

**BL O/161/20**

**TRADE MARKS ACT 1994**

**CONSOLIDATED PROCEEDINGS**

**IN THE MATTER OF REGISTRATION NO. 3313424**

**REGISTERED IN THE NAME OF MEET SINGH CHOPRA**

**IN RESPECT OF THE FOLLOWING MARK**

**Gold Vape**

**AND IN THE MATTER OF APPLICATION FOR INVALIDATION NO. 502446**

**BY GOLD VAPE LTD**

**AND**

**IN THE MATTER OF OPPOSITION NO. 416047**

**BY MEET SINGH CHOPRA IN RESPECT OF APPLICATION 3353019**

**FOR THE MARK**

**GOLD VAPE**

**IN THE NAME OF GOLD VAPE LTD**

## **Background and pleadings**

1. Meet Singh Chopra is the proprietor of the following registered trade mark:

### **Gold Vape**

2. Mr Chopra (hereafter “the Proprietor”) applied for the registration on 25 May 2018 and the registration procedure was completed on 26 October 2018. The registration covers the following goods:

**Class 34:** E-cigarette eliquid and tobacco products.

3. On 24 January 2019 Gold Vape Ltd (hereafter “the Applicant”) applied to invalidate the registration.
4. The invalidation is based upon Section 5(4)(a)<sup>1</sup> of the Trade Marks Act 1994 (“the Act”). This is on the basis of its alleged earlier rights in the mark **GOLD VAPE**. The Applicant claims to have been selling ‘Liquids for electronic cigarettes’ and providing ‘Retail services for liquids for electronic cigarettes, electronic cigarette atomizers, ReBuildable Atomizers, sub-ohm tanks, vaping mods, vaping pens, squonkers, vape coils, personal vaporisers and electronic cigarettes, and flavourings and solutions therefor, and parts and accessories for all the aforesaid goods’; under this sign since December 2015 and has acquired goodwill under the sign. Use of the trade mark applied for would therefore be a misrepresentation to the public and result in damage to the aforementioned goodwill.
5. In its statement of grounds, the Applicant claims the following:
  - The Applicant, through its extensive use of the name GOLD VAPE, has substantial and significant trading goodwill in the trade mark GOLD VAPE.
  - The Proprietor has registered a mark in respect of goods which are identical or at least highly similar to the goods and services for which the Applicant has goodwill under the trade name GOLD VAPE.

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<sup>1</sup> Applicable in invalidation proceedings by virtue of section 47 of the Act

- As the Proprietor has registered their mark in standard characters (a word mark) the mark is identical to the trade mark GOLD VAPE in which the Applicant has goodwill. As such, any use of the trade mark by the Proprietor would be an actionable misrepresentation in that it would be calculated to lead or likely to lead to members of the public to believe that the goods of the Proprietor are those of the Applicant.
  - As a result, the Applicant would suffer or be likely to suffer damage to its goodwill through loss of sales, or a reduction, blurring or diminishing of the exclusivity of the trade mark, or by the Proprietor supplying goods of an inferior quality. This would result in passing off.
6. Consequently, the Applicant says that the contested registered mark should now be declared invalid.
7. The Proprietor filed a counterstatement denying the grounds for invalidation. In particular the Proprietor claimed that:
- Neither the Applicant nor Paula Jane Dandy (a Director of the Applicant company and who previously used the mark as a sole trader) own or have owned, any unregistered rights in the UK, in the mark GOLD VAPE.
  - The retrospective transfer of goodwill from Paula Jane Dandy to Gold Vape Ltd is ineffective and should not be taken into account.
  - The Applicant is put to proof in respect of all of the claims made and specifically the sales of goods under the name Gold Vape, which occurred prior to 25 May 2018 (the relevant date).
  - The Applicant is put to proof that it is the successor-in-title to the goodwill and IP rights in GOLD VAPE previously owned by Paula Jane Dandy, and that Paula Jane Dandy transferred any goodwill accrued up to the date of 16 March 2017 to the Applicant.

- In particular the Applicant should provide the assignment document which assigns such rights.
  - The Proprietor denies all of the allegations made by the Applicant.
8. Both sides filed evidence in these proceedings. This will be summarised to the extent that it is considered necessary.
9. Both sides filed written submissions in lieu of a hearing, which will not be summarised here but will be referred to as and where appropriate during this decision.
10. This invalidation action has been consolidated with Opposition no. 416047, in respect of application 3353019, which was filed by Gold Vape Ltd on 13 November 2018 and published on 25 January 2019, for the mark **GOLD VAPE** and for the following goods and services:
- Class 34:** Liquids for electronic cigarettes.
- Class 35:** Retail services for liquids for electronic cigarettes, electronic cigarette atomizers, ReBuildable Atomizers, sub-ohm tanks, vaping mods, vaping pens, squonkers, vape coils, personal vaporisers and electronic cigarettes, and flavourings and solutions therefor, and parts and accessories for all the aforesaid goods.
11. The opposition was filed by Meet Singh Chopra. The earlier mark relied upon by the opponent is UK 3313424, the registered mark that is the subject of this invalidation action.
12. The opposition is raised against all of the goods and services of the application. The grounds of opposition are Section 5(1) of the Act, as the opponent claims that the marks at issue are identical and that there is identity between the class 34 goods involved; and Section 5(2)(a) of the Act, in respect of the applied for class 35 services, which are considered to be highly similar to the opponent's class 34 goods.
13. No hearing was requested and so this decision is taken following a careful perusal of the papers.

14. In respect of both actions, the Applicant/applicant has been represented by Stobbs and the Proprietor/opponent has been represented by Forresters IP LLP.

15. I will begin with an assessment of the invalidation case made by the Applicant. I do so because if the action under Section 5(4)(a) proves to be successful and registered mark UK 3313424 is declared invalid, the opposition, which is based solely on that earlier right, must as a consequence, fall away.

## **DECISION**

16. 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.”

17. 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.”

18. 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).”

19. Halsbury’s Laws of England Vol. 97A (2012 reissue) provides further guidance with regard to establishing the likelihood of deception. In paragraph 309 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.”

## **EVIDENCE**

20. I have read all of the evidence submitted by both sides. The following summary is sufficient to set out the relevant facts, as far as the evidence provides.

### **The Applicant’s evidence in chief**

21. The Applicant submitted a Witness Statement of Paula Jane Dandy, signed 17 June 2019, accompanied by exhibits numbered PJD1 – PJD15. In her Witness Statement Ms Dandy states the following:

- she is a Director of the Applicant company Gold Vape Ltd and has held that position since 16 March 2017.

- The domain name goldvape.co.uk was registered on 11 December 2015. Exhibit PJD1 is a printout of WHOIS data showing that the domain name was registered as stated.
- she began working as a sole trader and first used GOLD VAPE on the e-commerce website goldvape.co.uk on 28 December 2015. Exhibit PJD2 is a printout of a post on Facebook showing that the website would be going live in December 2015.
- she incorporated the company Gold Vape Ltd on 16 March 2017. Exhibit PJD3 shows a copy of the Certificate of Incorporation for Gold Vape Ltd.
- The goodwill accrued as a sole trader in GOLD VAPE was transferred upon incorporation of the Applicant company Gold Vape Ltd. This transfer was executed in writing retrospectively. Exhibit PJD4 is a copy of an assignment document transferring the goodwill in GOLD VAPE from Paula Jane Dandy to Gold Vape Ltd.
- GOLD VAPE retail shops were opened on 07 January 2016 in Leyland, Lancashire and on 27 February 2017, in Penwortham, Lancashire. Exhibit PJD5 comprises printouts of posts on Facebook showing the interior of the shop in Leyland on the opening day of 07 January 2016 and an announcement of the shop opening on that day, dated 24 December 2015.
- Exhibit PJD6 is comprised of printouts of posts from Facebook showing the outside of the shop in Penwortham on the opening day of 27 February 2017 and an announcement that the shop would open on that date, dated 19 February 2017.
- The goods and services on which the name GOLD VAPE have been used are Liquids for electronic cigarettes and Retail services for liquids for electronic cigarettes, electronic cigarette atomizers, ReBuildable Atomizers, sub-ohm tanks, vaping mods, vaping pens, squonkers, vape coils, personal vaporisers and electronic cigarettes, and flavourings and solutions therefor, and parts and accessories for all the aforesaid goods.

- First use of the mark on the goods was March 2017 and first use in respect of the retail services was December 2015.
- Annual sales of the liquids for electronic cigarettes was:  
2017 - £19,673.72  
2018 (“up to 24 May”) - £13,413.13.
- Exhibit PJD7 comprises photographs of GOLD VAPE branded products produced and packaged prior to 24 May 2018.
- Exhibit PJD8 is comprised of examples of the order screen of the Applicant’s till systems. All GOLD VAPE products are branded as ‘GV’.
- Annual sales of all products sold in GOLD VAPE retail stores and online were:  
2016: £87,243.87;  
2017: £140,828.32;  
2018 (up to 24 May): £65,782.86.
- Exhibit PJD9 is comprised of a printout of order histories between 02 June 2016 and 12 April 2018. The exhibit also includes details of the geographical location of customers via the domain name, and images of GOLD VAPE branded e-liquids as they were displayed on the website. Shopify was the Applicant’s e-commerce platform during this period.
- Advertising spend was £1099.82 in 2016 and £910.62 in 2017. Exhibit PJD10 comprises a copy of a receipt for the production of leaflets advertising GOLD VAPE and a representation of the leaflet.
- Exhibit PJD11 is comprised of advertising guidance for nicotine-containing e-cigarettes, as there is prohibition of certain types of advertisements for such products.
- Exhibit PJD12 is comprised of reports of activity for the domain name goldvape.co.uk, showing page views and average session durations.

- The Applicant claims that it has built strong relationships with some of the UK's leading manufacturers of vaping products. As a result, they are approved and official stockists of e.g. Vampire Vape and Six Licks. Exhibit PJD13 provides evidence of the Applicant's official relationships with Vampire Vape and Six Licks.
- The Applicant has an Instagram presence and Exhibit PJD14 is comprised of extracts from that Instagram page. First use of this page was apparently 16 June 2016. The Applicant also has Facebook pages. Exhibit PJD15 is comprised of extracts from the Applicant's Facebook pages indicating that first use of Facebook was 11 December 2015.
- The mark has been used on the goods and services in the North West of England and throughout the UK through its e-commerce website.
- As a result of the evidence provided, Ms Dandy states that it has been shown that the sign GOLD VAPE has generated goodwill with the general public and to buyers and users of liquids for electronic cigarettes and related retail services in the UK and is uniquely associated with Gold Vape Ltd.

22. I have carefully assessed the evidence presented under exhibits PJD1 – PJD15 and conclude that this evidence shows the following:

- PJD1 is a printout of WHOIS data showing that the domain name goldvape.co.uk was registered on 11 December 2015.
- Exhibit PJD2 is a printout of a post on Facebook that states that the goldvape.co.uk website will be going live in December 2015. It was published by Paula Dandy on 22 December 2015. The post shows what appears to be the front page of the goldvape website, with text that reads 'Welcome to the home of Gold Vape'. The page is headed by a large figurative element comprised of the words 'GOLD' in gold colour and 'VAPE' in white, in combination with what appears to be a stylised letter 'V' placed on the right-hand side of the words. The post has been shared once. It is clear from this

exhibit that in late December 2015, Paula Dandy was actively promoting the goldvape website on Facebook.

- PJD3 is a copy of the Certificate of Incorporation for Gold Vape Ltd, which was incorporated on 16 March 2017 and allocated company number 10673993. This exhibit provides no further information, e.g. the name of the party or person who applied to Companies House for the incorporation.
- PJD4 is a copy of an assignment document between Paula Jane Dandy and Gold Vape Ltd. This document is dated 16 March 2019 and is signed by Paula Jane Dandy as the Assignor, and by the same Paul Jane Dandy, in her capacity as a Director of Gold Vape Ltd, who is the Assignee.
- In consideration of one ordinary share given to the Assignor, the Assignor assigns the goodwill and full and exclusive benefit thereof together with all rights, title and interest to the Assignee. The assignment document is intended to act as the formal transfer of the goodwill accrued by Ms Dandy in the mark GOLD VAPE, from her, to the company Gold Vape Ltd. The assignment is retrospective and is intended to formalise the transfer of the goodwill in the mark, as of the 16 March 2017. This date is the same date that Gold Vape Ltd was incorporated as a company by Companies House. I note that the address given by both parties to this assignment document is the same, namely: 340 Leyland Lane, Lancashire, PR25 1UQ. I will deal with the impact of this document, in more detail, later in my decision.
- PJD5 is comprised of two printouts of posts on Facebook. The first image shows the interior of a shop. It is not clear what the shop is, or where it is. The Facebook post has been published by Paula Dandy and includes a figurative logo and the words Gold Vape. The post has been 'liked' on 7 January 2016. The second Facebook image shows an advertisement announcing that there will be a GOLDDVAPE shop opening on Thursday 7 January. No year is shown however the post has been made by Paula Dandy and the date 24 December 2015 is shown under her name. From this I think it is reasonable to conclude that the shop opening is scheduled for 7 January 2016. The image also lists

the following: e-cigarettes; vape equipment; liquids and accessories. I take this information to be an indication of the goods that will be provided in the shop, but since the applicant did not start selling GOLD VAPE branded goods until March 2017 then it is assumed that they are third party products. The image also includes the address 340 Leyland Lane, Leyland, PR25 1UQ, which I take to be the address of the shop itself. I note that this address is the same address used by Paula Jane Dandy and Gold Vape Ltd as their addresses on the assignment document provided under Exhibit PJD4.

- PJD6 is comprised of printouts of six posts on Facebook. The image in the first post shows the outside of a shop with the word VAPE on the wall alongside the same figurative 'V' element seen in earlier evidence. The Facebook page subject bar shows the text 'Gold Vape Penwortham' as having been the search subject. The page that has subsequently been brought back by that search includes the images mentioned and also the words Gold Vape Penwortham and the tag '@goldvapepenwortham. This Facebook page was published by Paula Dandy on 27 February 2017. The post also includes an image of shelving with products on display, however the images are quite small and it is not possible to see what the products are though in view of Ms Dandy's comment about when use of the mark on goods began (i.e. March 2017), they cannot be GOLD VAPE branded goods. The next four images are all posts published by Paula Dandy on 27 February 2017 and display the words Gold Vape Penwortham. One image shows the exterior of a building with the word 'VAPE' and stylised 'V'. The other three images show interior shelving with products on display, however these images are too small to make out what the products are. The final post in PJD6 is also a Facebook post. The name attached to the image is 'Gold Vape Penwortham' and an image is displayed with the text 'GOLDVAPE' and the stylised letter 'V' below which are the words 'OPENING MONDAY 27<sup>th</sup> Feb'. The post was published by Paula Dandy and was 'liked' on 19 February 2017. From the information on display in this image it is reasonable to infer that this post was intended to announce that a second GOLD VAPE shop was opening, in Penwortham, on 27 February 2017.

- PJD7 is comprised of eight photographs. All of the images show a small bottle that may be used to contain liquid. On each bottle, the words GOLD VAPE are clearly displayed. The bottles also contain information as to the flavour of the contents, being 'Lemon Sherbert', 'Bubblegum' and 'Pear drops'. Each image also includes what I presume to be the packaging or boxes for the bottles. On the packaging/boxes, there are dates that may be a production date of the goods, and also dates listed as: Packed by EOL1, EOL2 or EOL3 on 26 January 2018; 22 December 2017; 01 March 2018 and 22 January 2018.
- PJD8 is comprised of examples of display screens of the Applicant's till systems showing orders of products. GOLD VAPE products are branded as 'GV' according to the Applicant. The information in this exhibit may be split into two parts, those orders pertaining to Gold Vape Leyland and those to Gold Vape Penwortham. Pages 1 – 19 of exhibit PJD8 show that 75 orders were made to Gold Vape Leyland between May 2017 and December 2017. These orders are not exclusively for Gold Vape (or GV) products, however a significant number are for GV products. Pages 20 – 33 of PJD8 show 48 orders made to Gold Vape Penwortham between Jan 2018 and March 2018. Again, not all of the orders made are for GV products, but a significant number are.
- Exhibit PJD9 includes a printout of order histories between 2 June 2016 and 12 April 2018, from the Shopify page of the Applicant. The search box at the head of this document shows '<https://gold-vape-myshopify.com>' and the top left-hand side of the document shows that this is the Shopify page for Gold Vape Ltd, whilst the top right-hand side shows that the account has been logged into by Paula Dandy. Whilst there are a number of orders, there is no indication as to what has been ordered. The order values run from as little as £2.99 up to £163.92.
- PJD9 also provides some information regarding the geographical location of customers, taken from the Applicant's Shopify account. Once again, the person logged into the account is Paula Dandy. From a list of approximately

93 customers, 25 orders appear to have been made by UK based customers. These customers are based across the UK in places such as London, Slough, Leeds, Bournemouth, Brighton, Chatham, Preston, Weymouth, Carlisle, Nottingham and Bedwas. This information is undated however, and there is no information as to what has been ordered.

- PJD9 also provides a number of images of bottles that may be used to contain small quantities of liquid. The Applicant states that these images show Gold Vape branded products that were available on the Shopify website for sale from 2 June 2016 to 12 April 2018. The bottles are all branded with the words 'Gold Vape' and the stylised 'V' element. Under each image is a description that comprises the name GOLD VAPE followed by a flavour e.g. Cola; Spearmint; Blueberry and Menthol. This information is undated. Prices for the Gold Vape branded bottles of liquid are £4.99.
- Exhibit PJD10 comprises a customer receipt and copy invoice from a company called Granthams Print Discount, for an order of A5 S/S leaflets. The total value of the invoice is £75 and it is dated 25 January 2016. The customer contact details are Paula Dandy and the company name is listed as Goldvape UK, with the same 340 Leyland Land address. The email address provided is 'goldvapeuk@gmail.com'.
- An image of the leaflet produced by Granthams Print Discount is also provided under PJD10. The leaflet appears to be an advertisement in the form of a flyer, announcing the fact that the Gold Vape shop in Leyland is open for business. The words GOLDDVAPE in gold and white lettering are displayed prominently alongside the stylised 'V' element, as is the website address 'www.goldvape.co.uk' and the 340 Leyland Lane address. There is no indication of how many leaflets were provided.
- PJD11 is comprised of advertising guidance for nicotine-containing e-cigarettes, as there is prohibition of certain advertisements for such products. The Applicant has provided this information in order to explain, to some degree, the reduction in advertising expenditure in 2018.

- PJD12 is apparently comprised of reports of activity for the domain name goldvape.co.uk, including page views and average session durations. This information shows that between 30 April 2016 and 30 April 2018 there were 9706 individual sessions online which totalled 50,473 pageviews, however there is no indication given as to which website(s) this information relates. The words Gold Vape or the domain name goldvape.co.uk do not appear at all in this evidence. Neither does the name Paula Jane Dandy.
- PJD13 comprises two pages and is intended to provide evidence of the Applicant's official relationships with Vampire Vape and Six Licks. The first page shows a certificate from a manufacturer of vaping products called Vampire Vape, intended to show that the holder is an official retailer of Vampire Vape products however, there is no indication of who this certificate has been awarded to and no mention at all of the Applicant. The second page of PJD13 shows part of a UK map, showing the Preston/Blackburn area, with a list of stockists of products from a company called Six Licks. There appear to be three official stockists of Six Licks goods and two of them are the Gold Vape shops in Leyland and Penwortham, with the name and addresses of each displayed clearly. The Applicant states that they have been stocking Six Licks products since December 2017.
- PJD14 is comprised of 22 extracts from the Applicant's Instagram page. The Applicant states that it first posted on Instagram on 16 June 2016 and has posted 128 times in total. The Instagram pages are headed with the name 'goldvapeuk'. The 22 photographs provided under this exhibit do not contain dates, but the Applicant has provided information in respect of each, e.g. the date posted and the number of 'likes' and comments made on each. The content of each post varies, and the subject matter is not always Gold Vape or Gold Vape products, however these posts are all from the goldvapeuk Instagram account and date, according to the Applicant, from June 2016 through to October 2018.

- PJD15 is comprised of extracts from the Applicant's Facebook pages. It is clear that Gold Vape has a presence on Facebook and that the owner/administrator of the page is someone named Paula (presumably Paula Dandy). The page has been used since December 2015 and the exhibit shows several screenshots of the Gold Vape Facebook page with review comments that date from February 2016 to the present.

### **The Proprietor's evidence in chief**

23. The Proprietor's evidence is comprised of a Witness Statement of Anne Margaret Long, an attorney at Forresters IP LLP, accompanied by two exhibits numbered AML1 and AML2. The Proprietor also submitted consolidated submissions with this evidence.

24. Ms Long's Witness Statement confirms her position at Forresters IP LLP and introduces the exhibits:

- Exhibit AML1 is a copy of the Certificate of Incorporation of Gold Vape Ltd, under company number 10673993, and a copy of the application to register the company which was submitted to Companies House on 15 March 2017. These documents show that at 16 March 2017, Paula Jane Dandy owned one share.
- Exhibit AML2 is a copy of a credit information report dated 23 September 2019 in connection with Gold Vape Ltd. This document shows that as of 23 September 2019, Paula Jane Dandy still owned one share.

25. Having considered these exhibits carefully, I conclude that this evidence shows the above, but also shows that the registered office of Gold Vape Ltd is 340 Leyland Lane, Leyland, Lancashire, PR25 1UQ. It also lists Paula Jane Dandy and Ian Dandy as Directors of Gold Vape Ltd. It shows that the Gold Vape Ltd Share Capital comprises 2 ordinary shares with equal rights and that both Mr Ian Dandy and Mrs Paula Jane Dandy are allocated one share each. It also shows that the Individual Person with Significant Control (PSC) within the Gold Vape Ltd company is Paula Jane Dandy. The evidence also shows that Gold Vape Ltd last filed accounts at

Companies House on 31 March 2018 and that both Ian Dandy and Paula Jane Dandy were both still Directors of Gold Vape Ltd as of 23 September 2019.

26. The Proprietor also submitted consolidated submissions alongside the aforementioned evidence of Ms Long. These submissions serve to deny the claims of the Applicant in respect of the ownership and transfer of the goodwill (if any exists at all) of the sign GOLD VAPE from Paula Jane Dandy to Gold Vape Ltd. The Proprietor also claims that:

- The Applicant does not have an earlier right and as such the cancellation action should be rejected in its entirety, and as a consequence, the Proprietor's opposition to the Gold Vape Ltd application must succeed in full.
- The Applicant must prove, on the balance of probabilities, that it owned significant unregistered rights in the mark GOLD VAPE prior to the filing date of the registration.
- Referring back to the Witness Statement of Paula Jane Dandy dated 17 June 2019 and exhibits PJD1 to PJD15, as well as the form TM26(I) application to start invalidation proceedings, the Proprietor denies that the evidence submitted by Gold Vape Ltd is sufficient to prove that they owned unregistered rights as of the relevant date, if at all.

27. The Proprietor also provides further submissions in respect of the information presented in the exhibits PJD1 to PJD15. I will not summarise those submissions here but will refer to them where necessary. The Proprietor argues that if the Applicant has been using the unregistered mark since 28 December 2015, as claimed, this is less than two and a half years prior to the filing date of the contested registration and is simply not enough time to establish unregistered rights in a mark that would be sufficient to maintain an attack under Section 5(4)(a).

## **The Applicant's evidence in reply**

28. In response to the Proprietor's evidence, the Applicant submitted a second Witness Statement of Paula Jane Dandy, accompanied by exhibits SPJD1 to SPJD8, on 22 November 2019.

29. In her Witness Statement, Ms Dandy states the following:

- SPJD1 comprises large print copies of some of the information initially submitted in Exhibit PJD8.
- SPJD2 comprises a schedule of sales of GOLD VAPE branded e-liquids versus all other stock provided by the Applicant.
- SPJD3 comprises an invoice from 1&1 Internet Ltd for the purchase of the domain goldvape.co.uk which was registered on 11 December 2015 and an order for an e-commerce shop for goldvape.co.uk., both purchased under the name Paula Dandy.
- SPJD4 comprises redacted accounts of Paula Dandy trading as Gold Vape, dated 31 March 2017 and the accounts of Gold Vape Ltd dated 31 March 2018.
- SPJD5 comprises copies of pages from the lease agreements for the premises of the two shops in Leyland and Penwortham, dated 23 December 2015 and March 2017 respectively, as well as a copy of business insurance documentation dated 7 January 2016 in the name of Paula Dandy t/a Gold Vape at 340 Leyland Lane, PR25 1UQ. Also included is documentation relating to a business insurance policy, dated 10 January 2017 for Paula Dandy t/a Gold Vape and a copy of the Applicant's PRS licence in the name of Paula Dandy t/a Gold Vape.
- SPJD6 comprises a copy of an invoice for the supply to the Applicant of a batch of GOLD VAPE branded e-liquid stock and three pages of email correspondence discussing Gold Vape branding for use on e-liquids, dated between February 2016 and May 2018.

- SPJD7 comprises screenshots from the Wayback Machine website relating to the domain 'www.goldvape.co.uk' and its historical content at example dates: 31 March 2016; 20 August 2016, 24 January 2017, 9 July 2017 and 30 March 2018.
- SPJD8 comprises sample screenshots taken from the Applicant's 'goldvape' website on 31 October 2019 and 13 November 2019. As this information falls outside the relevant period, this exhibit carries no weight in these proceedings.

30. I have carefully assessed the evidence presented under exhibits SPJD1 – SPJD8 and conclude that this evidence shows the following:

- SPJD1 comprises a limited version of the information originally provided under exhibit PJD8 but in bigger text. If I accept that the letters 'GV' are used to indicate Gold Vape products as the Applicant states, then this information shows sales of the Applicant's products from the Leyland retail outlet on 30 and 31 May 2017. The total value of GV sales on those two days from the Leyland shop was £208.47.
- SPJD2 is a list of sales of Gold Vape products between 2016 and 2018, split between the two retail shops of the Applicant and the website internet sales. Overall sales of Gold Vape products in 2016 when taking account of retail in both shops and the sales online, amount to £87,243.87. The same figure in 2017 was £140,828.32 and in 2018, as a part year up to the relevant date of 25 May, was £65,782.86. The total amount of sales of Gold Vape branded products from 2016 until the relevant date was £293,855.05.
- SPJD3 comprises an invoice from 1&1 Internet Ltd for the purchase of the domain goldvape.co.uk which was registered on 11 December 2015 and an order for an e-commerce shop for goldvape.co.uk., both purchased under the name Paula Dandy. The invoice is dated 7 January 2016 and is addressed to vape-ease (a name used prior to a name change in December 2015 to Gold Vape) and Paula Dandy. The invoice lists the purchase of two 'Additional

Domain co.uk' from 11 December 2015 for the names goldvape.co.uk. and goldv.co.uk.

- SPJD4 comprises redacted accounts of Paula Dandy trading as Gold Vape, dated 31 March 2017 and the accounts of Gold Vape Ltd dated 31 March 2018. These documents show that Paula Dandy was trading in the name of Gold Vape at the date 31 March 2017 and that 12 months later, the company Gold Vape Ltd was trading and listed Paula Dandy and Ian Dandy as the Directors of that company. The Company's principal activity is listed as E-Cigarette retail.
- SPJD5 shows that Paula Jane Dandy leased the ground floor of 340 Leyland Lane, Leyland from Mason properties Limited on 23 December 2015, as a retail unit for the purpose of selling electric cigarettes. It also shows that she leased 1 Buller Ave (corner shop) in Penwortham from 01 March 2017, from Shorrock Motorcycles Ltd and paid the South Ribble borough council what appears to be council rates or tax for use of the shop and premises at that address. That invoice, dated 6 March 2017, for £699, was addressed to Paula Dandy t/a Gold Vape. There is also a certificate of Employers Liability Insurance from a company called 'aro underwriting' and the policy holder is Paula 'Danby' (a spelling error later corrected to 'Dandy') trading as Gold Vape. The date of commencement of insurance was 7 January 2016.
- SPJD6 comprises a copy of an invoice from BSMW dated 28 March 2017, for the supply to the Applicant of 1575 labels to be used on GOLD VAPE branded e-liquid stock. The invoice is addressed to Gold Vape at 340 Leyland Lane, Leyland. The value of this invoice is £1201.50.
- There are also a number of pages of email correspondence between a company called 'Blend & Bottle and 'Paula', discussing Gold Vape branding for use on e-liquids. These emails are dated between February 2016 and May 2018.
- SPJD7 comprises screenshots from the Wayback Machine website relating to the domain 'www.goldvape.co.uk' and its historical content at example dates:

31 March 2016; 20 August 2016, 24 January 2017, 9 July 2017 and 30 March 2018. This information shows that the mark GOLD VAPE was being used prior to the relevant date as a retail seller of e-cigarette products.

- SPJD8 comprises information that falls outside the relevant period, and therefore carries no weight in these proceedings.

## **RELEVANT DATE**

31. Whether there has been passing off must be judged at a particular point (or points) in time. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC, sitting as the Appointed Person, considered the relevant date for the purposes of s.5(4)(a) of the Act and concluded as follows:

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

‘Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made.’”

32. As the Proprietor has made no claim that it had been using the registered mark prior to the date on which it filed the application for the trade mark, the relevant date for assessing whether Section 5(4)(a) applies is the filing date of the contested registration, namely 25 May 2018.

## **Goodwill**

33. A description of goodwill was provided by the House of Lords in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL), and it is still valid today:

“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.”

34. In *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 (HC), Pumfrey J. stated:

“27. There is one major problem in assessing a passing of claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under s.11 of the 1938 Act (see *Smith Hayden & Co. Ltd's Application (OVAX)* (1946) 63 R.P.C. 97 as qualified by *BALI Trade Mark [1969] R.P.C. 472*). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

28. Evidence of reputation comes primarily from the trade and the public and will be supported by evidence of the extent of use. To be useful, the evidence must be directed to the relevant date. Once raised, the applicant must rebut the prima facie case. Obviously, he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of probabilities that passing off will occur.”

35. However, in *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat) Floyd J. (as he then was) stated that:

“[The above] observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be

answered of passing off. I do not understand Pumfrey J to be laying down any absolute requirements as to the nature of evidence which needs to be filed in every case. The essential is that the evidence should show, at least prima facie, that the opponent's reputation extends to the goods comprised in the application in the applicant's specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application.”

36. With this in mind, I turn firstly to the matter of the assignment document submitted by the Applicant, intended to show the retrospective transfer of the goodwill in the mark GOLD VAPE, from Paula Jane Dandy to Gold Vape Ltd, signed on 16 March 2019 but backdated to 16 March 2017.<sup>2</sup>

37. I do not accept that this document assists the Applicant's position. To retrospectively attempt to change the historical facts borne out in the evidence of this case, by drafting an assignment document with an effective date for the transfer of the goodwill stated as being 16 March 2017 is simply untenable.

38. However, I find there to be no particular requirement on the part of the Applicant, to formalise an assignment of the goodwill, in the manner provided. In this matter I refer to the decision of the Hearing Officer Mrs Pike in BL O/297/13, where she stated that *where an on-going business is sold it will normally be implied that the goodwill has been included unless the agreement or the facts indicate otherwise:*

“An assignment of goodwill does not have to be in writing or any particular form, and need not mention goodwill by name. A transaction intended to assign a business as a whole necessarily passes the goodwill to the assignee.”<sup>3</sup>

39. The evidence provided by Paula Jane Dandy has shown that she, acting as a sole trader, had conducted business using the mark GOLD VAPE since December 2015. The evidence also shows that Ms Dandy holds the position of Director and Individual Person with Significant Control (PSC) within the Applicant company. That being so, I am content to accept that any goodwill that Ms Dandy may have generated as a sole trader, between December 2015 and 16 March 2017, when she established the

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<sup>2</sup> Exhibit PJD4

<sup>3</sup> *The Law of Passing Off* by Christopher Wadlow, fourth edition, 3-192, page 226.

Applicant company Gold Vape Ltd, will have passed implicitly to the Applicant at the date of incorporation.

40. However, in the event that I am found to be wrong in my conclusion in this matter, I will consider firstly the question of goodwill and the extent that goodwill had been generated, if at all, from the date of incorporation of the Applicant.
41. My findings in respect of the evidence provided by the Applicant dated between 16 March 2017 (date of incorporation of the Applicant) and 25 May 2018 (the relevant date) are as follows.
42. The evidence provided under exhibits PJD1–PJD15 and SPJD1–SPJD8 (and dated March 2017 onwards) clearly establish that the Applicant, Gold Vape Ltd, has been using the mark GOLD VAPE as a brand on its own e-liquid products and in the retailing of third-parties vaping products, continuously since March 2017 and up to the relevant date. This use cannot, in my opinion, be said to be trivial. The Applicant has conducted its business through traditional retail means, using two retail outlets in Lancashire, England, and also online, via its website [goldvape.co.uk](http://goldvape.co.uk).
43. Whilst the Proprietor has claimed that the level of use and sales volumes shown by the Applicant in evidence is very small, I find, through analysis of information contained within exhibits PJD8 and SPJD2 that sales of Gold Vape branded e-liquids amounted to approximately £38,357 between April 2017 and May 2018 and that the overall retail sales made by Gold Vape Ltd in that same period amounted to approximately £136,017. I note the Proprietor’s comments regarding the low level of online sales, which across the same period amount to £292 of Gold Vape branded e-liquids and £1418 of overall retail sales of vaping products, however, when considered as a whole, I conclude that the Applicant has achieved more than trivial levels of sales both of Gold Vape branded e-liquids and third-party vaping products.
44. I note that an average sales order during the period appears to be somewhere between £10 and £20<sup>4</sup>. I also note that the smallest sale made by the Applicant was less than £2 and the largest was slightly more than £100. This being the case, it

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<sup>4</sup> Exhibit PJD8

cannot be reasonable for £136,017 of sales of the relevant goods within a fourteen-month period to be dismissed as trivial.

45. The Applicant has used the goldvape.co.uk website continuously since March 2017 (although it was registered much earlier by Ms Dandy acting as a sole trader). It has shown that on 28 March 2017 it placed an order for 1575 GOLD VAPE labels, to be used on bottles of its own branded e-liquids. The Applicant has also shown a very reasonable and active presence on the social media sites Facebook and Instagram, which it uses to market its goods and services.

46. The Proprietor has claimed that the Applicant business is small and that, as a result of very small levels of sales and business activity, it has not proven that it owns goodwill or that goodwill has even been generated.

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

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

48. See also: *Stannard v Reay* [1967] FSR 140 (HC); *Teleworks v Telework Group* [2002] RPC 27 (HC); *Lumos Skincare Limited v Sweet Squared Limited and others* [2013] EWCA Civ 590 (COA).

49. The Proprietor has also claimed that the Applicant has only shown evidence of local sales in the Lancashire area of England. The Proprietor states that this is insufficient to prove that goodwill exists in the mark.

50. In fact, the Applicant has shown a number of sales across the UK, in places such as London, Leeds, Bournemouth, Brighton, Weymouth and Nottingham.<sup>5</sup>

51. In this regard, I remind myself of the findings of Dillon L.J. in *Chelsea Man Menswear Limited v Chelsea Girl Limited and Another* - [1987] RPC 189 (CA), where he stated that:

“.....However, we have before us the case of plaintiffs with a strong reputation and goodwill in certain parts of the country, particularly Coventry and Oxford Street, which is faced with threats by the defendants to use the name “Chelsea Man” in all or any parts of the country in connection with the sale of men's clothing, in such a manner as is likely to mislead potential customers of the defendants and thereby to injure the plaintiffs' goodwill. Since the intended use by the defendants of the name “Chelsea Man” is nationwide, *prima facie*, it seems to me, the plaintiffs must be entitled to ask for a nationwide injunction. In my judgment, on the facts of the present case, the court would be justified in circumscribing the ambit of the injunction to narrower limits than England and Wales (which are the limits accepted by the plaintiffs) only if it were satisfied that the use by the defendants of the name “Chelsea Man” outside those limits in connection with their business *would not be likely substantially to injure the plaintiffs' goodwill*. I am far from satisfied that this is the case, for a number of reasons.

If it be assumed, for the sake of argument, that the injunction were confined to the three proposed restricted areas, it also has to be assumed that there is a live possibility, perhaps amounting to a probability, that the defendants with their large resources and wide chain of existing shops, would soon be using the name “Chelsea Man” in trading in towns close to the borders of some or all of those areas.

I do not propose to embark on a further examination of the evidence of which counsel on both sides have given us a careful and helpful analysis. In my judgment, it clearly shows that the use by the defendants of this name or mark even outside such areas would be likely to cause substantial confusion

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<sup>5</sup> Exhibit PJD9

between the plaintiffs' and defendants' respective businesses, and thus to cause damage to the plaintiffs' business within those areas.....”

52. Furthermore, in *Saxon Trade Mark* [2003] FSR 39 (HC), Laddie J. identified different considerations that apply where the senior and junior users have only local goodwill and one proposes to trade in the area in which the other has established goodwill (or, by analogy, makes an application to register a national mark which implies such an intention). In dealing with an appeal from a decision of a hearing officer on behalf of the registrar, the judge stated that:

“32. Mr Foley appears to have construed the section as if it is only concerned with cases where the use of the mark by the proprietor starts after use of the same or a similar mark by someone else. I do not think that this is what the section says. For the prohibition to bite, all that needs to be shown is that, at the time of the application to register, the normal use of the mark by the proprietor would be liable to be prevented by passing off proceedings brought by someone else. It may well be that in most cases this will only arise when the other party had commenced using his mark before the proprietor, but it is not inevitably so and the section does not require it to be so. The fact that the convenient title “proprietor of an earlier mark” is used to designate the other party does not limit the scope of the section. Consider, for example, a case in which one proprietor uses a mark on a retail clothing business in Manchester and the other uses it on a similar business in Plymouth. They commence trade at the same time. Their trades do not compete because of the geographical separation. Assume the Manchester trader registers the mark. Normal use of it would include use in Plymouth. That would be liable to give rise to a cause of action in passing off (see *Levey (A.A.) v Henderson-Kenton (Holdings)* [1974] R.P.C. 617 and *Evans v Eradicure* [1972] R.P.C. 808 ). For that reason the registration by the Manchester trader would fall foul of s.5(4)(a) even though the Plymouth trader commenced use of the mark at the same time. For the same reason the Plymouth trader could not register the mark.”

53. The Applicant has shown that it retails vaping goods, including its own GOLD VAPE branded e-liquids from two retail outlets in Lancashire. Taking account of the case law provided in paragraphs 51 and 52 above, I find that this localised use of the mark is sufficient to determine whether goodwill has been generated. That said, the Applicant has also shown online sales as well, with customers spread widely across the UK. Whilst these sales have not been as significant as the sales enjoyed in the more traditional retail shops, they cannot be dismissed out of hand.

54. Having considered all of the evidence submitted by both parties carefully, I conclude that goodwill has been generated in the mark GOLD VAPE by the Applicant since 16 March 2017. Having come to that finding, I do not need to return to the question of whether goodwill had been generated prior to the Applicant's date of incorporation, by Ms Dandy acting as a sole trader.

55. As I have found that Gold Vape Ltd holds goodwill in a business operating under the sign GOLD VAPE in respect of e-cigarettes, e-liquids and tobacco products, I now go on to consider the question of misrepresentation.

### **Misrepresentation**

56. The test for misrepresentation was set out in *Neutrogena Corporation and Another v Golden Limited and Another* [1996] RPC 473, Morritt L.J. whereby it was stated that:

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

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

57. The same proposition is stated in Halsbury's Laws of England 4th Edition Vol.48 para 148. The necessity for a substantial number is brought out also in *Saville*

*Perfumery Ltd. v. June Perfect Ltd.* (1941) 58 R.P.C. 147 at page 175; and *Re Smith Hayden's Application* (1945) 63 R.P.C. 97 at page 101.”

And later in the same judgment:

“.... for my part, I think that references, in this context, to “more than *de minimis*” and “above a trivial level” are best avoided notwithstanding this court's reference to the former in *University of London v. American University of London* (unreported 12 November 1993). It seems to me that such expressions are open to misinterpretation for they do not necessarily connote the opposite of substantial and their use may be thought to reverse the proper emphasis and concentrate on the quantitative to the exclusion of the qualitative aspect of confusion.”

58. Further in *Neutrogena Corporation and Another v Golden Limited and Another*, 1996] RPC 473, Morritt L.J. stated that:

“The role of the court, including this court, was emphasised by *Lord Diplock in GE Trade Mark* [1973] R.P.C. 297 at page 321 where he said:

‘where the goods are sold to the general public for consumption or domestic use, the question whether such buyers would be likely to be deceived or confused by the use of the trade mark is a “jury question”. By that I mean: that if the issue had now, as formerly, to be tried by a jury, who as members of the general public would themselves be potential buyers of the goods, they would be required not only to consider any evidence of other members of the public which had been adduced but also to use their own common sense and to consider whether they would themselves be likely to be deceived or confused.

The question does not cease to be a “jury question” when the issue is tried by a judge alone or on appeal by a plurality of judges. The judge's approach to the question should be the same as that of a jury. He, too, would be a potential buyer of the goods. He should, of course, be alert to the danger of allowing his own idiosyncratic knowledge or

temperament to influence his decision, but the whole of his training in the practice of the law should have accustomed him to this, and this should provide the safety which in the case of a jury is provided by their number. That in issues of this kind judges are entitled to give effect to their own opinions as to the likelihood of deception or confusion and, in doing so, are not confined to the evidence of witnesses called at the trial is well established by decisions of this House itself.”

59. Regarding the question of who must be deceived, further in *Neutrogena Corporation and Another v Golden Limited and Another*, [1996] RPC 473, Morritt L.J. stated that:

“This is the proposition clearly expressed by the judge in the first passage from his judgment which I quoted earlier. There he explained that the test was whether a substantial number of the plaintiff’s customers or potential customers had been deceived for there to be a real effect on the plaintiff’s trade or goodwill.”

60. It is commonly accepted that a word mark registered in standard characters may be considered to cover the use of the same word(s) presented in any normal font. This is so, irrespective of the use of upper or lower case letters, or any customary combination of the two. The marks at issue are therefore essentially identical, being the plain word marks ‘Gold Vape’ and ‘GOLD VAPE’. Since the respective fields of activity relate to e-cigarettes, e-liquids and tobacco products and the goods in the contested registration are identical to those provided by the Applicant, I conclude that it is entirely likely that all of the Applicant’s customer base will, when faced with the Proprietor’s goods, expect those goods to be from the Applicant, and therefore misrepresentation will occur.

61. As I have concluded that misrepresentation will occur, I now must go on to consider the question of damage.

### **Damage**

62. In *Harrods Limited V Harrodian School Limited* [1996] RPC 697, Millett L.J. described the requirements for damage in passing off cases like this:

“In the classic case of passing off, where the defendant represents his goods or business as the goods or business of the plaintiff, there is an obvious risk of damage to the plaintiff's business by substitution. Customers and potential customers will be lost to the plaintiff if they transfer their custom to the defendant in the belief that they are dealing with the plaintiff. But this is not the only kind of damage which may be caused to the plaintiff's goodwill by the deception of the public. Where the parties are not in competition with each other, the plaintiff's reputation and goodwill may be damaged without any corresponding gain to the defendant. In the *Lego* case, for example, a customer who was dissatisfied with the defendant's plastic irrigation equipment might be dissuaded from buying one of the plaintiff's plastic toy construction kits for his children if he believed that it was made by the defendant. The danger in such a case is that the plaintiff loses control over his own reputation.

63. Actions under section 5(4)(a) of the Act are quia timet actions, based on a claim of likely future damage. In *Bocacina Limited v Boca Cafés Limited, Dercio De Souza Junior, Malgorzata De Souza* [2013] EWHC 8090 (IPEC), Mr Daniel Alexander QC, sitting as an Enterprise Judge, noted that:

“There is no dispute that if there is goodwill and misrepresentation, there would be damage”

64. The types of damage that could be done were described by *Warrington LJ in Ewing v Buttercup Margarine Company Limited* [1917] 2 Ch. 1 (COA):

“To induce the belief that my business is a branch of another man's business may do that other man damage in various ways. The quality of goods I sell, the kind of business I do, the credit or otherwise which I enjoy are all things which may injure the other man who is assumed wrongly to be associated with me.”

65. If the quality of the Proprietor's goods is low, this could negatively impact on the reputation of the Applicant and its chances of making further sales. Damage could also arise in the form of lost sales, as consumers mistakenly buy the Proprietor's goods when they intended to buy those of the Applicant.

66. Having found that the goodwill and misrepresentation limbs of the test have been satisfied in respect of the goods and services of the unregistered mark, it follows that damage in the form of lost sales is foreseeable.

67. The application for invalidation therefore succeeds.

### **Conclusion**

68. The application to invalidate UK 3313424 has been successful. As a consequence of this finding, opposition 416047 fails entirely, as the sole earlier right relied upon by the opponent has been found to be invalid.

69. Pending any appeal, registration 3313424 will be cancelled and deemed never to have been made, and application 3353019 will proceed to registration.

### **Costs**

70. The Applicant has been successful and is entitled to a contribution towards its costs. In the circumstances I award the Applicant the sum of £1200 as a contribution towards the cost of the proceedings. I bear in mind that the relevant scale is contained in Tribunal Practice Notice (“TPN”) 2/2016. I award costs to the Applicant as follows:

Fee for the form TM26(I)	£200
Preparing the statement of case and considering the counterstatement	£200
Preparing evidence and considering and commenting on the other side’s evidence	£500
Preparing written submissions in lieu	£300
Total	£1200

71.I therefore order Meet Singh Chopra to pay Gold Vape Ltd the sum of £1200. The above sum should be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.

**Dated this 12<sup>th</sup> day of March 2020**

**Andrew Feldon  
For the Registrar  
The Comptroller-General**