

IN THE MATTER OF THE TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATIONS NOS 3010419, 3010420 AND 3010427 ALL IN THE NAME OF MARIAGE FRÈRES SA

IN THE MATTER OF TRADE MARK APPLICATIONS NOS 3019785, 3028566 AND 3024670 ALL IN THE NAME TWG TEA COMPANY PTE LTD

AND IN THE MATTER OF THE APPLICATION FOR A DECLARATION OF INVALIDITY BY TWG TEA COMPANY PTE LTD OF TRADE MARKS NO 3033805 IN THE NAME MARIAGE FRÈRES SA

AND IN THE MATTER OF AN APPEAL FROM THE DECISIONS OF MARK BRYANT DATED 20 DECEMBER 2016 (O/601/16; O/602/16; O/603/16 and O/604/16) AND DATED 21 DECEMBER 2016 (O/605/16)

DECISION

1. This is an appeal from five decisions of Mr Mark Bryant, for the Registrar, dated 20 and 21 December 2016. The parties to each of the five decisions are TWG Tea Company Pte Ltd (“TWG”) and Mariage Frères SA (“MF”).
2. The first decision (O/601/16) relates to the word mark PARIS BREAKFAST TEA (No 3010420) and the third decision (O/603/16) relates to the word mark RUSSIAN BREAKFAST TEA (No 3010427) both of which MF applied for on 18 June 2013 in relation to the following goods in Class 30:
Class 30: Coffee, tea, cocoa; cocoa-, coffee-, chocolate- or tea-based beverages; non medicinal infusions; sugar, rice, bread, pastry and confectionary, pancakes (foodstuffs); cookies; cakes; rusks; confectionary; chocolate; edible ices; honey, salt, mustard; vinegar, sauces (condiments); condiments; spices; dried plants and seeds, flavourings, other than essential oils, and mixtures of the aforesaid goods, for preparing non-medicinal beverages.
3. TWG opposed both of the applications under sections 3(3)(b), 3(6) and 5(4)(a) of the Trade Marks Act 1994. The oppositions were unsuccessful under section 5(4)(a), but partially successful under sections 3(3)(b) and 3(6). TWG appealed the Hearing Officer’s decision in relation to section 5(4)(a) and MF cross-appealed the decision in relation to sections 3(3)(b) and 3(6).
4. The second decision (O/602/16) relates to the word mark LUCKY TEA (No 3010419), which MF applied to register on 18 June 2013 in relation to the same goods in Class 30 and also the following goods in Class 21:
Class 21: Household or kitchen utensils and containers; teapots; tea services; tea balls, strainers, tea measures, infusers, tea filters, tea cosy of metal; tableware of glass, porcelain, earthenware, synthetic resin, terracotta; tableware of precious metal or coated therewith (except cutlery); tea canisters, caddies and urns; candlesticks and candelabra (candlesticks) of precious metal or coated therewith; trays and boxes for household use of precious metal or coated therewith.

5. Further, TWG applied to register the following series of two marks (No 3019785) on 28 August 2013:

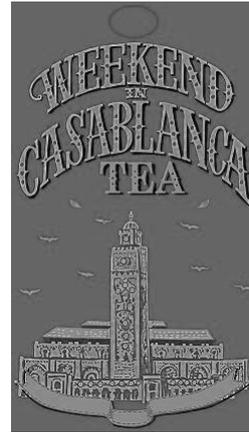
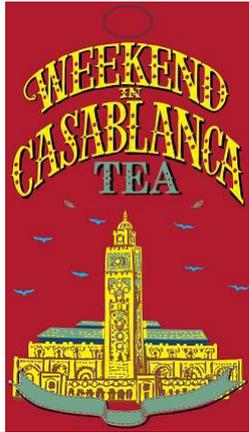


6. TWG's application was in relation to goods in classes 21 and 30:

Class 21: Tea pots, tea cups and saucers, milk jugs, sugar bowls and basins, plates, containers for foodstuffs; tea balls, tea caddies, tea canisters, tea infusers, tea strainers, bone china tableware (other than cutlery), porcelain ware; earthenware; mugs; crockery; drinking glasses; and tumblers.

Class 30: Coffee, coffee-based beverages; tea, black tea [English tea], flavorings of tea, tea-based beverages, fruit flavoured tea (other than medicinal), fruit tea (other than for medical purposes), beverages with tea base, Rooibos tea, herbal tea (other than for medicinal use), Chai tea, green tea, Japanese green tea, Oolong tea (Chinese tea), aromatic teas (other than for medicinal use), beverages made of tea, iced tea, tea bags (other than for medicinal use), tea extracts, tea essence; tea for infusions (other than for medicinal use), spices; sugar, chocolates, chocolate bars, pralines, edible ices, ice cream, sorbets (ices), ice desserts, confectionery, cakes, pastry, macaroons (pastry), pastries, biscuits, cookies, aromatic preparations for pastries; food dressings (sauces), sauces (condiments); frozen yoghurt [confectionery ices], marzipan, quiches, puddings, bread, bread rolls.

7. TWG opposed MF's application under sections 3(3)(b), 3(6) and 5(4)(a) of the Trade Marks Act 1994. MF opposed TWG's subsequent application under sections 3(6), 5(1), 5(2) and 5(4)(a) of the Trade Marks Act 1994. TWG's opposition was unsuccessful under section 5(4)(a), but partially successful under sections 3(3)(b) and 3(6). TWG appealed the Hearing Officer's decision in relation to section 5(4)(a) and MF cross-appealed the decision in relation to sections 3(3)(b) and 3(6). MF's opposition under section 5(2) was partially successful in relation to TWG's application. The other grounds of opposition were either not pursued or summarily dismissed by the Hearing Officer. MF cross-appealed the Hearing Officer's decision in relation to his finding under section 5(2).
8. The fourth decision (O/604/16) relates to TWG's application (No 3028566) on 30 October 2013 to register the following marks in relation to the same goods in class 30 as it did for its LUCKY TEA application:



9. MF opposed TWG's application under section 3(6), 5(2)(b) and 5(4)(a) of the Trade Marks Act 1994. Following the decision of Ian Purvis QC sitting as the Appointed Person in a related case *SAKURA! SAKURA!* (O/131/16). MF's opposition in relation to WEEKEND IN CASABLANCA was restricted to section 5(2)(b) based on its earlier mark CASABLANCA, which has a priority date of 18 June 2013 and is registered in relation to the following goods Classes 21 and 30:
 - Class 21: Teapots; tea services, tea balls, strainers, tea measures, infusers, tea filters, tea cosy's of metal; tea canisters, caddies and urns.
 - Class 30: Tea, blended teas and herbal teas (bulk or tea bag); tea based beverages.
10. The Hearing Officer upheld MF's opposition in relation to some goods, but not others. TWG appealed, and MF cross-appealed, the decision.
11. The fifth and final decision (O/605/16) relates to TWG's application to register HAUTE COUTURE TEA COLLECTION (No 3024670), which was filed on 3 October 2013 in relation to the same Class 30 goods as those for which it applied in relation to LUCKY TEA and WEEKEND IN CASABLANCA.
12. MF opposed TWG application under section 3(6) and 5(2)(b) of the Trade Marks Act 1994 based on its earlier mark HAUTE COUTURE (No 3033805), with a priority date of 17 June 2013, which is registered in Class 30 for the same goods as its mark CASABLANCA.
13. In response to this opposition, TWG applied to invalidate MF's HAUTE COUTURE mark relying on sections 3(6) and 5(4)(a) of the Trade Marks Act 1994.
14. TWG's application to invalidate the mark was dismissed. Accordingly, MF's opposition under section 5(2)(b) was successful.
15. TWG appealed the Hearing Officer's decision under sections 3(6) and 5(4)(a). TWG accepted that if its appeal in relation to its invalidation application failed then it did not seek to challenge the Hearing Officer's decision in relation MF's opposition under section 5(2)(b).

Standard of appeal

16. The principles applicable on appeal from the registrar were considered in *TT Education Ltd v Pie Corbett Consultancy* (O/17/17) by Daniel Alexander QC sitting as the Appointed Person. These principles have already been approved and applied by the High Court in *Royal Mint Ltd v The Commonwealth Mint and Philatelic Bureau Ltd* [2017] EWHC 417 (Ch) at paragraph 18 and *Apple Inc v Arcadia Trading Ltd* [2017] EWHC 440 (Ch) at paragraph 11.

17. Mr Alexander summarised the position at paragraph 52 of his Decision (I made a few minor updates to this summary in *Grill'O Express* (O/140/17), paragraph 6, which I have incorporated in square brackets):

52. Drawing these threads together, so far as relevant for the present case, the principles can therefore be summarized as follows.

- (i) Appeals to the Appointed Person are limited to a review of the decision of Registrar (CPR [52.21]). The Appointed Person will overturn a decision of the Registrar if, but only if, it is wrong ([...][CPR 52.21]).
- (ii) The approach required depends on the nature of decision in question (*REEF*). There is spectrum of appropriate respect for the Registrar's determination depending on the nature of the decision. At one end of the spectrum are decisions of primary fact reached after an evaluation of oral evidence where credibility is in issue and purely discretionary decisions. Further along the spectrum are multi-factorial decisions often dependent on inferences and an analysis of documentary material (*REEF, DuPont*).
- (iii) In the case of conclusions on primary facts it is only in a rare case, such as where that conclusion was one for which there was no evidence in support, which was based on a misunderstanding of the evidence, or which no reasonable judge could have reached, that the Appointed Person should interfere with it (*Re: B and others*).
- (iv) In the case of a multifactorial assessment or evaluation, the Appointed Person should show a real reluctance, but not the very highest degree of reluctance, to interfere in the absence of a distinct and material error of principle. Special caution is required before overturning such decisions. In particular, where an Appointed Person has doubts as to whether the Registrar was right, he or she should consider with particular care whether the decision really was wrong or whether it is just not one which the appellate court would have made in a situation where reasonable people may differ as to the outcome of such a multifactorial evaluation (*REEF, BUD, Fine & Country and others*).
- (v) Situations where the Registrar's decision will be treated as wrong encompass those in which a decision is (a) unsupportable, (b) simply wrong (c) where the view expressed by the Registrar is one about which the Appointed Person is doubtful but, on balance, concludes was wrong. It is not necessary for the degree of error to be "clearly" or "plainly" wrong to warrant appellate interference but mere doubt about the decision will not suffice. However, in the case of a doubtful decision, if and only if, after anxious consideration, the Appointed Person adheres to his or her view that the Registrar's decision was wrong, should the appeal be allowed (*Re: B*).
- (vi) The Appointed Person should not treat a decision as containing an error of principle simply because of a belief that the decision could have been better expressed. Appellate courts should not rush to find misdirections warranting reversal simply because they might have reached a different conclusion on the facts or expressed themselves differently. Moreover, in evaluating the evidence the Appointed Person is entitled to assume, absent good reason to the contrary, that the Registrar has taken all of the evidence into account. (*REEF, Henderson and others*).

Bearing in mind the repeated reminders that different points are likely to be particularly relevant in other cases, this is not intended to be a summary of universal application for other cases where particular aspects of the approach may require different emphasis.

18. Where an appeal relates to the Hearing Officer's assessment of goodwill, it is also necessary to consider Mr Alexander's comments in *Advanced Perimeter Systems v Keycorp Ltd* [2012] RPC 14, paragraph 34:

In short, determining whether there is sufficient goodwill and a likelihood of substantial misrepresentation involves a critical, but not mechanical, approach to the evaluation of the evidence as a whole. So long as the principles outlined above are borne in mind, it will be difficult to fault a hearing officer's assessment. In particular a hearing officer is not bound to accept what is said about goodwill, without question, even if it is not answered or the subject of cross-examination.

19. I will apply these principles.

TWG's claims for earlier rights: Trade Marks Act 1994, s 5(4)(a)

20. TWG opposed the registration of PARIS BREAKFAST TEA ("PARIS"), RUSSIAN BREAKFAST TEA ("RUSSIAN") and LUCKY TEA ("LUCKY") and applied to invalidate MF's mark HAUTE COUTURE on the basis of earlier rights under the law of passing off.
21. The Hearing Officer concluded that TWG did not have protectable goodwill in PARIS BREAKFAST TEA (PARIS, paragraph 33) or RUSSIAN BREAKFAST TEA (RUSSIAN, paragraph 36). He made this finding on the basis that consumers would consider these two signs to be descriptive and this impression would not have been displaced by the number of sales under the respective marks (PARIS, paragraph 31 and RUSSIAN, paragraph 33).
22. In relation to HAUTE COUTURE, the Hearing Officer found that the use made of the mark by TWG would be considered by consumers as indicating the quality of the goods in question (HAUTE COUTURE, paragraph 57) and so TWG had developed no protectable goodwill.
23. In relation to LUCKY TEA, the Hearing Officer concluded that the use shown of the mark was insufficient for goodwill to attach to it (LUCKY, paragraph 38).
24. It was not in dispute between the parties that the Hearing Officer should have made the determination of whether such earlier rights existed at the priority date of the relevant application. In respect of PARIS, RUSSIAN and LUCKY this date is 18 June 2013.
25. In respect of HAUTE COUTURE the priority date is 17 June 2013. However, the Hearing Officer erroneously stated that the correct date for assessment was 3 November 2014 (HAUTE COUTURE, paragraphs 50 and 51). TWG submitted that this error demonstrated a lack of care being taken by the Hearing Officer in making the decision. While making the assessment at the wrong date is clearly a material error, the Hearing Officer nevertheless concluded that TWG had no goodwill on 3 November 2014 (HAUTE COUTURE, paragraph 57). Had the assessment been made in respect of the correct date TWG would have been no better off as it had less time to develop secondary meaning (and thence goodwill).

26. TWG appeals each of these findings on the basis that the Hearing Officer failed to “benchmark” its use against earlier case law. Further, if the principles derived from that earlier case law had been properly applied, it would suggest that in respect of each of the four marks TWG had protectable goodwill at the relevant date.
27. The Hearing Officer began each of his considerations of passing off with an extract from the fourth edition of Halsbury’s Laws of England (1995), Vol 48, paragraph 165 and paragraphs 184 to 188. While the passages extracted are the same in the more recent 2012 edition (see Halsbury’s Laws, Volume 97A, paragraph 287 and 309), it would have been better had the Hearing Officer referred to the current edition of Halsbury’s Laws. In any event, the parties did not criticise his consideration of the basic principles of the tort.
28. In each decision, the Hearing Officer continued by referring to the classic description of passing off by Lord Macnaghten in *Inland Revenue Commissioners v Muller & Co’s Margarine* [1901] AC 217 at 223. Before moving on to refer to *Hart v Relentless Records* [2002] EWHC 1984 (Ch), [2003] FSR 36, paragraph 65:
- In my view the law of passing off does not protect a goodwill of trivial extent. Before trade mark registration was introduced in 1875 there was a right of property created merely by putting a mark into use for a short while. It was an unregistered trade mark right. But the action for its infringement is now barred by s.2(2) of the Trade Marks Act 1994. The provision goes back to the very first registration Act of 1875, s.1. Prior to then you had a property right on which you could sue, once you had put the mark into use. Even then a little time was needed, see per Upjohn LJ in *Bali TM* [1969] RPC 472. The whole point of that case turned on the difference between what was needed to establish a common law trade mark and passing off claim. If a trivial goodwill is enough for the latter, then the difference between the two is vanishingly small. That cannot be the case. It is also noteworthy that before the relevant date of registration of the Bali mark (1938) the Bali mark had been used “but had not acquired any significant reputation” (the trial judge’s finding). Again that shows one is looking for more than a minimal reputation.
29. Therefore, according to Jacob J (as he then was) what is required to establish passing off is having more than trivial goodwill. In *Knight v Beyond Properties* [2007] EWHC 1251(Ch), [2007] FSR 35 David Richards J stated at paragraph 27:
- I turn now to the issue of goodwill.... A reputation on a relatively small scale will still attract the protection of a claim in passing off, but at some point the reputation may exist among such a small group of people that it will not do so. The minimum size of goodwill required for this purpose is a matter of fact and degree. A claim in passing off cannot be sustained to protect goodwill which any reasonable person would consider to be trivial: *Sutherland v V2 Music Ltd* [2002] EMLR 568 at para 22 per Laddie J.
30. The passage referred to in *Sutherland v V2 Music Ltd* [2002] EWHC 14(Ch), [2002] EMLR 568, paragraph 22 is as follows:
- There is one other general matter to deal with before turning to the facts, namely the size of the claimant’s reputation. At some point a reputation may be respected by such a small group of people that it will not support a passing-off action. Neither Mr Purle nor Mr Speck were able to formulate a test for this bottom level. Mr Purle said it was a matter of fact and degree. I agree with that. The law of passing-off protects the goodwill of a small business as much as the large, but it will not intervene to protect the goodwill which any reasonable person would consider trivial.
31. A similar point was made, in relation to the dissipation of goodwill, by Floyd J (as he then was) in *Minimax GmbH v Chubb Fire* [2008] EWHC 1960 (Pat), paragraph 15:

It is difficult to define any minimum threshold. It will all depend on the facts. How big was the reputation when use stopped? How lasting in the public eye are the goods or services to which the mark is applied? How, if at all, has the person asserting the existence of the goodwill acted in order to keep the reputation in the public eye? The greater each of these elements is, the longer, it seems to me, it will take for any goodwill to dissipate.

32. Accordingly, it is clear that whether a particular trader has developed sufficient goodwill to be protectable is a matter of “fact and degree” and passing off can protect large or small businesses (and by extension, product lines with smaller turnovers), but there is a point where protecting the goodwill developed is inappropriate as it is “trivial”.
33. The Hearing Officer identified some cases where small amounts of goodwill had been enough, but Mr Bartlett, on behalf of TWG, submitted that the Hearing Officer did not give proper consideration of the *right* cases. Essentially, he suggested the case law shows that very low levels of goodwill can be enough. It is impracticable to isolate and identify those passing off cases which have been supported by very low levels of goodwill. Accordingly, I will consider only the cases specifically mentioned by the Hearing Officer and the parties. As these cases span nearly fifty years, I have used a multiplier based on the Retail Price Index to make the figures easier to compare.
34. *Stannard v Reay* [1967] RPC 589 related to a mobile fish and chip van business in the Isle of White. The Stannard’s business was run under the mark Mr Chippy and started trading on 13 October 1966. Reay started using the same name on his van on 5 November 1966 (i.e. a little over three weeks later) although he did not regularly trade on the island until 21 November 1966. This case is often seen as the low water mark for goodwill. However, Buckley J pointed to some unusual factors to support his finding that goodwill existed. First, Mr and Mrs Stannard were the first people to sell fish and chips on the Isle of White in any way and so they were meeting a clear unmet demand. The judge commented on the “substantial sums” (at p 592) made for a business of this kind (during their three weeks of trading they made between £129 7s 6d and £138 16s 10d; in 2014 money, this top figure is a little under £2,300.00), which the judge stated, suggests “prompt and fairly substantial success” (p 593). There was also some evidence put forward by Stannard of actual confusion (p 591) about which the judge made some ambiguous statements (the evidence not being strong, but little more could be expected on a motion of this kind).
35. In *Stacey v 20/20 Communications* [1991] FSR 49 was about Mr Stacey’s telecommunications installation and advisory business which he had started from his own home in July 1988. In the twelve months before the hearing in September 1990, he had a turnover (exclusive of VAT) of £140,000 per annum (around £335,000 in 2014 money) (see p 51). The Defendant began trading under the same name as Stacey in July 1990 by which time Millet J (as he then was) accepted that Stacey had protectable goodwill (p 52).
36. In *Teleworks v Telework Group* [2002] RPC 27, the claimant stated a business in the computer telecommunications market in 1997. It had a turnover of £67,384 in its first year of trading rising to £213,376 in its third year (around £330,000 in 2014 money) (see paragraph 26). It had also placed a small number of advertisements in trade magazines,

it advertised on the side of its own van, and it sponsored a marquee at a very small concert (paragraph 31). The Deputy Judge found that the reputation of Teleworks was limited to North London (paragraph 33), but he accepted that there was sufficient goodwill for a passing off claim. Nevertheless, the claim failed due to the lack of any misrepresentation.

37. In *Lumos v Sweet Squared* [2012] EWPC 22, the claimant was selling a skincare product. From the beginning of 2008 to September 2009 its sales were about £2,000 per quarter. This rose to £10,000 per quarter by September 2010 (approx. £11,500 in 2014 money; paragraph 24). While this was a very small part of the market, the court was clear that low market share did not preclude the development of goodwill. While the decision was overturned on appeal ([2013] EWCA Civ 590), this conclusion was not.
38. Mr Bartlett referred me to two further cases which he said were instructive. The first is *Jian Tools for Sales v Roderick Manhattan Group Ltd* [1995] FSR 924. In that case, which related to business plan software, the plaintiff had sold 127 units (page 932-934) some of which were supplied gratuitously. There had also been some advertisements in United States magazines which had circulated in the United Kingdom (page 934) and two advertisements placed in the catalogue of a computer company, which had a circulation of 110,000 copies. An advert was also included in another catalogue, included as an insert in a computer users' magazine (page 934). This led to the circulation of about 40,000 catalogues and a further 10,000 CD-ROMS with information about the product being made available. Knox J concluded that this use was not "so small" that a case of passing off was unarguable on the grounds of absence of goodwill (page 937).
39. The other case referred to by Mr Bartlett was *Boxing Brands Ltd v Sports Direct International* [2013] EWHC 2200 (Ch). This case related to a Boxing Gym in Bedford. The evidence relating to the Gym's business was not of the highest quality (see paragraphs 25 to 38). In relation to the agency business, Birss J accepted that the sign Queensberry Boxing was used on polo shirts worn by the corner men at boxing matches (although there were different forms) (paragraphs 39 to 42). It was accepted that there was also the use of stickers on buckets and other boxing items during fights, but Birss J found this to be trivial (paragraph 45); and similarly, there were claims about use on boxing gloves (paragraph 46). There was also some evidence accepted (although much was rejected) suggesting the polo shirts were worn by the boxer's team members at certain televised fights (paragraph 51 to 56). Birss J found that the national coverage was promoting the gym and not the agency business (paragraph 86 to 89). This coverage was enough to protect the gym locally but not the agency business (paragraph 93).
40. Mr St Quintin directed me to *Knight v Beyond Properties* [2007] EWHC 1251 (Ch), [2007] FSR 34, a case about whether Mr Knight had goodwill in the mark Mythbusters by reason of three books he had published. While much of the evidence was patchy, David Richards J concluded that Mr Knight had sold 5,000 copies of the first book, 10,000 copies of the second book and 2,000 of the third book (paragraph 58). The judge also accepted that Mr Knight had undertaken a fair number of press and radio interviews (paragraph 59) and he accepted that he had some fan mail, but not enough to add materially to his reputation (paragraph 62). There were also some television appearances, which in total included three mentions of the books, but the impact was likely to be

minimal (paragraphs 63 and 64). By 1996, all this activity was enough to create a very small reputation in the mark Mythbusters (paragraph 66 and 68).

41. Between 1996 and 2003 the books were remaindered and the library borrowing numbers fell to a low of 55 for all three books in 2003/4. There was no further promotional activity other than a reference in a magazine article. Some of the people who had sent fan letters were contacted, with two of them giving witness statements. In any event, the judge found that any goodwill that had existed in 1996 had dissipated to a trivial level by 2003 (paragraph 79).
42. While these cases demonstrate that a small amount of goodwill may be enough, it is also clear that the findings in each case were heavily evidence and fact dependent.
43. In these cases, the evidence presented by TWG was summarised by the Hearing Officer (PARIS, paragraph 28; RUSSIAN, paragraph 30; LUCKY, paragraph 35; and HAUTE COUTURE, paragraph 54).

Paris Breakfast Tea and Russian Breakfast Tea

44. In relation to PARIS BREAKFAST TEA and RUSSIAN BREAKFAST TEA, the Hearing Officer concluded that these phrases would be viewed by the relevant consumer as descriptive of the flavour of the tea. This was not about what TWG sought to achieve by using the mark, but what consumers took the words to mean. As Wadlow, *The Law of Passing Off* (5th Ed, Sweet and Maxwell 2016), expresses in paragraph 8-68:

A trader who introduces goods or services which are novel enough for the English language not already to have a word to describe them does so at his own risk if he fails to provide the public with a suitable generic term for identifying the new goods or services without implicitly referring to their source.

He continues at paragraph 8-70 (footnotes omitted)

Words such as paraffin, linoleum and magnolia are wholly arbitrary in relation to oil, floor coverings and alloys. However, that does not stop them being descriptive in the sense that they are the name of the article as such.

45. These statements apply equally when somebody introduces a new blend of tea. If consumers consider the name of the blend to be PARIS (or RUSSIAN) BREAKFAST TEA then they are using those phrases descriptively and so cannot generate goodwill for TWG. It does not matter that TWG invented the name for the blend.
46. Mr Bartlett submitted that there was no evidence upon which the Hearing Officer could find these phrases were descriptive. However, where no evidence is filed it was perfectly proper for the Hearing Officer to rely upon his common sense: *O2 Holdings Ltd's TM Application* [2011] RPC 22.
47. Therefore, it was open to the Hearing Officer to find that these two phrases would be viewed by consumers as describing a particular blend of tea. His basis for making this finding were coherent and logical, namely, that it is a variation of the well-known generic English Breakfast blend (PARIS, paragraph 31; and RUSSIAN, paragraph 33).

48. Even in the absence of the descriptive nature of these blends, the use of the two marks is trivial. TWG sold its tea in the United Kingdom only through its concession in *Harrods* in Knightsbridge, London.
49. Once the evidence relating to overseas markets is excluded, as well as the evidence relating to TWG selling tea in *Harrods* more generally, the evidence presented in relation to PARIS BREAKFAST TEA and RUSSIAN BREAKFAST TEA was limited to little more than the products having been on sale in Harrods since 2009 together with the sales figures for those teas.
50. While the actual sales figures are subject to a confidentiality order, it is possible to say those figures for each blend are very low. Further, as it was sold as a loose tea it is not possible to know how much tea was sold in each transaction, how many customers there have been, and so forth. Accordingly, had it been necessary, it would have been proper for the Hearing Officer to find that the goodwill generated from these sales was trivial.
51. While the cases outlined above show that goodwill can exist after only limited use of a mark, in each of those cases the evidence of use that was presented was far more substantial than in the instant cases. In *Stannard*, the sales in the first few weeks were found to be substantial and had they continued at that level they would have dwarfed the combined annual sale of the two blends in this case.
52. Mr Bartlett referred to two cases in particular. However, in *Jian* there was evidence of widespread (albeit unsuccessful) advertising in both trade and consumer magazines as well as the distribution of CD-ROMS. The sales, although small, were also for a specialised good. Neither of these factors was evident in the instant cases. In *Boxing Brands*, there was evidence of some limited exposure for the gym brand during television broadcasts of boxing matches. Nothing comparable existed in the instant cases.

Lucky Tea

53. In relation to LUCKY TEA, the Hearing Officer concluded that there was insufficient use to attract goodwill. He weighed the evidence and pointed out a number of its shortcomings (LUCKY, paragraph 37) before concluding that it was inadequate to establish protectable goodwill.
54. As with the other marks, much of the evidence presented by TWG relates to use outside the United Kingdom. The evidence relied upon in relation to the United Kingdom was essentially limited to three things: the fact the tea had been available in *Harrods* from 2009; the Tea was promoted through TWG's own Tea Book (which could be purchased at the *Harrods* concession for about £12); and the confidential sales figures. The Hearing Officer undertook a rough calculation that the sales figures suggested about 4kg of tea had been sold under three marks (LUCKY TEA, LUCKY ME, AND LUCKY YOU) (paragraph 36). He rightly considered these sales to be trivial and, even combined with the other evidence, there was no protectable goodwill.

Haute Couture

55. In relation to HAUTE COUTURE the evidence presented was more substantial (see HAUTE COUTURE, paragraph 54). This evidence was criticised by MF (see HAUTE COUTURE, paragraph 55). Mr Bartlett suggested in his Skeleton Argument and at the hearing that MF's criticisms were the findings of the Hearing Officer (or at least he must have accepted them or a majority of them). He therefore sought to challenge those criticisms individually. However, it is clear that the criticisms are not the Hearing Officer's findings; his own findings were in paragraphs 56 and 57. Accordingly, Mr Bartlett's comments on MF's criticisms of TWG's evidence have already been taken into account by the Hearing Officer.
56. Mr Bartlett further suggested that the Hearing Officer has applied the wrong test and confused the test for distinctiveness with that for secondary meaning in passing off (see *Phone 4U v Phone 4u.co.uk* [2006] EWCA Civ 244, [2007] RPC 5 at paragraphs 25, 32 to 34). There is no basis for this submission. The Hearing Officer did not use the word distinctive in his reasoning but rather that the marks were descriptive of a range (he did use the word "distinctive" in HAUTE COUTURE, paragraph 53 but this is clearly not referring to a distinctiveness test). Accordingly, I reject this submission.
57. The Hearing Officer made a finding that TWG's goodwill "is predominantly identified by the TWG TEA mark, with its individual tea names, or in this case, the name of a collection of teas". He also accepted that the sales of the Haute Couture range were "modest" (HAUTE COUTURE, paragraph 56). This I take to mean that the sales were not trivial.
58. Thus, the Hearing Officer's key finding was that the HAUTE COUTURE sign was not perceived as identifying goodwill, but rather it is perceived in such a way as to indicate the quality of the goods (HAUTE COUTURE, paragraph 57). As mentioned in paragraph 43 and 44 above, a sign which describes to consumers that the good is of a (high) quality, rather than identifying a particular trader, cannot generate goodwill. It is clear that when making his finding the Hearing Officer considered the evidence and concluded how a consumer would consider the use of the mark made by TWG. It is the sort of finding of fact with which an appeal tribunal should be slow to interfere.
59. While I take the view that TWG's case is stronger in respect of the HAUTE COUTURE mark than the other marks, the usual approach to appellate modesty requires me to consider not whether it would have been open to the Hearing Officer to have reached a different conclusion, but whether he was wrong to reach the conclusion he did. His view of the evidence was clearly within the range of available responses to the evidence and so is one with which I should not interfere.
60. As TWG's appeal in relation to section 5(4)(a) in connection with the marks PARIS BREAKFAST TEA, RUSSIAN BREAKFAST TEA, LUCKY TEA and HAUTE COUTURE was unsuccessful the issue of antecedent use does not arise.

Bad faith – section 3(6) of the Trade Marks Act 1994

61. These proceedings have involved a number of allegations of bad faith. Before me it was argued by TWG that MF did not have a bona fide intention to use the marks it had applied

for across the full range of goods in its specification. In relation to the HAUTE COUTURE mark there was also an additional more general allegation of bad faith.

Bona fide intention to use

62. The Hearing Officer referred to *Red Bull GmbH v Sun Mark Ltd* [2012] EWHC 1929 (Ch) where Arnold J went through the case law on bad faith and bona fide intention to use (see paragraphs 139 to 163). In essence, the bad faith arises from the applicant making a false declaration on Form TM3. The Hearing Officer also referred to the decision of Ian Purvis QC, sitting as the Appointed Person, in *CEM 11+* (O/464/16). Mr Purvis set out three principles which are equally applicable in this case (paragraph 37):

- (i) Bad faith requires dishonesty or at least dealings falling short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined [*Gromax v Don & Low* [1999] RPC 367 at 379, approved many times in the UK, and generally considered consistent with the approach to bad faith taken by the Court of Justice]
- (ii) A person is presumed to have acted in good faith unless the contrary is proved. An application of bad faith is a serious allegation which must be distinctly proved by cogent evidence. It is not enough to prove facts which are also consistent with good faith. [*Red Bull* para 133 and the cases there cited].
- (iii) Intention to use, so far as s32(3) (and the law of bad faith) is concerned, may include a 'possible or contingent use at some future date' (depending on all the circumstances). [*Red Bull* para 163, citing Neuberger J in *Knoll AG's Trade Mark* [2003] RPC 10 and the Court of Appeal in *32Red* [2012] EWCA Civ 19.]

He also stated at paragraph 40 and 41:

It seems to me that this argument is essentially seeking to reverse the burden of proof in a case of this nature. Unless and until a cogent and compelling case is put forward by the party alleging bad faith which amounts to a prima facie case that there was no intention to use, there is no reason why the proprietor should be expected to advance positive evidence of such an intention. As I have noted above at para 37(ii), the law is clear that the burden is on the applicant for invalidity and the burden is a heavy one. Having signed the TM3 with its accompanying declaration, the proprietor has stated its intention and the tribunal will presume in the first instance that this was done bona fide.

It is of course possible for the burden to be shifted if an applicant for revocation can point to particular facts or circumstances which are plainly inconsistent with an intention to use across the whole scope of the application. For example the applicant might have gone on record stating that it does not have any intention in the foreseeable future of ever entering a particular field or of licensing the use of its trade mark in that field. I would also suppose that a prima facie case of bad faith might be made out against a small trader in a limited area of business who had applied to register its mark across an unfeasibly wide range of goods and services in almost every single class. However, unless such facts or circumstances are identified, the proprietor is in my view under no obligation to 'prove' its intentions.

Was there a prima facie case?

63. Before the Hearing Officer, TWG submitted that MF had no intention of using PARIS BREAKFAST TEA, RUSSIAN BREAKFAST TEA or LUCKY TEA in relation to any goods other than tea. Accordingly, any statement to use it on any other goods must have been made in bad faith. On this basis, the Hearing Officer found that TWG had raised a compelling *prima facie* case (PARIS, paragraph 41; RUSSIAN, paragraph 44 and LUCKY, paragraph 45).

64. In *Jaguar Land Rover v Bombardier Recreational Products* [2016] EWHC 3266 (Ch), [2017] FSR 20, Nugee J indicated the correct procedure for such allegations at paragraphs 49 and 50:

Where what is alleged is that the claimant has acted in bad faith by applying for too broad a specification, that is, in such circumstances, really saying that the applicant should, if acting in good faith, have applied for a narrower specification. ...It is, I think, incumbent on the person making such an allegation to identify the, or at least a, narrower specification that he says ought to have been used and that would have sufficed to describe the claimant's goods. Without such an alternative narrow specification I do not think the case gets off the ground, bearing in mind that the charge of bad faith is akin to dishonesty and must be "fully and properly pleaded."

Unless the defendant can point to some narrower specification which can be characterised as a fair specification, I do not see how he can establish that the claimant in applying for a wider specification acted in bad faith, as the whole premise of the allegation is that he was acting in a way that fell short of standards of acceptable commercial behaviour observed by reasonable experienced men in the trade and although I can see the argument that if there is a narrower specification that would be regarded by reasonable experienced men as the appropriate specification to apply for, then it might be bad faith to deliberately claim a wider one (as that could be said to fall short of the standards of acceptable commercial behaviour), I do not see how the argument can run without there being such a narrower specification.

65. Mr Bartlett set out his view of an acceptable specification but did not provide any further evidence. Essentially, his case was based on the nature of the goods covered by the specification and the nature of the mark of themselves being incompatible. While allegations of bad faith must be strictly proven it is permissible for Hearing Officers to reach conclusions from known facts based on inferences: see *Brutt TM* [2007] RPC 19, paragraph 24 to 30. In the instant case, he knew that the marks were descriptive of tea based products and he knew that the specification covered products in respect of which the use of the tea mark would be deceptive. Accordingly, his finding that Mr Bartlett had made out a prima facie case is entirely proper. It therefore falls to MF to establish the application, or part of it, was made in good faith.

66. The only evidence considered by the Hearing Officer in relation to the *bona fide* intention was the original statement on TM3. Accordingly, the Hearing Officer made reference to David Kitchen QC (as he then was), sitting as the Appointed Person, in *Ferro Spa's TM* [2004] RPC 29, paragraph 9 where he stated:

In substance, the hearing officer accepted the submissions made on behalf of the applicants. He found that the sheer number of marks applied for and which apparently remained unused, and the period of time over which the applications had been made, raised a prima facie case requiring a response from the registered proprietors. If they had a bona fide intention to use their trade marks they should have stated it clearly in evidence and provided substantiating evidence or an explanation to counter the prima facie position established by the applicants. They had failed to do so with the result that the applications under s.3(6) succeeded.

67. On the facts of the instant case, it is clear that the refusal on the grounds of bad faith overlaps substantially with the refusal under section 3(3)(b), namely that if MF uses its mark it would be likely to deceive the public. However, despite the finding of bad faith in relation to confectionary and cakes, the Hearing Officer found that the use of the three signs would not be deceptive in relation to those goods (PARIS, paragraph 52; RUSSIAN, paragraph 55 and LUCKY, paragraph 57).

68. He also found that the applications were not made in bad faith so far as they related to “non medical infusions, dried plants and flavourings and mixtures of the aforesaid goods, for preparing non-medicinal beverages” (PARIS, paragraph 44; RUSSIAN, paragraph 47; LUCKY, paragraph 48).
69. I accept that the Hearing Officer could entirely properly find that there was no bona fide intention to use a mark based on the nature of the goods themselves and that following such a finding he should consider each good individually.
70. However, I do not think it was open to the Hearing Officer to make the broad finding he did on the grounds that the use of the mark was “incompatible” with the goods covered by the specification. In so doing, he could not have paid proper regard to the limited evidence before him. Exhibit KS18 to Mr Sangmanee’s Witness Statement dated 4th August 2014, demonstrates that MF already sold “tea truffles”, “tea jelly”, “tea sable” (biscuits), “tea ginger flavoured honey bread”, “tea flavoured candies”, and so forth. Furthermore, some of these products are sold with different tea blend flavourings (e.g. Sakuta, Matcha, Marco Polo, Imperial Earl Grey, and so forth). While it is true that the use of PARIS BREAKFAST TEA as a flavouring for a truffle might raise other trade mark questions, the fact that MF has used tea names on such goods suggests that they did at least have a good faith intention to try to use the mark on such goods.
71. Accordingly, I uphold the Hearing Officer’s decisions only to the extent that the mark and goods are incompatible, by which I take it to mean any use would be deceptive. In other words, his finding on the grounds of bad faith is upheld only to the extent that it is consistent with his finding under section 3(3)(b) because only where use is deceptive should the Hearing Officer have been confident that no use would (or should) be made of the mark. In making this finding, I am not suggesting more generally that a finding of bad faith under section 3(6) follows from a finding that the mark is deceptive under section 3(3)(b) (and indeed both grounds must be considered individually and independently).

Blocking registration

72. In relation to the HAUTE COUTURE mark, TWG also argue that the application was made to disrupt TWG’s operations in the United Kingdom. In making his finding, the Hearing Officer referred to *Red Bull GmbH v Sun Mark Ltd* [2012] EWHC 1929 (Ch), paragraphs 130 to 138 (including the extract from *C-529/07 Chocoladenfabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH* [2009] ECR I-4893).
73. The Hearing Officer’s findings in this regard were at paragraphs 40 to 43:

Mr Sangmanee has stated that the filing of MF’s mark was as a result of a brand audit in 2012, but Mr Bartlett claims this must have been done with an ulterior motive. Mr St Quintin submitted that it is only relevant whether MF was aware of TWG’s use only if TWG’s use was distinctive in UK. To support his position, Mr St Quintin referred me to the press releases from December 2008 and November 2009 provided at Exhibit TB26 of Mr Bouqdib’s evidence. He submitted that these were not aimed at the UK and that the first of these is not brand use. As such, he claimed that it

is a justifiable conclusion that even if MF were aware of TWG's use it was still justified in believing had the senior right and the right to apply for registration in the UK.

I concur with Mr St Quintin insofar that it is arguable whether TWG's use of the sign HAUTE COUTURE TEA COLLECTION will be perceived as use to indicate trade origin or whether it was merely used in such a way as to indicate a quality of the teas associated with the sign. For the purposes of assessing bad faith, it is not necessary that I make a finding on this. It is sufficient to recognise that how the use will be perceived is arguable. In recognising this, I cannot conclude that MF acted in bad faith when it applied for its mark. In light of the nature of TWG's use of its sign, even if MF was aware of such use, a move to protect, what it believed was its rights in the sign, was based on good business reasons and consistent with good faith.

Further, as established by the CJEU in *Malaysia Dairy Industries Pte Ltd v Ankenævnet for Patenter og Varemærker* Case C-320/12, mere knowledge of a party's use of a mark overseas is not, in itself, a reason to find bad faith. Neither is it the case in the current proceedings that MF's registration was a pre-emptive attempt to prevent TWG entering the UK market. I have commented that the nature of TWG's use makes it arguable whether its sign is used distinctively. MF was therefore entitled to take the view that it was entitled to register its mark. Consequently, its registration is not pre-emptive in the sense envisaged by Mr Geoffrey Hobbs QC, sitting as the Appointed Person in *Daawat Trade Mark* [2003] RPC 11.

Taking all of the above into account, I conclude that MF did not act in bad faith when registering its mark. Consequently, TWG's application for invalidation fails, insofar as it is based upon section 3(6) of the Act.

74. In fact, Mr Sangmanee's Witness Statement dated 18 December 2015 states that the brand audit took place in 2013, rather than 2012.
75. Mr Bartlett submitted that MF must have known about TWG's use of HAUTE COUTURE TEA COLLECTION. He also submitted that the Hearing Officer was required to consider the motivation of MF for filing the application in question and not just whether "MF was... entitled to take the view that it was entitled to register its mark" (paragraph 42).
76. The Hearing Officer accepted, for the purposes of assessing bad faith, that it was arguable that the use of HAUTE COUTURE collection would be an indication of the quality of the goods and not an indication of origin. This is unsurprising as he eventually found this was how the consumer would perceive the mark (see paragraphs 43 to 47 above).
77. Mr Bartlett challenged this finding. He submitted that MF could not believe that TWG's mark HAUTE COUTURE TEA COLLECTION was not distinctive and so not entitled to protection because Mr Sangmanee and Mr Kapur made various statements suggesting MF's mark HAUTE COUTURE was a protectable trade mark.
78. While this argument might appear to be initially attractive, it is flawed when looked at more closely.
79. First, TWG did not argue that MF's mark should be declared invalid on the grounds it lacked distinctive character or was descriptive: i.e. under sections 3(1)(b) and (c) (understandably, as the same arguments would undermine its own mark). Hence there was no opportunity for either party to address this perceived incongruence.

80. Secondly, there was no evidence that MF believed TWG's similar mark to be distinctive. Only that MF's own mark was a valid trade mark. A person holding inconsistent beliefs about their own rights and another person's is hardly uncommon in real life – let alone in litigation. Such a belief does not connote bad faith.
81. Thirdly, as MF's mark HAUTE COUTURE is registered and it is not being challenged on distinctiveness grounds then as a matter of law it is deemed to have the minimal level of distinctiveness: *C-196/11P Formula One Licensing BV v OHIM* [2012] ECLI:EU:C:2012:314, paragraphs 40 to 47. If, as a matter of law, MF's mark was distinctive, but TWG's is not, it would be strange to suggest that Mr Sangmanee cannot say it.
82. Accordingly, the Hearing Officer was entitled to make the findings he did (and he was not required to make the inferences suggested by Mr Bartlett). TWG's appeal on this ground is therefore dismissed.

Section 3(3)(b)

83. The Hearing Officer found that the marks PARIS BREAKFAST TEA, RUSSIAN BREAKFAST TEA and LUCKY TEA were deceptive in relation to certain goods covered by their respective specifications (PARIS, paragraph 52; RUSSIAN, paragraph 55; and LUCKY, paragraph 57).
84. There has been a recent spate of decisions on section 3(3)(b) and equivalent provisions by the European Courts and so it is worth drawing together some of the principles that have been established by the case law:
- (a) it is necessary to establish that the mark will create actual deceit or a sufficiently serious risk that the consumer will be deceived: *C-87/97 Consorzio per la tutela del formaggio Gorgonzola*, ECLI:EU:C:1999:115, paragraph 41; *C-259/04 Emanuel*, ECLI:EU:C:2006:215, paragraph 47; *C-689/15 W.F. Gözze Frottierweberei*, EU:C:2017:434, paragraph 54;
 - (b) the deception must arise from the use of the mark itself (i.e. the use per se will deceive the consumer): *Gorgonzola*, paragraph 43; *Emanuel*, paragraph 49; *Gözze Frottierweberei*, paragraph 55;
 - (c) the assessment of whether a mark is deceptive should be made at the date of filing or priority date and so cannot be remedied by subsequent corrective statements: *Axle Associates v Gloucestershire Old Spots Pig Breeder's Club* [2010] ETMR 12, paragraph 25 and 26;
 - (d) the deception must have some material effect on consumer behaviour: *CFA Institute's Application* [2007] ETMR 76, paragraph 40;
 - (e) where the use of a mark, in particular a collective mark, suggests certain quality requirements apply to goods sold under the mark, the failure to meet such requirements does not make use of the mark deceptive: *Gözze Frottierweberei*, paragraphs 57 and 58;
 - (f) Only where the targeted consumer is made to believe that the goods and services possess certain characteristics which they do not in fact possess will the consumer be

deceived by the trade mark: T-248/05 *HUP Usługi Polska v OHIM*, ECLI:EU:T:2008:396, paragraph 65;

- (g) Where a mark does not convey a sufficiently specific and clear message concerning the protected goods and services or their characteristics but, at the very most, hints at them, there can be no deception in relation to those goods and services: *HUP*, paragraph 67 and 68; T-327/16 *Aldi v EUIPO* ECLI:EU:T:2017:439, paragraph 51;
- (h) Once the existence of actual deceit, or a sufficiently serious risk that the consumer will be deceived, has been established, it becomes irrelevant that the mark applied for might also be perceived in a way that is not misleading: T-29/16 *Caffè Nero Group v EUIPO*, ECLI:EU:T:2016:635, paragraph 48;
- (i) Where a trade mark contains information which is likely to deceive the public it is unable to perform its function of indicating the origin of goods: T-41/05 *SIMS — École de ski internationale v OHIM*, EU:T:2991:200, paragraph 50; *Caffè Nero*, paragraph 47.

85. While neither party mentioned it, there are some clear parallels between this case and *Caffè Nero v EUIPO*. In that case, the applicant sought to register the mark CAFFÈ NERO for an assortment of goods in Class 30 (and services in Class 35). The words Caffè Nero mean “black coffee” in Italian.

86. A summary of the finding of the Board of Appeal is at paragraph 45:

...The Board of Appeal considered that consumers were likely to believe that some of the goods referred to in the application for registration, namely tea, cocoa, coffee substitutes, herb tea, tea beverages, cocoa and cocoa-based preparations, cocoa beverages, preparations and mixes for making the aforesaid goods, and powdered chocolate, were or contained black coffee, even if, in actual fact, this was not the case...

87. Importantly, the original examiner (upheld by the Board of Appeal: R 410/2015-1 *Caffè Nero*, 4 November 2015, paragraph 29) did not hold that *Caffè Nero*'s application was deceptive in relation to the following goods in Class 30:

coffee; biscuits; cookies; bread, pastry and confectionery, chocolate bars, chocolate covered coffee beans; ices; cakes, flans and puddings; pastries; flavourings; prepared meals consisting primarily of bread, crackers and/or cookies; coffee pods; coffee and espresso beverages; beverages made with a base of coffee and/or espresso; coffee based non-alcoholic drinks and soft drinks; ground and whole bean coffee; coffee essences and extracts; sponges, muffins, scones, pies; muesli and muesli bars; sauces; syrups, toppings and spreads; sherbets and sorbets; flavoured ices and frozen confections; flavouring syrups to add to beverages; porridge; oatmeal

88. The General Court, in upholding the Board of Appeal, accepted that the use of “black coffee” might suggest that something contains coffee when it does not do so. However, it appears to me that if somebody sold “black coffee pudding” most consumers would assume that it contains coffee or a coffee like flavour. This suggests that in relation to those other goods, the Board of Appeal must have accepted either that the use of “black coffee” on the goods was not deceptive when used as a flavouring or, alternatively, that black coffee is an arbitrary mark in relation to say, puddings or biscuits. Although not expressed by the court, the former reasoning seems the much more likely to me.

89. Before the Hearing Officer, Mr Bartlett suggested the use of the marks PARIS BREAKFAST TEA, RUSSIAN BREAKFAST TEA or LUCKY TEA would be deceptive on any class 30 goods not being tea. The Hearing Officer concluded that the use of those marks on many of the goods in Class 30 would be deceptive. He did not give a detailed breakdown of the goods he considered deceptive and those he did not (as he had found the application to have been made in bad faith in respect of many of the goods). He only indicated that the use of the goods “such as confectionary and cakes may be flavoured with tea and, in such circumstances, the sign may be used in a non-deceptive way” (PARIS, paragraph 52; RUSSIAN, paragraph 55 and LUCKY, paragraph 57).
90. I agree with the Hearing Officer’s findings that the use of the marks may be deceptive when used in relation to some, but not all, the products listed in Class 30. Nevertheless, I believe it is necessary for me to consider the matter afresh. I take this view for two reasons. First, the Hearing Officer did not give enough details to determine which goods he believed were deceptive and which were not as he linked his finding to his earlier finding on bad faith; and, secondly, he made a single qualification without particularising those goods he believed were deceptive and those which were not.
91. Nevertheless, I adopt his approach (which seems to be endorsed in *Caffè Nero*) that use of the trade mark where the good could be flavoured by tea is not deceptive. As I am having to make the determination afresh, I accept that I might have a wider view of what might be flavoured with tea than that expressed by the Hearing Officer. In so doing, I have been strongly influenced by the liberal approach taken in *Caffè Nero*.
92. It is my view that the three applications are deceptive in relation to the following goods:

Coffee, cocoa; cocoa-, coffee-, chocolate- based beverages

93. Following my finding on bad faith in paragraph 71 above, this means that the three applications (PARIS BREAKFAST TEA, RUSSIAN BREAKFAST TEA and LUCKY TEA) can proceed to registration in respect of the following goods in Class 30:
- Tea, tea-based beverages; non medicinal infusions; sugar, rice, bread, pastry and confectionary, pancakes (foodstuffs); cookies; cakes; rusks; confectionary; chocolate; edible ices; honey, salt, mustard; vinegar, sauces (condiments); condiments; spices; dried plants and seeds, flavourings, other than essential oils, and mixtures of the aforesaid goods, for preparing non-medicinal beverages.

Section 5(2)(b)

WEEKEND IN CASABLANCA

94. In relation to the mark WEEKEND IN CASABLANCA the appeal was confined to section 5(2)(b). TWG suggested that the Hearing Officer’s analysis under section 5(2)(b) was flawed in two respects. First, that the factual findings in relation to distinctiveness were inconsistent. Secondly, the comparison of similarity was incorrectly conducted. There was no dispute between the parties that the Hearing Officer correctly identified the average consumer and the purchasing process.

Distinctiveness

95. TWG's case was that the Hearing Officer did not take proper account of the distinctiveness of the word Casablanca. The relevant part of his decision is at paragraphs 38 and 39:

In the absence of a challenge to MF's mark, I am required to take registration of its mark as prima facie evidence that it has the minimum level of distinctive character for registration (see *Formula One Licensing BV v OHIM*, Case C-196/11P, paragraphs 41 – 44). Mr Bartlett submitted that Morocco has a reputation for tea. There is no evidence supporting this submission and, even if it is correct, it is not a fact so notorious that I can take judicial notice. It is my view that what I can take judicial notice of is that North Africa, more generally, being predominantly Muslim, has a tea-drinking culture. I am not aware of Morocco, or more particularly, Casablanca, having a reputation for producing tea and certainly, there is no evidence before me that this is so. Consequently, I dismiss Mr Bartlett's submission that I should treat the mark "Casablanca" in the manner set out in the Work Manual extracts reproduced above. Casablanca is not likely to be perceived as the source of tea. Rather it is merely evocative of the type of tea consumed in North Africa or, if the average consumer is aware that Casablanca is in Morocco, of tea consumed in that country. Mr Bouqdib states in his evidence that Morocco is synonymous with mint tea. This lends further support to my finding. Therefore, I reject the first part of Mr Bartlett's submission that the mark is not distinctive at all.

Having concluded that the mark is evocative of the type of tea consumed in North Africa, or possibly more specifically Morocco, its level of inherent distinctive character is not the highest. However, I find that the second limb of Mr Bartlett's submission, namely, that its distinctiveness is only at the lowest level is pitching it a little too low. The evocative nature of the mark results in a moderate degree i.e. somewhere between low and medium.

96. Mr Bartlett suggested that two of the findings were inconsistent, namely that (a) there was no evidence supporting the submission that Morocco has a reputation for tea; and (b) that Mr Bouqdib's evidence was that Morocco is synonymous with mint tea. I see no such consistency. In the first statement, the Hearing Officer is referring to the lack of evidence demonstrating Morocco having a reputation for *producing* tea (i.e. growing it). In the second statement, he is referring to a place being known for its *consumption*.

97. In the absence of evidence, the Hearing Officer could not have concluded that Morocco has a reputation for growing tea. He did however accept that North Africa had a tea drinking culture (i.e. consumption) and, in particular, mint tea. Based on this factual determination, his finding of moderate distinctiveness entirely follows.

Comparison of goods

98. Mr St Quintin submitted that the Hearing Officer was wrong to find that the following goods were not similar to those covered by MF's registration:

spices; sugar, chocolates, chocolate bars, pralines, edible ices, ice cream, sorbets (ices), ice desserts, confectionery, cakes, pastry, macarons (pastry), pastries, biscuits, cookies, aromatic preparations for pastries; food dressings (sauces), sauces (condiments); frozen yoghurt [confectionery ices], marzipan, quiches, puddings, bread, bread rolls.

99. The basis of this argument was that these goods could be flavoured with tea and, if this occurred, the goods would be similar. This approach would, by extension, mean that any food (and many other products) would be similar because they could be flavoured or scented with tea. It would be difficult to find a consumable product in the supermarket which was not "similar" to some degree using Mr Quintin's approach. I therefore utterly reject it and uphold the Hearing Officer's finding in this regard. Furthermore, contrary to

Mr Quintin's submission, such a rejection is not inconsistent with the finding that using a trade mark containing the word TEA is not deceptive when used on flavoured goods. The issues in assessing similarity and deception are entirely different.

Comparison of marks

100. The Hearing Officer made a visual, aural and conceptual comparison of the mark CASABLANCA with the WEEKEND IN CASABLANCA and device mark in paragraphs 24 to 31 of his Decision.
101. The kernel of Mr Bartlett's submissions was that the phrase WEEKEND IN CASABLANCA means a period of time or a holiday; whereas CASABLANCA means the place. Thus, he claims, the conceptual difference is so great that there could be no confusion.
102. Furthermore, he criticised the Hearing Officer's finding that consumers would consider the building in TWG's mark to be representative of buildings in Casablanca. The Hearing Officer held that the buildings strengthen the concept of a place within the mark (paragraph 31); rather, Mr Bartlett said the buildings could just be a hotel where a weekend could be spent.
103. I cannot see how a reference to a weekend in Casablanca, any more than a reference to a weekend in Paris or London, would not conjure up the place where the weekend is to be spent (even if a person has not yet been there they will have some preconceptions of what it is like).
104. Further, the picture of the buildings in the mark is suggestive of the place. To take an extreme example, a person who sees the words "weekend in London", but with a graphic of the Eiffel Tower in the same sign would be confused or think it was a mistake. This is because the picture and the concept of place in a weekend away are linked.
105. Accordingly, the Hearing Officer's conclusion that the pictures of the buildings in the device would be taken by the consumer to further evoke Casablanca makes perfect sense. This is the case even if such buildings do not in fact exist in Casablanca, provided consumers believe they do. The Hearing Officer's conclusion regarding the conceptual similarity of the marks is therefore unimpeachable.
106. While Mr Bartlett did suggest that the Hearing Officer's findings in relation to the visual and aural comparison were not correct, this was largely an extension of the lack of the conceptual similarity argument. Therefore, these findings are also not open to challenge.
107. The remainder of Mr Bartlett's submissions were essentially an attempt to re-argue the likelihood of confusion analysis by the Hearing Officer. This is not appropriate on appeal without first finding a material error or that the decision is wrong. I have not so found.
108. Finally, Mr Bartlett criticised the findings on indirect confusion, suggesting that the Hearing Officer did not consider C-208/06 *Medion* ECLI:EU:C:2007:553 and the associated case law. As the Hearing Officer did not find that any element of the composite

mark had independent distinctive character, he cannot be criticised for not exploring this argument. Furthermore, it is clear that his reference to indirect confusion was to where a consumer would believe undertakings are linked rather than where a consumer would directly confuse the two marks: see *LA Sugar v By Back Beat* (O/375/10) at paragraph 14.

109. Accordingly, I dismiss TWG's appeal in relation to the WEEKEND IN CASABLANCA mark. I also dismiss MF's cross-appeal.

LUCKY TEA

110. MF's partial success in its appeal in respect of section 3(3)(b) and 3(6) in relation to its LUCKY TEA application means that the specification used by the Hearing Officer for the comparison of goods was too narrow (see LUCKY, paragraph 77; and paragraph 93 above). Accordingly, I now have to consider whether the goods the Hearing Officer found to be not similar, based on the narrow specification, are in fact similar to those in the final specification and, if so, whether such similarity leads to a likelihood of confusion. The "not similar" goods are set out in paragraph 103 of his decision.

spices; sugar, chocolates, chocolate bars, pralines, edible ices, ice cream, sorbets (ices), ice desserts, confectionery, cakes, pastry, macaroons (pastry), pastries, biscuits, cookies, aromatic preparations for pastries; food dressings (sauces), sauces (condiments); frozen yoghurt [confectionery ices], marzipan, quiches, puddings, bread, bread rolls.

111. There were no submissions from either party on the similarity of these goods. As most of the goods are clearly identical or similar, I have taken the view that a further hearing or remitting to the Hearing Officer for determination would be disproportionate. Accordingly, the following table sets out my view on the identity and similarity of the goods:

TWG (No 3019785)	MF (No 3010419)	Similarity
spices, sugar, edible ices, confectionary, cakes, pastry, cookies, sauces (condiments) and bread	spices, sugar, edible ices, confectionary, cakes, pastry, cookies, sauces (condiments) and bread	Identical
chocolates and chocolate bars	Chocolate	Identical
Ice cream, sorbet, frozen yoghurt; ice desserts	Edible ices	Identical or at least at the highest level of similarity
Bread rolls	Bread	Identical
Pralines	Confectionary	Identical
Pastries and macaroons	Pastry	Identical
Biscuits	Cookies	Identical
Aromatic preparations for pastries	Pastry	Complementary goods, medium degree of similarity
Pudding	Cakes	High degree of similarity as the products are often interchangeable (cakes being puddings; and pudding being names for cakes)
Quiche	Bread; Cakes; Pastry	Medium degree of similarity, both goods may be sold on a baker's counter
Marzipan	Confectionary	Moderate degree of similarity. Marzipan can be eaten as a sweet (marzipan shapes), but it is usually an ingredient.

112. There was no criticism by the parties of the Hearing Officer's approach to the assessment of the mark's similarity or the assessment of the likelihood of confusion. It is also quite possible to apply the Hearing Officer's thinking to the additional goods once it is clear that the goods are identical or similar. This means that in relation to the goods which are identical or highly similar there is no doubt that TWG's application should be rejected. Following the Hearing Officer's logic, it is also clear that the sale of goods which have a moderate or medium degree of similarity would also lead consumers to believe there is an economic link between those goods and MF. Accordingly, MF's opposition is upheld and TWG's application is rejected in respect of all goods.

Summary

PARIS BREAKFAST TEA

113. TWG's appeal in relation to section 5(4)(a) of the Trade Marks Act 1994 is dismissed. MF's cross-appeal in relation to sections 3(3)(b) and 3(6) is allowed in part. The application can proceed in relation to the goods specified in paragraph 93.

RUSSIAN BREAKFAST TEA

114. TWG's appeal in relation to section 5(4)(a) of the Trade Marks Act 1994 is dismissed. MF's cross-appeal in relation to sections 3(3)(b) and 3(6) is allowed in part. The application can proceed in relation to the goods specified in paragraph 93.

LUCKY TEA

115. TWG's appeal in relation to section 5(4)(a) of the Trade Marks Act 1994 is dismissed. MF's cross-appeal in relation to sections 3(3)(b) and 3(6) is allowed in part. MF's application can proceed in relation to the goods specified in paragraph 93. From this it follows that MF's appeal against the Hearing Officer's decision in relation to MF's opposition to TWG's application is allowed. TWG's application is rejected in respect of all goods and services.

WEEKEND IN CASABLANCA

116. TWG's appeal in relation to section 5(2)(b) of the Trade Marks Act 1994 is dismissed. MF's cross-appeal is also dismissed. The Hearing Officer's decision is upheld.

HAUTE COUTURE

117. TWG's appeal against the Hearing Officer's decision to reject the invalidity application is dismissed and the Hearing Officer's decision is upheld. Accordingly, the Hearing Officer's decision in respect of the related opposition is upheld.

Costs

118. TWG have been wholly unsuccessful and MF have had some limited successes in relation to its cross-appeal. I therefore order TWG to pay MF £500 as a contribution to its costs in relation to all five appeals.

PHILLIP JOHNSON
Appointed Person
24 July 2017

Appellant: Ian Bartlett (Beck Greener) for TWG Tea Company Pte Ltd
Respondent/Cross-Appellant: Thomas St Quintin (instructed by Potter Clarkson) for Mariage Frères SA