FOR THE TRADE MARK**



IN CLASS 34

AND

THE OPPOSITION THERETO UNDER NUMBER 423983

BY

DONUT KING FRANCHISE PTY LTD

Background and pleadings

1. On 16 November 2020, Serge Davies applied for the trade mark shown on the cover page of this decision (number 3556512) for the following goods in class 34:

Electric cigarettes; Electronic cigarette atomizers; Electronic cigarette boxes; Electronic cigarette cartomizers; Electronic cigarette cases; Electronic cigarette cleaners; Electronic cigarette liquid [e-liquid] comprised of propylene glycol; Electronic cigarette liquid [e-liquid] comprised of vegetable glycerin; Electronic cigarettes; Electronic cigarettes for use as an alternative to traditional cigarettes; Flavorings, other than essential oils, for use in electronic cigarettes; Flavourings, other than essential oils, for use in electronic cigarettes.

2. The application was published for opposition purposes in the *Trade Marks Journal* on 15 January 2021. On 15 April 2021, Donut King Franchise Pty Ltd (“the opponent”) filed an opposition to the application under sections 5(2)(b), 5(3) and 5(4) of the Trade Marks Act 1994 (“the Act”). The section 5(2)(b) ground is based upon the following earlier International trade mark registration (“IR”):

IR 1260639: designation date 23 April 2015; UK date of protection 12 November 2015¹



Class 29: *Milk and milk products including milk shakes, thick shakes, and milk based smoothies.*

Class 30: *Donuts, including iced donuts and cream donuts, pastries, hot and cold beverages in this class including tea and coffee, confectionary, ices and ice creams including soft serve ice cream.*

¹ Office of Origin: Australia

3. For convenience, I will refer to the IR as the earlier 'mark'. Under section 5(2)(b) of the Act, the opponent claims that the parties' marks and goods are highly similar, leading to a likelihood of confusion. It is claimed that the goods are complementary and share trade channels and consumers. In particular, the opponent claims that Mr Davies' goods are designed to emulate the taste of the opponent's goods. An error appears to have been made in the box answering question 5: why there is a likelihood of confusion. Following a statement that the opponent's goods are commonly found in cafés, I assume that "The goods of the Opponent are commonly sold and consumed in such premises [cafés]" and therefore share trade channels is meant to mean "The goods of the Applicant...". It makes no sense, otherwise.

4. The section 5(3) ground is based upon the same earlier mark, but the opponent relies upon a reputation in the mark for the following goods and services:

*Class 30: Donuts, including iced donuts and cream donuts.*²

Class 43: Services rendered by restaurants, take-away food establishments and other establishments involved in the preparation and or sale of foodstuffs and or drinks, including donuts and donut mix products including iced donuts and cream donuts, pastries, hot and cold beverages including tea, coffee and soft drinks, milk shakes and drinks, confectionery, ices and ice creams including soft serve ice creams, hot dogs and other prepared food stuffs.

5. The opponent claims that although the earlier mark has been used in the UK since 2019, it is renowned around the world, having been used in over eighty countries through a chain of around 2,500 franchised outlets since it started in Australia in 1981. The opponent claims that the relevant public will believe Mr Davies' mark is one of the opponent's marks, or the mark of an undertaking in collaboration with or endorsed by the opponent because Mr Davies' goods are designed to emulate the taste of the opponent's goods.

² The notice of opposition includes the error that these goods are in class 29 under the section of the form relating to the goods and services for which a reputation is claimed.

6. The opponent also claims that use of Mr Davies' mark will damage the reputé of the earlier mark because "smoking articles ... have a history of controversy surrounding the risk to health. Consequently, sale of those products is strictly regulated, with the application of a legal age limit for consumers. With all of this comes a negative product image." There is no separate claim of unfair advantage other than the economic connection claim. There is no claim of detriment to the distinctive character of the earlier mark.

7. The sign relied upon for the opponent's section 5(4)(a) ground corresponds to the earlier mark relied upon for the other two grounds. The opponent claims that it first used the sign in the UK on 16 June 2019 in three locations: Shenfield (Essex); Wigan (Lancashire); and, Newport (Gwent). It is claimed that the sign has been used in relation to food and drink products, the provision of food and drink, and food and drink takeaway services. The opponent refers to its use elsewhere in the world, as well as to the three UK locations. The opponent claims that its goodwill entitles it to prevent the use of Mr Davies' mark under the law of passing off.

8. Mr Davies denies the grounds of opposition. He states that goods are not similar, and the marks are insufficiently similar, to give rise to a likelihood of confusion. Mr Davies denies that the opponent's mark has a reputation or goodwill in the UK. In response to the detriment to reputé claim, Mr Davies claims that the opponent's goods are, themselves, unhealthy.

9. The opponent is represented by Haseltine Lake Kempner LLP, and Mr Davies by Kyle Tidey. Both parties filed evidence, all of which I have read and to which I will refer as necessary. Neither party requested to be heard and only the opponent filed written submissions in lieu of attendance at a hearing. I make this decision after careful consideration of all the papers.

Section 5(2)(b)

10. Section 5(2)(b) of the Act states:

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

(a) ...

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

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

11. Section 60A of the Act provides:

“(1) For the purpose of this Act goods and services-

(a) are not to be regarded as being similar to each other on the ground that they appear in the same class under the Nice Classification.

(b) are not to be regarded as being dissimilar from each other on the ground that they appear in different classes under the Nice Classification.”

12. The following principles for determining whether there is a likelihood of confusion under section 5(2)(b) of the Act are gleaned from the decisions of the Court of Justice of the European Union (“CJEU”) 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.³

³ 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

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;

from an EU Directive. This is why this decision continues to make reference to the trade mark case-law of EU courts.

(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 might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

Comparison of goods

13. The opponent made a statement that it has made genuine use of its earlier mark, as required by section 6A of the Act.⁴ However, Mr Davies ticked 'no' in his amended Form TM8 defence and counterstatement in answer to the question as to whether he wished the opponent to provide proof that it has used its mark. As a consequence, the opponent may rely upon the goods and services of its earlier mark without being required to satisfy that it has made genuine use of them.⁵ Of course, for the section 5(3) and section 5(4)(a) grounds, the opponent is required to show, respectively, reputation in its earlier mark in relation to the goods and services relied upon, and goodwill in relation to the business identified by the sign, as pleaded.

⁴ The earlier mark had been protected for over five years at the filing date of the opposed application (by a matter of a few days).

⁵ Goods and services are relied upon for the section 5(3) ground.

14. The parties' competing goods are as follows:

Opponent's goods	Contested goods
<p>Class 29: <i>Milk and milk products including milk shakes, thick shakes, and milk based smoothies.</i></p> <p>Class 30: <i>Donuts, including iced donuts and cream donuts, pastries, hot and cold beverages in this class including tea and coffee, confectionary, ices and ice creams including soft serve ice cream.</i></p>	<p><i>Electric cigarettes; Electronic cigarette atomizers; Electronic cigarette boxes; Electronic cigarette cartomizers; Electronic cigarette cases; Electronic cigarette cleaners; Electronic cigarette liquid [e-liquid] comprised of propylene glycol; Electronic cigarette liquid [e-liquid] comprised of vegetable glycerin; Electronic cigarettes; Electronic cigarettes for use as an alternative to traditional cigarettes; Flavorings, other than essential oils, for use in electronic cigarettes; Flavourings, other than essential oils, for use in electronic cigarettes.</i></p>

15. In comparing the respective specifications, all relevant factors should be considered, as per *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.* where the CJEU stated at paragraph 23 of its judgment:

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary.”

16. Additionally, the criteria identified in *British Sugar Plc v James Robertson & Sons Limited* (“*Treat*”) [1996] R.P.C. 281 for assessing similarity between goods and

services also include an assessment of the channels of trade of the respective goods or services.

17. The parties' goods do not share physical nature. Although some of the opponent's goods in class 29 are liquid, the quantities involved and the composition of the goods are very different from vaping liquids, which are sold in small quantities for filling compartments in electronic cigarettes and vaping devices. They are not similar in purpose or method of use, as the opponent's goods are eaten and drunk, and the contested goods are for inhalation.

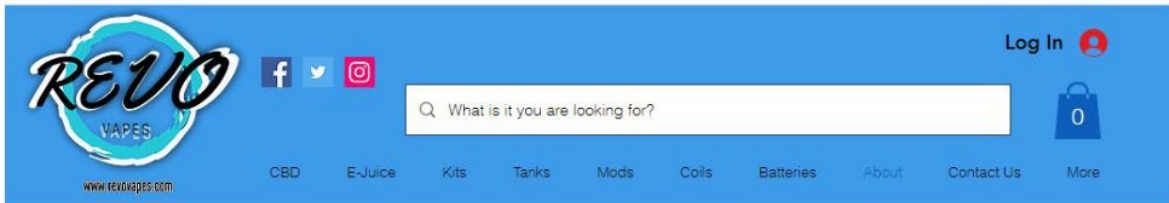
18. The opponent focuses upon claims that the goods are similar because they are complementary, share channels of trade and are aimed at the same consumers. Evidence has been filed by the opponent's trade mark attorney, Amanda Mallon, to support the opponent's claims. Her witness statement is dated 4 August 2021 and is accompanied by four exhibits. The first three are concerned with the comparison of goods. The fourth concerns negative perceptions of e-cigarettes, which I will address as necessary later in this decision.

19. Ms Mallon states that the content of her witness statement has been obtained through internet research. Ms Mallon states that it is not uncommon for vape shops in the UK also to offer food and drink through in-store cafés. Exhibit AM1 comprises a series of screenshots from websites, Google profiles and social media sites of various vape shops in the UK which also have in-shop or adjoining cafés:

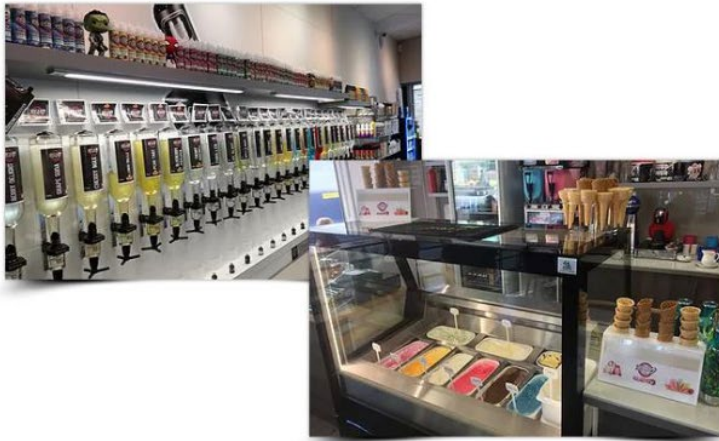
- Prohibition Vapes, in Maidstone, is a vape shop and café. The photographs bear dates of September 2017 and August 2020:



- Revo Vapes, in Leeds, sells vaping goods, ice cream and cakes:



About Us



Here at Revo Vapes we pride ourselves on delivering the very best quality products at an unbelievable price. Our store is extremely welcoming to everyone with our friendly staff & our on site coffee shop & ice cream parlour providing a perfect place to chill & vape all in one spot.

If there is anything you don't see in store or on our website, feel free to drop us a message and tell us what you require. We will always do our best to provide you with the product you need.

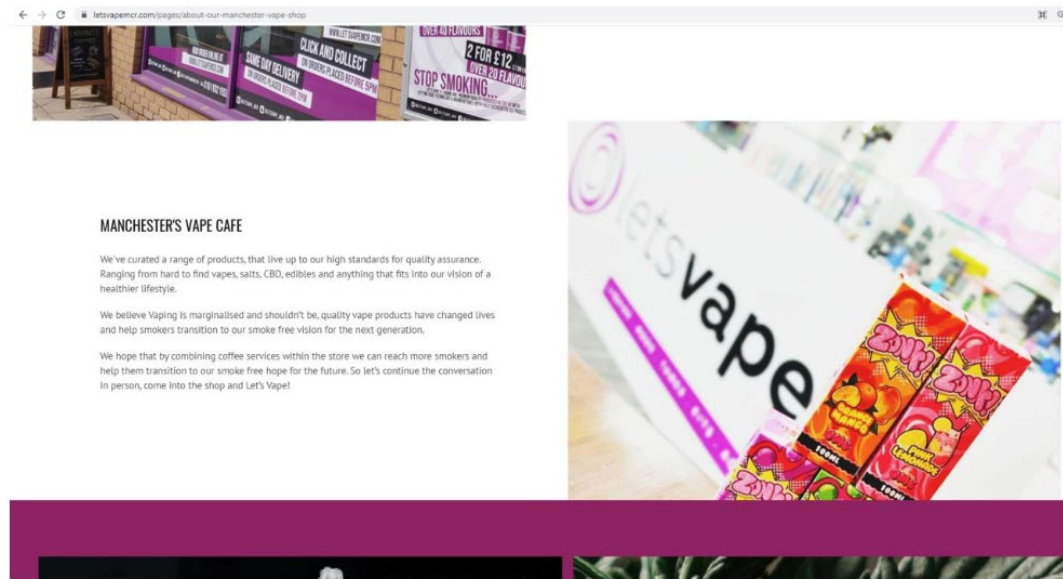
Revo Vapes

This is undated. A further screenshot from this outlet's Facebook page bears a copyright date of 2021, which is after the relevant date:

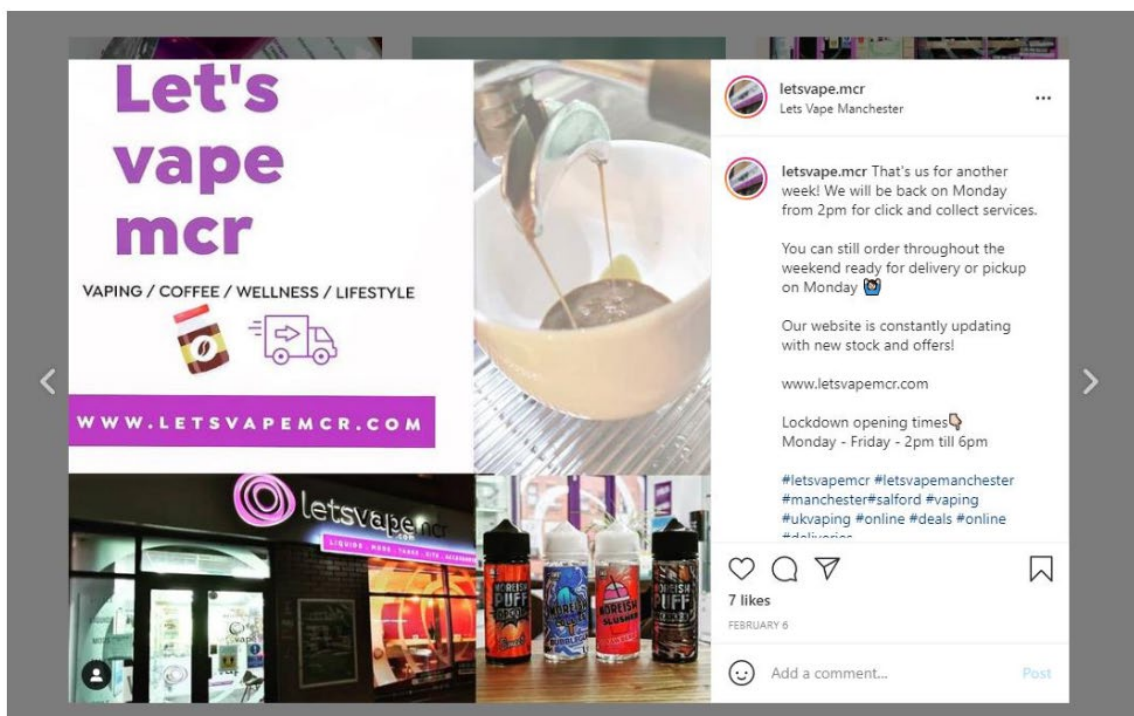


- Let's Vape, in Manchester, is a vape shop and café:

Let's Vape, Manchester

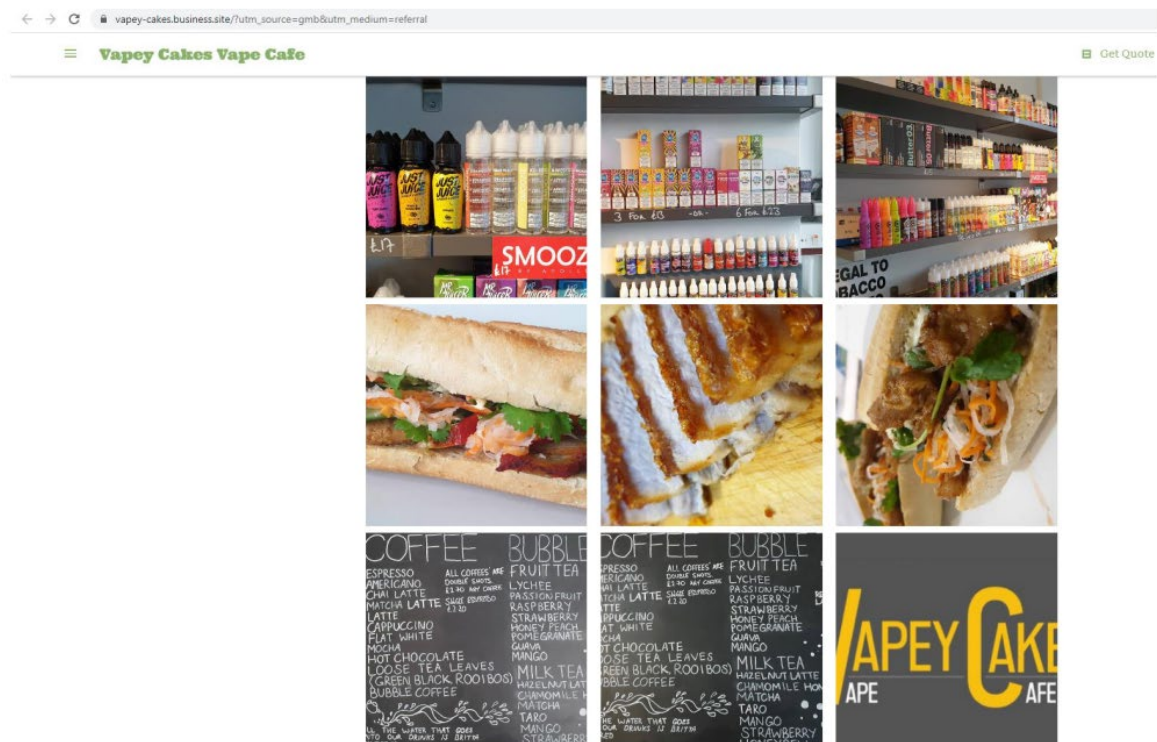


This is undated. A post from this outlet on social media is dated 6 February and refers to lockdown opening times, placing it in February 2021:



- Vapey Cakes, in London, sells vaping goods, sandwiches and bubble tea. It also sells food products through Deliveroo. The print is undated:

Vapey Cakes, London



20. Ms Mallon states that the above shows that the parties' goods share trade channels, are complementary and are aimed at the same consumers.

21. Ms Mallon states that the goods in application are also often designed to mimic the flavour and appearance of the opponent's goods. She states that "they are often advertised as an alternative to the food products they emulate", as shown in the following examples:



Prohibition Vapes Co.

22 September 2020 · 🌐



extra caramel on your dessert?

[Banoffee Pie]

www.onlyeliquids.com

📷 @jammyvaping

#Only #OnlyEliquids #WeAreOnlyEliquids #Banoffee #BanoffeePie #Dessert





Prohibition Vapes Co.

25 October 2020 · 🌐



Fill your day and yourself with custard doughnuts, you deserve it

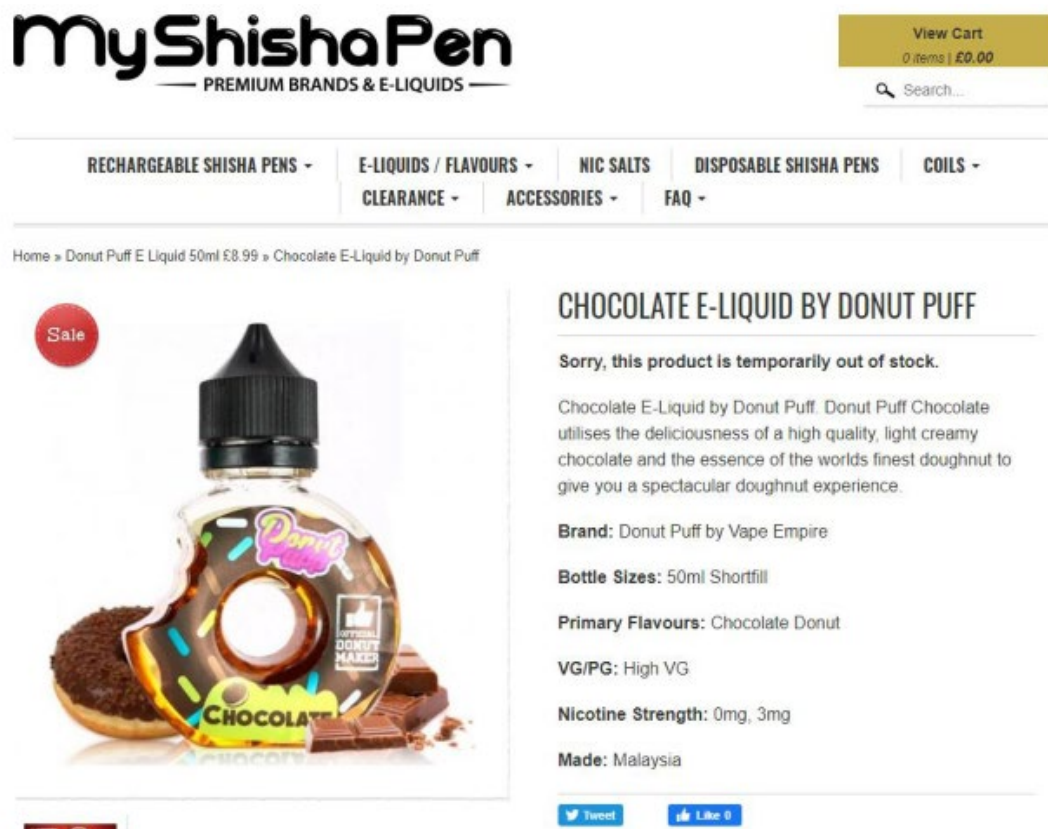
[doughnuts]

www.onlyeliquids.com

#Only #OnlyEliquids #WeAreOnlyEliquids #doughnuts #donuts
#custard #dessert #treat #sweet #vapedaily #vapeshop #vapelove
#vapepics #vapehooligans #vapers #vaper #vapenation #eliquid
#vapor



22. The above images date from shortly prior to the relevant date. An undated image from a website called 'myshishapen shows a liquid meant to taste like a chocolate doughnut, in a container which looks like a partially eaten doughnut:



23. Exhibit AM3 shows that in 2020, the year in which the application was filed (in August), e-liquid flavours in the UK included food flavours. The exhibit comprises a table produced by a vape retailer called Blu of the UK's most popular Blu e-liquid flavours in 2020. Nine out of the top ten flavours were food or drink flavours: mint, cherry, fruity, berry, blueberry, strawberry, savoury, vanilla and café latte. The other flavour was tobacco.

24. In trade mark law, goods which are alternatives to one another could indicate that the goods are in competition. However, the evidence does not suggest that to be the case; I think the opponent's use of 'alternative' is a misnomer. The evidence shows that the images of flavoured e-liquids which taste like desserts posing as desserts is an advertising gimmick, or a parody.⁶ This does not make them similar according to the caselaw. I do not find the goods to be in competition, as alternatives to one

⁶ Exhibit AM2

another. Similar flavour does not make the parties' goods similar. On that argument, the opponent's goods would be similar to doughnut-flavoured lip gloss. Such a consideration appears to be more relevant to the other two pleaded grounds of opposition.

25. The opponent's evidence is partly aimed at showing the users are the same because they are in a vaping café. This is a high level of generality; such an argument would make everything in a supermarket similar. The opponent's evidence is also aimed at showing shared channels of trade, based upon the premise that consumers vape in vaping cafés and can buy vaping goods, drinks and desserts in such cafés. The opponent's evidence about such places at the relevant date is very thin. Only one vaping café is shown which pre-dates the relevant date: Prohibition Café. Mr Davies' representative, Karl Tidey, shows in his evidence that this outlet is now permanently closed.⁷ He also provides a copy of an article dated 21 March 2017 on a website called 'Vaped' about the best vaping cafés in the UK. The author says that there "are some dedicated vaping cafes, but most of these tend to be retailers [of vaping goods] with a small café or 'vape bar' installed." The author goes on to say that the most notable vaping cafés are Prohibition Vapes, with three outlets (at this point in time), and they were all in Kent: Maidstone, Tunbridge Wells and Canterbury. The article refers to another such café, in Warrington, but the opponent has not adduced evidence of this outlet. Even if it was in existence prior to the relevant date, the evidence is insufficient to show that such outlets were prevalent or were the norm at the relevant date. On a normal view of trade channels, vaping goods are bought from specialist shops and from particular sections of supermarkets. The opponent's goods are bought from supermarkets, bakers' outlets, cafés and restaurants. Even where both parties' goods are bought from supermarkets, they are unlikely to be sold in proximity to one another.

26. The opponent submits that the evidence shows that the goods are complementary because they are available in vaping cafés. Complementarity is capable of being the

⁷ Witness statement dated 4 October 2021; Exhibit KST 7. Mr Tidey identifies himself as an Associate of the Chartered Institute of Legal Executives and a Member of the Chartered Institute of Arbitrators at Resolve Law Group.

sole basis for the existence of similarity between goods.⁸ However, the opponent's submissions lack legal basis. In *Boston Scientific Ltd v OHIM*, Case T-325/06, the General Court ("GC") explained that "complementary" means:

"82 ... there is a close connection between [the goods], in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking...".

27. Neither parties' goods are indispensable or important for the use of each other. They are not indispensable or important for the use of each other in such a way that customers may think that the responsibility for them lies with the same (or an economically linked) undertaking, which is an essential part of *Boston*.

28. I find that the parties' goods are not similar. In *Canon*, the CJEU stated, at paragraph 22, that even where a mark was identical to another with a highly distinctive character, it is still necessary to adduce evidence of similarity between goods or services. The Court repeated this in *Waterford Wedgwood plc v OHIM*, C-398/07 P, at paragraph 34, stating that "the likelihood of confusion presupposes that the goods or services covered are identical or similar".⁹ Given that there is no similarity between the goods, there is no likelihood of confusion. However, for completeness and because they have relevance for the section 5(3) and 5(4)(a) grounds, I will go on to consider the other factors in the global assessment.

The average consumer and the purchasing process

29. As the caselaw cited above indicates, it is necessary to decide who the average consumer is for the goods at issue and how they purchase them. "Average consumer"

⁸ *Kurt Hesse v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*, Case C-50/15 P, CJEU

⁹ See also *eSure Insurance v Direct Line Insurance* [2008] ETMR 77.

in the context of trade mark law means the “typical consumer.”¹⁰ The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer*, Case C-342/97.

30. The average consumer for the opponent's goods is the general public, of all ages. For Mr Davies' goods, it is those over the legal age for vaping goods. The opponent's goods will not be subject to particular care or attention in the purchasing process; they are frequently bought for quick consumption. In contrast, Mr Davies' goods are likely to be a more considered purchase, since they cost more and the purchaser will wish to ensure that the device and liquids suit their specific requirements, particularly if the aim is to replace regular cigarettes. In *Nicoventures Holdings Limited v The London Vape Company* [2017] EWHC 3393 (Ch), Mr Justice Birss (as he then was) approved a finding at first instance that the average consumer for electronic cigarettes and associated goods was over the age of 18 and that the prices of the goods ranged from £40 to £200, with the result that the average consumer will pay a reasonably high degree of attention to selecting the goods. Both parties' goods will be primarily a visual purchase, although I do not ignore the potential for aural requests, particularly if advice is being sought.

Comparison of marks

31. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the 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:

¹⁰ *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)

“.....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.”

32. It is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.

33. The marks to be compared are:

Earlier mark	Application
	

34. The earlier mark comprises several elements. The largest part of the mark consists of the conjunction of the words ‘donut’ and ‘king’. ‘Donut’ is pink and the rest of the elements are purple. There are two dots, of diminishing sizes, after the word ‘king’, above which is a small crown, in a circle, with four dots over the four points of the crown. The top right of the letter ‘g’ is missing in a way which is reminiscent of it having been ‘bitten’. All of the elements contribute to the overall impression, but the dominant element is the conjoined words ‘donutking’.

35. Mr Davies’ mark also consists of several elements. The word DONUT is above the word KING, the latter being in larger letters than DONUT. Both of these words are in red and both are superimposed over a white rectangular background within a green

crown which has five points, topped with five balls. At the base of the green crown, beneath the words DONUT KING, is ELIQUIDS, but in much smaller writing. This carries little weight in the overall impression, both because of its descriptive nature for the goods of the application and because of its position and relatively small size. The eye is drawn to the red words DONUT KING, but the green crown is almost as dominant in the overall impression.

36. Both parties' marks contain the words DONUT/donut and KING/king; they both contain a crown which is topped with dots or balls. The words donut and king are conjoined on one line in the earlier mark and, in the later mark, DONUT and KING are on two lines. Notionally, there is no difference between letters in upper and lower casing.¹¹ However, notional use does not extend to the 'bitten' aspect of the 'g' in the earlier mark. This is a point of visual difference, as is the manner in which DONUT/donut and KING/king appear in the respective marks, as set out above. Although both marks contain crowns, the crown in the earlier mark is small, to one side of the mark in a circle. I note that it has four points topped with dots, but with spaces between the dots and the points, whilst the crown in the later mark has five points with no spaces between the dots on top of the points. I doubt that these differences between the crowns would be particularly noticed by the average consumer; what would be retained in memory is the presence of a crown with dots over the points. I bear in mind that the crowns play different roles in the overall impressions of the marks, the crown in the later mark having a central position and the opponent's crown being small and to one side. ELIQUIDS in the later mark is a further point of visual difference, although its visual impact is small, as are the two dots at the end of the earlier mark. Balancing all the similarities and differences, including the different colours, I find that there is a low degree of visual similarity.

37. Aurally, there is a greater degree of similarity. This is because only the words will be articulated and two out of the three words are the same. Since ELIQUIDS is a point of difference, but comes at the end of the later mark, and Donut/DONUT and

¹¹ *Bentley Motors Limited v Bentley 1962 Limited*, BL O/158/17, Professor Ruth Annand, sitting as the Appointed Person

king/KING will both be articulated in identical ways, the marks have a medium to high degree of aural similarity.

38. According to the Oxford English Dictionary, 'donut' is the US spelling of 'doughnut'. The opponent spells it as 'donut' in its specifications. I believe that the average UK consumer would see donut as the alternative spelling (or even the only spelling) of doughnut. The parties' marks, therefore, both share the concept of a donut/doughnut. They also share the concept of a king. King means a male monarch. Juxtaposed with DONUT as the first word of the phrase DONUT KING (in either casing), it is likely that it will be perceived as a colloquial way of conveying the idea of an expert at making donuts, or the best donuts. Both parties' marks, therefore, share this concept. There are two concepts which are absent from each party's mark: the 'bitten' 'g', and ELIQUIDS, which describes some of the contested goods. Although these are points of conceptual difference, both parties' marks have dominant elements which share the same concept, an expert at making donuts, or the best donuts. The crowns reinforce this concept. The marks are conceptually similar to a high degree.

Distinctive character of the earlier mark

39. 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.¹² The opponent has filed evidence of use. I will look firstly at the inherent level of distinctiveness, taking into account the guidance of the CJEU in *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, before turning to the opponent's evidence.

40. In relation to the opponent's goods which are donuts (to use the spelling in the opponent's specifications), the mark has a low degree of inherent distinctive character because 'donutking' denotes an expert at making donuts, or the best donuts, which means that the dominant element of the mark is laudatory. For the other goods relied upon for section 5(2)(b), such as milkshakes, it has an average degree of inherent distinctive character.

¹² *Sabel BV v Puma AG*, Case C-251/95

41. The opponent has filed evidence about its use of its mark from David Audley, Corporate Legal Counsel at the parent company of which the opponent is a part.¹³ Mr Audley states that the first DONUT KING store was opened in Australia in 1981. At the time of Mr Audley's witness statement, dated 26 July 2021, there were 220 franchised stores across Australia. The franchise business had expanded to New Zealand, Indonesia and the UK, as reported on the opponent's Australian website and Wikipedia.¹⁴ These exhibits are undated, but I note the Wikipedia extract refers to there being two stores in the UK. Mr Audley states that the first UK store was opened on 16 June 2019, in Shenfield (Essex). Mr Audley states that by the end of 2019, there were four DONUT KING outlets in the UK: Shenfield, Wigan, Newport and Basildon.¹⁵

42. Mr Audley states that, on or around 23 March 2020, the four UK outlets were closed as a result of the UK lockdown in response to the Covid-19 pandemic. At this point, the Shenfield branch had been open for about nine months. No opening dates for the opening of the Wigan or Newport outlets are given in the evidence. Exhibit DIBA09, an extract from a fast-food franchising news site, shows that the Basildon store was the second store to open in the UK. The Basildon outlet opening can be dated to 29 October 2019, shown in a print of an article on the 'essexlive' news website.¹⁶ This shows that the outlet was inside a Debenhams department store, with its opening times the same as those of Debenhams. Mr Tidey shows in his evidence that the Wigan and Newport stores were also located inside Debenhams stores.¹⁷ Mr Audley states that a Glasgow branch was set to open in August 2021, and Exhibit DIBA07 includes a press release, dated 17 September 2020, for a shopping centre in Glasgow where the store was to open, although I bear in mind that the relevant date for these proceedings is 16 November 2020.

¹³ The parent company is called Retail Food Group.

¹⁴ Exhibits DIBA01 and DIBA02

¹⁵ I note that the notice of opposition states that the sign was used in three locations: Shenfield, Wigan and Newport.

¹⁶ Exhibit DIBA07

¹⁷ Exhibit KST 6



44. Mr Audley states that customers were able to buy the goods and services directly from the four outlets and also to order online through online directory services, such as Uber Eats. Exhibit DIBA06 comprises a screenshot of the Uber Eats website to show that orders could be placed for the Basildon outlet. This screenshot was taken on 15 July 2021, so after the relevant date, and bears the words “too far to deliver”, presumably in response to the entry of a postcode which is not local to the outlet.

45. However, Mr Audley also explains that the UK lockdown in March 2020 meant that there were no UK sales under the mark throughout 2021. This implies that it was not possible to obtain deliveries of the goods after the outlets closed for the lockdown. Mr Audley gives sales figures for the four outlets which he states are up to the date on which the outlets were forced to close:

Financial Year:	Revenue : (£)
2020	174,807
2019	80,286

46. It is unclear to which months these figures relate. The financial year, which is how the figures are headed in the table, normally runs from April to March. The financial year for 2019 would have been April 2019 to March 2020. March 2020 was the month

in which the four outlets had to close owing to the UK-wide Covid-19 lockdown. The financial year for 2020 ran from April 2020 to March 2021, yet Mr Audley states that there were no sales in 2021, and the stores were closed from 23 March 2020. It is possible that what is meant is that there were sales of £80,286 from 16 June 2019 to 31 December 2019; and, £174,807 between 1 January 2020 and 23 March 2020. Mr Audley states:

“Despite the DONUT KING operations in the UK being thwarted by the UK lockdown in 2020, DONUT KING managed to secure approximately 2% market share of the UK’s quick service restaurant market whilst the outlets were open.”

47. The outlets were open for nine months or less. The first UK store, in Shenfield (Brentwood), opened on 16 June 2019 and closed on or around 23 March 2020. The Basildon store opened on 29 October 2019 and closed on or around 23 March 2020, having been open for less than five months. There are no opening dates for the Wigan and Newport stores, but the evidence shows that the Basildon store was the second UK store. That means that the Wigan and Newport stores must have been open for less time than the Basildon store: less than five months. Mr Audley states that “whilst the outlets were open”, the opponent had approximately 2% of the quick-service restaurant market. This percentage, viewed alongside the sales figures, is not credible for the market which Mr Audley has specified. The market Mr Audley specifies, the UK’s quick service restaurant market, is vast and includes names such as McDonald’s and KFC. The sales figures given, if 2% is correct, would mean that the UK fast-food market for the combined financial years of 2019 and 2020 amounted to only £12,754,650. Mr Audley states that the opponent spent over £6,000 on “local advertising and promotional activities in the UK”, which must mean local to the four outlets since it was not possible to obtain a delivery if the customer was too far away from the outlet. Mr Audley completes his statement by referring to the local use made of the mark in the UK until the UK lockdown (as well as referring to the long-standing reputation of the mark in Australia). £6,000 is a very small advertising spend for a company which is said to have obtained 2% of the UK’s quick service restaurant market. Mr Tidey, points out in its evidence that this equates to £750 per outlet per year. He also states that the sales figures have not been broken down, they give an average gross profit of £43,701.75 per outlet in 2020 and do not bear scrutiny.

48. Distinctive character is a measure of how strongly the mark identifies the goods of the opponent; determined, according to *Lloyd Schuhfabrik Meyer & Co.*, by assessing the proportion of the relevant public which, because of the mark, identifies the goods as originating from a particular undertaking. The very short period of trading, which stopped nearly eight months prior to the relevant date; the low figures of social media followers; the low sales figures which do not corroborate the statement about market share; and, the fact that there were only four outlets providing local trade, two of which were in the same local area (Essex), do not persuade me that the opponent's mark had achieved an enhanced level of distinctive character at the relevant date of 16 November 2020.

Likelihood of confusion

49. Deciding whether there is a likelihood of confusion is not scientific; it is a matter of considering all the factors, weighing them and looking at their combined effect, in accordance with the authorities set out earlier in this decision. One of those principles states that a lesser degree of similarity between goods and services may be offset by a greater degree of similarity between the trade marks, and vice versa. I referred earlier in this decision to the law which states that there must be some degree of similarity between the goods for there to be a likelihood of confusion. Since there is no similarity between the parties' goods, there is no likelihood of confusion. The section 5(2)(b) ground fails.

Section 5(2)(b) outcome

50. The section 5(2)(b) ground of opposition fails.

Section 5(3) of the Act

51. Section 5(3) states:

“(3) 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 (EC), 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.

(3A) Subsection (3) applies irrespective of whether the goods and services for which the trade mark is to be registered are identical with, similar to or not similar to those for which the earlier trade mark is protected.”

52. The relevant case law in relation to section 5(3) can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, [1999] ETMR 950, Case 252/07, *Intel*, [2009] ETMR 13, Case C-408/01, *Adidas-Salomon*, [2004] ETMR 10 and Case C-487/07, *L’Oreal v Bellure* [2009] ETMR 55 and Case C-323/09, *Marks and Spencer v Interflora*. 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 Saloman*, 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/services, the extent of the overlap between the relevant consumers for those goods/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 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/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/services for which the earlier mark is registered, or a serious risk that this will happen in 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'Oreal v Bellure NV*, 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 (*Marks and*

Spencer v Interflora, paragraph 74 and the court's answer to question 1 in *L'Oreal v Bellure*).

53. For a successful claim under section 5(3), cumulative conditions must be satisfied by the opponent: similarity between the marks; a qualifying reputation in the earlier mark; a link between the marks (the earlier mark will be brought to mind on seeing the later mark); and, one (or more) of the claimed types of damage. It is not necessary that the goods and services be similar, although the relative distance between them is one of the factors which must be assessed in deciding whether the relevant public will make a link between the marks.

54. The first condition of a degree of similarity between the marks is satisfied, as found earlier in this decision. The next condition is reputation. Reliance upon this ground requires evidence of a reputation amongst a significant part of the relevant public. In *General Motors*, the CJEU held that:

“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.”

55. In *Spirit Energy Limited v Spirit Solar Limited*, BL O/034/20, Professor Phillip Johnson, sitting as the Appointed Person, held that the opponent had not established a qualifying reputation for s.5(3) purposes. The opponent traded in solar energy equipment and installations and had used its mark in relation to such goods and services for seven years prior to the relevant date in the proceedings. During the five years prior to the relevant date, it had installed solar energy generation equipment in over 1000 domestic homes and made over 700 installations for commercial customers. These sales had generated nearly £13m in income. However, there was limited evidence of advertising and promotion, and the amount spent promoting the mark had fallen in the years leading up to the relevant date. Additionally, the mark had only been used in South East England and the Midlands. Taking all the relevant factors into account, the Appointed Person decided that such use of the mark was not sufficient to establish a reputation for the purposes of s.5(3).

56. The evidence in the present case shows that there were only four outlets in the UK prior to the relevant date. The first of these commenced trading on 16 June 2019 and ceased some nine months later. The second outlet traded for only five months and the third and fourth outlets for less than that. In such a vast market, the sales figures are very small and the advertising expenditure even smaller. Three of the four outlets were located inside Debenhams department stores, rather than being stores with, for example, signage facing the street or amongst units in a retail park. Two of the four outlets were in the same area of the country, in Essex. The trade was local. The social media following was small. All of these facts points away from the mark being known by a significant part of the public concerned. To meet the knowledge threshold to cause a link to be made, a short period of use of a mark, especially in a vast market, is likely to require compensatory high levels of turnover and/or high levels of marketing and exposure, or some other contributory factor. The opponent's evidence suggests that the mark is well-known in Australia. It has not explained how that translates to the mark being known by a significant part of the UK relevant public.

57. I find that the opponent's mark was not known to a significant part of the relevant public in the UK at the relevant date. This is the second cumulative requirement for section 5(3). Without a qualifying reputation, there will be no link and no consequent

confusion (as pleaded by the opponent) and no detriment to repute (the type of damage pleaded by the opponent). The section 5(3) ground fails.

Section 5(3) outcome

58. The section 5(3) ground of opposition fails.

Section 5(4)(a) of the Act

59. Section 5(4)(a) states:

“(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, where the condition in subsection (4A) is met,

(aa) [...]

(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.”

60. Subsection (4A) of Section 5 states:

“(4A) The condition mentioned in subsection (4)(a) is that the rights to the unregistered trade mark or other sign were acquired prior to the date of application for registration of the trade mark or date of the priority claimed for that application.”

61. The three elements which the opponent must show are well known. In *Discount Outlet v Feel Good UK* [2017] EWHC 1400 (IPEC), Her Honour Judge Melissa Clarke,

sitting as a deputy Judge of the High Court, conveniently summarised the essential requirements of the law of passing off as follows:

“55. The elements necessary to reach a finding of passing off are the ‘classical trinity’ of that tort as described by Lord Oliver in the *Jif Lemon* case (*Reckitt & Colman Product v Borden* [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

56 In relation to deception, the court must assess whether “*a substantial number*” of the Claimants’ customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21).”

62. Guidance is given in paragraphs 184 to 188 of Halsbury’s Laws of England (4th Edition) Vol. 48 (1995 reissue) 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.”

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

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start.”

64. Mr Davies has not filed any evidence that he has used his mark. This means that the position must be assessed at the date when Mr Davies applied to register his trade mark: 16 November 2020.¹⁸ The opponent's evidence includes facts about the use of its sign in Australia. This is irrelevant. In *Starbucks (HK) Limited and Another v British Sky Broadcasting Group Plc & Others*, [2015] UKSC 31, Lord Neuberger (with whom the rest of Supreme Court agreed) stated (at paragraph 47 of the judgment) that:

“I consider that we should reaffirm that the law is that a claimant in a passing off claim must establish that it has actual goodwill in this jurisdiction, and that such goodwill involves the presence of clients or customers in the jurisdiction for the products or services in question. And, where the claimant's business is abroad, people who are in the jurisdiction, but who are not customers of the claimant in the jurisdiction, will not do, even if they are customers of the claimant when they go abroad.”

And later said , at paragraph 52:

“As to what amounts to a sufficient business to amount to goodwill, it seems clear that mere reputation is not enough, as the cases cited in paras 21-26 and 32-36 above establish. The claimant must show that it has a significant goodwill, in the form of customers, in the jurisdiction, but it is not necessary that the claimant actually has an establishment or office in this country. In order to establish goodwill, the claimant must have customers within the jurisdiction, as opposed to people in the jurisdiction who happen to be customers elsewhere. Thus, where the claimant's business is carried on abroad, it is not enough for a claimant to show that there are people in this jurisdiction who happen to be its customers when they are abroad. However, it could be enough if the claimant could show that there were people in this jurisdiction who, by booking with, or purchasing from, an entity in this country, obtained the right to receive the claimant's service abroad. And, in such a

¹⁸ *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O/410/11, Mr Daniel Alexander QC, sitting as the Appointed Person.

case, the entity need not be a part or branch of the claimant: it can be someone acting for or on behalf of the claimant.”

65. It is only the opponent’s custom generated in the UK that is relevant. As I have set out earlier in this decision, the evidence does not establish i) that the earlier mark’s distinctive character was enhanced through use; and, (ii) that it was known to a significant part of the UK relevant public. Neither of these findings mean that the opponent did not have the necessary goodwill at the relevant date. 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 goodwill and reputation may be small.

66. That said, the opponent, in seeking to rely upon the law of passing off, faces the following issues: only four outlets in what is a local trade; a small level of sales over a very short period, nine months at most; very small advertising expenditure; and, a cessation of trade which, at the relevant date, was ongoing. That very short period of trading, for nine months at most, ceased eight months prior to the relevant date. It is possible in some cases for goodwill to exist after the cessation of trading (residual goodwill), but the opponent faces an uphill struggle in that direction because the period when it did trade was so short and with low sales.¹⁹ In *Smart Planet Technologies, Inc. v Rajinda Sharm*, BL O/304/20, Mr Thomas Mitcheson QC, sitting as the Appointed Person, reviewed the following authorities about the establishment of goodwill for the purposes of passing-off: *Starbucks (HK) Ltd v British Sky Broadcasting Group Plc* [2015] UKSC 31, paragraph 52, *Reckitt & Colman Product v Borden* [1990] RPC 341, HL and *Erven Warnink B.V. v. J. Townend & Sons (Hull) Ltd* [1980] R.P.C. 31. After reviewing these authorities, Mr Mitcheson 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.”

¹⁹ See *Ad Lib Club Limited v Granville* [1971] FSR 1

67. After reviewing the evidence relied on to establish the existence of a protectable goodwill, Mr Mitcheson found as follows:

“The evidence before the Hearing Officer to support a finding of goodwill for Party A prior to 28 January 2018 amounted to 10 invoices issued by Cup Print in Ireland to two customers in the UK. They were exhibited to Mr Lorenzi’s witness statement as exhibit WL-10. The customers were Broderick Group Limited and Vaio Pak.

37. The invoices to Broderick Group Limited dated prior to 28 January 2018 totalled €939 and those to Vaio Pak €2291 for something approaching 40,000 paper cups in total. The invoices referred to the size of “reCUP” ordered in each case. Mr Lorenzi explained that Broderick Group Limited supply coffee vending machines in the UK. Some of the invoices suggested that the cups were further branded for onward customers e.g. Luca’s Kitchen and Bakery.

38. Mr Rousseau urged me not to dismiss the sales figures as low just because the product was cheap. I have not done so, but I must also bear in mind the size of the market as a whole and the likely impact upon it of selling 40,000 cups. Mr Lorenzi explained elsewhere in his statement that the UK market was some 2.5 billion paper coffee cups per year. That indicates what a tiny proportion of the market the reCUP had achieved by the relevant date.

39. Further, no evidence was adduced from Cup Print to explain how the business in the UK had been won. Mr Rousseau submitted to me that the average consumer in this case was the branded cup supplier company, such as Vaio Pak or Broderick Group. No evidence was adduced from either of those companies or from any other company in their position to explain what goodwill could be attributed to the word reCUP as a result of the activities and sales of Cup Print or Party A prior to 28 January 2018.

40. Various articles from Packaging News in the period 2015-2017 had been exhibited but again no attempt had been made to assess their impact on the average consumer and these all pre-dated the acquisition of the goodwill in the

UK. I appreciate that the Registry is meant to be a less formal jurisdiction than, say, the Chancery Division in terms of evidence, but the evidence submitted in this case by Party A as to activities prior to 28 January 2018 fell well short of what I consider would have been necessary to establish sufficient goodwill to maintain a claim of passing off.

41. This conclusion is fortified by the submissions of Party B relating to the distinctiveness of the sign in issue. *Recup* obviously alludes to a recycled, reusable or recyclable cup, and Party B adduced evidence that other entities around the world had sought to register it for similar goods around the same time. The element of descriptiveness in the sign sought to be used means that it will take longer to carry out sufficient trade with customers to establish sufficient goodwill in that sign so as to make it distinctive of Party A's goods."

68. Like the *Recup* case, the market for the opponent's goods and services is huge. Additionally, the dominant part of its sign, 'donutking' is low in distinctive character for donuts and establishments that serve donuts.

69. A further issue is the distance between the parties' respective goods and services. There is no requirement under section 5(4)(a) that the goods and services be similar, although the further the distance between them, the more of a task the opponent faces to prove misrepresentation and damage. In *Harrods Limited v Harrodian School Limited* [1996] RPC 697 (CA), Millet L.J. made the following findings about the lack of a requirement for the parties to operate in a common field of activity, and about the additional burden of establishing misrepresentation and damage when they do not:

"There is no requirement that the defendant should be carrying on a business which competes with that of the plaintiff or which would compete with any natural extension of the plaintiff's business. The expression "common field of activity" was coined by *Wynn-Parry J. in McCulloch v. May* (1948) 65 R.P.C. 58, when he dismissed the plaintiff's claim for want of this factor. This was contrary to numerous previous authorities (see, for example, *Eastman Photographic Materials Co. Ltd. v. John Griffiths Cycle Corporation Ltd.* (1898) 15 R.P.C. 105 (cameras and bicycles); *Walter v. Ashton* [1902] 2 Ch. 282 (The

Times newspaper and bicycles) and is now discredited. In the *Advocaat* case Lord Diplock expressly recognised that an action for passing off would lie although “the plaintiff and the defendant were not competing traders in the same line of business”. In the *Lego case Falconer J.* acted on evidence that the public had been deceived into thinking that the plaintiffs, who were manufacturers of plastic toy construction kits, had diversified into the manufacture of plastic irrigation equipment for the domestic garden. What the plaintiff in an action for passing off must prove is not the existence of a common field of activity but likely confusion among the common customers of the parties.

The absence of a common field of activity, therefore, is not fatal; but it is not irrelevant either. In deciding whether there is a likelihood of confusion, it is an important and highly relevant consideration

‘...whether there is any kind of association, or could be in the minds of the public any kind of association, between the field of activities of the plaintiff and the field of activities of the defendant’:

Annabel's (Berkeley Square) Ltd. v. G. Schock (trading as Annabel's Escort Agency) [1972] R.P.C. 838 at page 844 per Russell L.J.

In the *Lego case Falconer J.* likewise held that the proximity of the defendant's field of activity to that of the plaintiff was a factor to be taken into account when deciding whether the defendant's conduct would cause the necessary confusion.

Where the plaintiff's business name is a household name the degree of overlap between the fields of activity of the parties' respective businesses may often be a less important consideration in assessing whether there is likely to be confusion, but in my opinion it is always a relevant factor to be taken into account.

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] R.P.C. 501 Slade L.J. 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 L.J. 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.’ ”

70. The parties’ goods and services are far apart; as found earlier in this decision, the goods are not similar according to the established authorities for determining whether there is a likelihood of confusion.

71. I find that, at the relevant date, the opponent’s business did not possess sufficient goodwill in the UK so as to be able to prevent the use of the application at that date under the law of passing off. Even if I am wrong about that, the level of goodwill, in a business distinguished by a sign low in distinctive character for the goods and

services, would be too small considering the distance between the parties' goods and services to give rise to any misrepresentation. If I am wrong that it would have been too small, I nevertheless find that, by the relevant date, such a modest level of goodwill would have evaporated by the relevant date, given the cessation of use. The level of sales, number of outlets, and duration of trading which was about the same length as the cessation of trading would not have led to a substantial number of the opponent's customers and potential customers believing that Mr Davies' goods were those of the opponent.²⁰ The passing off claim fails.

Section 5(4)(a) outcome

72. The section 5(4)(a) ground of opposition fails.

Overall outcome

73. The opposition fails. The application may proceed to registration.

Costs

74. Mr Davies has been successful and is entitled to a contribution to his costs, based on the scale published in Tribunal Practice Notice 2/2016. I award costs on the following basis:

Considering the notice of opposition and filing the counterstatement	£350
Considering the opponent's evidence and filing evidence	£800
Total	£1150

²⁰ *Neutrogena Corporation and Another v Golden Limited and Another* [1996] RPC 473

75. I order Donut King Franchise Pty Ltd to pay to Serge Davies the sum of **£1150**. This sum is to be paid within twenty-one days of the expiry of the appeal period or within twenty-one days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 18th day of February 2022

Judi Pike

For the Registrar