

O-378-16

TRADE MARKS ACT 1994

**IN THE MATTER OF
TRADE MARK APPLICATION NO. 3098146**

**IN THE NAME OF AMIRA PURE FOODS PRIVATE LIMITED
TO REGISTER:**

BASMATI BUS

IN CLASS 43

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER NO. 404611
BY INDO EUROPEAN FOODS LIMITED**

Background and pleadings

1) On 9 March 2015 (“the relevant date”), Amira Pure Foods Private Limited (“the applicant”) applied to register the trade mark BASMATI BUS (“the application”). The application was examined and subsequently published in the Trade Marks Journal on 27 March 2015 for the following services:

Class 43: Restaurant and cafeteria services; provision of food and drink in restaurants and via mobile trucks.

2) On 8 April 2016, the applicant requested an amendment to its specification of services (see below):

Class 43: Restaurant and cafeteria services, all involving the use of Basmati rice; provision of food containing Basmati rice and drink in restaurants and via mobile trucks.

The amendment was accepted but not published in the Trade Marks Journal. I shall deal with the specification amendment and the consequences thereof later in this decision.

3) On 29 June 2015, Indo European Foods Limited (“the opponent”) opposed the application on the basis of Section 5(4)(a) of the Trade Marks Act 1994 (“the Act”). This is not a typical section 5(4)(a) claim since it is a claim based on the extended form of passing off. The opponent claims that it is one of a collection of suppliers of basmati rice who have a protectable goodwill in the name BASMATI and the use of the application will give rise to a misrepresentation and damage to the goodwill.

4) The opponent states that since 2002 it has sold large quantities of basmati rice throughout the UK, under three main brands, namely Kohinoor, Trophy and Tohfa. These are produced in three different grades: extra-long, extra mature and extra flavour.

5) The opponent claims that basmati rice is a class of goods which is clearly defined and emanates from a particular geographical territory (encompassing parts of India and Pakistan). It states that the rice has a particular flavour, texture and cooking properties and as such the name basmati makes it distinguishable from other rice. In view of the reputation for this particular rice it claims that there is a protectable goodwill attached to the name and use of the application will cause a misrepresentation resulting in damage.

6) The applicant filed a counterstatement denying the claims made. It claims that basmati is a generic term which describes certain types of rice and which cannot be monopolised.

7) Only the opponent filed evidence in these proceedings. Initially the volume of evidence was excessive and contravened Tribunal Practice Notice 1/2015 "Restriction on filing evidence in opposition and cancellation proceedings". Therefore, following a Case Management Conference the evidence was restricted to be within the permitted levels. The evidence which has been filed will be summarised to the extent that it is considered appropriate/necessary.

8) A hearing took place on 9 June 2016, with the opponent represented by Mr Simon Malynicz QC, instructed by Mills & Reeve LLP and the applicant by Mr Bechem of Wynne-Jones IP.

Opponent's evidence

Witness statement of Sumit Arora and exhibits SA1 – SA14

9) Mr Arora is the managing director of the opponent, a position he has held since 2004. He states that the opponent is a wholly owned subsidiary of Kohinoor Foods Limited, who are an Indian company which has sold basmati rice in the UK since January 2002 under its three main brands: Kohinoor, Trophy and Tohfa. He claims that these brands have been sold throughout the UK via supermarkets such as Tesco, Sainsburys, Asda, Morrisons and Lidl as well cash and carry stores such as Booker and Makro.

10) Mr Arora states that between 2010 and 2015 the opponent had a 6% share of the UK basmati rice market. He provides the following information which shows the volume of basmati rice sold, turnover and marketing spend:

Volume

Year	Metric tonnes
April 2012 – March 2013	16,059
April 2013 – March 2014	14,723
April 2014 – March 2015	16,810

Turnover

Period	Turnover
April 2010 – March 2011	£11,066,112.55
April 2011 – March 2012	£15,079,836.34
April 2012 – March 2013	£14,311,779.19
April 2013 – March 2014	£16,084,549.50
April 2014 – March 2015	£18,328,704.11

Advertising and marketing

Period	Expenditure in pounds
April 2010 – March 2011	£478,347.70
April 2011 – March 2012	£560,229.05
April 2012 – March 2013	£492,014.85
April 2013 – March 2014	£635,089.40
April 2014 – March 2015	£624,549.40

11) Mr Arora states that basmati is the name of a specific type of rice which he describes as being “long, slender aromatic rice¹” which is “grown and produced only

¹ Paragraph 14

in particular geographical region of the Indian sub-continent, namely, a belt of North India and the adjacent part of Pakistan – below the foothills of the Himalayas, forming part of the Indo-Gangetic plain.²

12) He states that the opponent is a member of the UK Rice Association which is the representative organisation for the UK rice market. Its aim is to promote the interests of its members.

13) Exhibit SA14 consists of the “British Retail Consortium Code of Practice on Basmati Rice” (hereafter “the Code”). The cover states that it is produced “In consultation with the Local Authorities Co-ordinators of Regulatory Service (LACORS) and the Association of Public Analysts (APA)”. It states that the Code had been produced and agreed by The Rice Association, British Rice Millers Association and British Retail Consortium “to safeguard the reputation of Basmati rice as a premium rice with its own special properties, and guard against any attempt to adulterate Basmati rice or make false claims about its geographical or botanical origin.”³

14) At paragraph 3.1 the Code defines basmati rice as:

“DEFINITION OF BASMATI RICE

3.1 “Basmati” is the customary name for certain varieties of rice that are grown exclusively in specific areas of the Indo Gangetic Plains, which currently includes Punjab (on both sides of the Indian and Pakistani border), Jammu, Haryana, Uttaranchal and Western Uttar Pradesh in India. India and Pakistan have agreed to protect the geographic indication of Basmati rice varieties covered by EC Regulation 1549/2004, as detailed in Council Decisions 2004/617/EC and 2004/618/EC.”

15) The Code also sets out the minimum specifications for basmati rice sold in the UK. The Code states at paragraph 4.1 that “The description “Basmati rice” shall only

² Paragraph 14

³ Paragraph 16

be applied to the varieties of rice in Table 1 and grown in India or Pakistan in the areas outlined in Paragraph 3.1". I reproduce the referred to Table 1 below.

Table 1 VARIETIES OF BASMATI RICE THAT CAN USE THE DESCRIPTION 'BASMATI'

Basmati rice varieties eligible for a zero import duty under Regulation (EC) 1549/2004

Basmati 217 (I)	Ranbir basmati (IET 11348) (I)
Basmati 370 (I, P)	Super basmati (P)
Basmati 386 (I)	Taraori basmati (HBC-19, Karnal Local) (I)
Kernel basmati (Basmati Pakistan) (P)	Type – 3 (Dehradun) (I)
Pusa basmati (IET 10364) (I)	

Other Basmati rice varieties approved by India and Pakistan

Basmati 198 (P)	Kasturi (IET 8580) (I)
Basmati 385 (P)	Mahi Suganda (I)
Haryana Basmati (HKR 228/IET 10367) (I)	Punjab Basmati (Bauni Basmati) (I)

I - Originally approved by India

P - Originally approved by Pakistan

16) The Code also sets out the minimum specifications for all basmati rice sold in the UK. The specification is set out in the following table:

Table 2 MINIMUM CHARACTERISTICS FOR VARIETIES OF BASMATI RICE

	Milled Raw
Minimum elongation ratio on cooking	1.7
Minimum average pre-cooked length	6.5 mm
Amylose content	Intermediate 19-26%
Length/breadth ratio	greater than 3.5
Gel Length	60-100 mm
Alkali spreading value	4-5
Typical Basmati Aroma	Present

17) The Code states at paragraph 4.3 that “When the description of the product is “Basmati rice”, the non-Basmati rice content must not exceed 7%”.

18) Mr Arora also states that the opponent takes considerable care to ensure that its imported rice is basmati as classified by the Code. It does this by taking random samples of the rice and analysing it at in-house laboratories. This involves scanning and cooking the rice for visual inspection to ensure that it has the typical basmati rice characteristics. Further random samples are taken for DNA analysis by external independently accredited laboratories and the Rice Association (this is carried out for each of its members).

Witness statement of Natalie Welch and exhibits NW1 – NW49

19) Ms Welch is a solicitor for Mills & Reeve LLP, the opponent’s professional representative. Ms Welch’s evidence includes a copy of the Code which I have outlined above. It also includes a print out⁴ from the UK government website gov.uk/guidance/classifying-rice entitled “Classifying rice for import and export”. It classifies basmati rice as follows:

“A variety of long grain rice. It is an aromatic, fragrant and slender, and is a non-glutinous rice. When cooked it swells only lengthwise, resulting in long slender grains that are very dry, light and separate not sticky. Pakistan and India are the largest cultivators and exporters of rice; it is primarily grown through paddy field farming in the Punjab region. The grains of Basmati are longer than most other types of rice. Cooked grains of Basmati rice are characteristically free flowing rather than sticky. As with most long grain rice, cooked Basmati rice can be uniquely identified by its fragrance. Basmati rice is available as either white or brown.”

20) Exhibit NW10 consists of a print out from the Food Standards Agency website entitled “Basmati rice”. Ms Welch highlights the following statement:

⁴ Exhibit NW4

“The UK code of practice on basmati rice provides improved protection for people who eat basmati rice and assists local authorities in their enforcement work. The code applies to prepacked as well as non-prepacked rice, and where rice is used as an ingredient in other foods.

Basmati rice is recognised for its unique cooking properties and distinctive aroma, and sells for two to three times the price of other long grain rice.

The UK code of practice on basmati rice is a result of work by the UK rice industry, British Retail Consortium (BRC), Local Authorities Coordinators of Regulatory Services (LACORS), and the Association of Public Analysts (APA). It lists the varieties that are currently approved by the Indian and Pakistani authorities that can use the description ‘basmati’, and lays down the minimum specifications and labelling requirements for basmati rice sold in the UK.

The maximum limit for non-basmati rice is 7%.”

21) Exhibit NW12 comprises of a newspaper article from the Guardian dated 26 February 2003. It is headed “Basmati rice cheats face DNA crackdown” and reports that the local authorities plan to take action against the sale of rice which is being falsely described as basmati. A similar article from the Independent dated 10 February 2011 has also been submitted under the same exhibit. It is headed “With fraud on the rise, do you know the real origin of your food?” and states that basmati “is more than twice the price of ordinary varieties”.

22) Much of the evidence filed by Ms Welch includes references to basmati being a high quality product. For example, exhibit NW14 consists of various newspaper articles. These include an article from the Independent dated 25 November 2011 which is headed “Rice: Go with the grain” and describes basmati as “long, thin, pointed grains, and is more expensive than others but yields a far superior taste. This aromatic rice is grown mainly in the foothills of the Himalayas in India and Pakistan.” A further BBC article states Basmati is “one of the best-quality white

rices. It has a distinctive aroma and, when cooked, each grain should remain separate, giving a light, fluffy result. It is the perfect accompaniment to Indian curries and is used in biriyani and pilaf dishes⁵.

23) Exhibit NW15 consists of a website print out from the Institute of Optimal Nutrition. The only date on the exhibit is that of when it was printed, i.e. 5 February 2016. The print out lists and describes various types of rice and states that basmati rice is “the highest quality”, “worth the extra expense because of its superior flavour and texture” and then outlines what it considers to be its health benefits.

24) Further references to the quality of basmati rice are made in recipes from well known chefs, including Jamie Oliver, who describes basmati as being “widely considered to be the best quality white rice”⁶. An undated extract headed “How to perfect cook rice” from Delia Smith’s website states “What you’re looking for is this magic word, Basmati. This is the best quality...it has the very best flavour”. A further undated extract from the same website states that basmati is “more expensive than others, but since cooking is about flavour, it is the one to buy, as it has a far superior taste...I believe it’s well worth paying that little bit extra for basmati”.

25) Ms Welch also provides a number of online recipes referring to basmati rice. The recipes are from various celebrity chefs, (including Jamie Oliver, Delia Smith, Nigella Lawson, Gordon Ramsey, etc.), online UK news websites (including the Guardian, Telegraph, Independent, Express, Mirror, etc.), Indian restaurant websites, UK retailers and books.

Witness statement of Navjhot Atwal and exhibits NA1 – NA5

26) Ms Atwal is a trainee solicitor for the opponent’s representatives. A position she has held since September 2015. Ms Atwal’s evidence comprises photographs taken of various Basmati rice products on shelves in supermarkets such as Waitrose,

⁵ Exhibit NW14 which is an undated extract headed “Basmati rice recipes” from the BBC website.

⁶ Exhibit NW18 print out from Jamie Oliver’s website dated 21 April 2015. It is entitled “Store cupboard essentials: rice”.

Tesco, Asda, Sainsburys and Marks and Spencers. The photographs were taken on 2 October 2015 which is after the relevant date. Ms Atwal argues that the photographs show that the stores clearly display basmati, separate to the brand name, on the product itself and the shelf.

Specification

27) As previously stated, on 8 April 2016 the applicant requested to amend its list of services. The amendment was accepted but not published since it was considered to be a deletion of a particular description of goods and therefore not regarded as an amendment under section 39 of the Act. The consequence of not being published was that it was not subject to a further one month opposition period under rule 25 of the Trade Mark Rules 2008 (as amended). On 14 April 2016 the opponent filed written arguments stating that the amendment should have been advertised in the Trade Marks Journal and, moreover, it renders the specification unacceptable.

28) Whether the specification amendment should have been published or not was not pursued at the hearing. However, Mr Malynicz maintains that the amendment is unacceptable in its current format. I remind myself of the amended specification:

Class 43: Restaurant and cafeteria services, all involving the use of Basmati rice; provision of food containing Basmati rice and drink in restaurants and via mobile trucks.

29) The opponent claims that it is insufficiently clear and precise⁷, lacks legal certainty⁸ and does not actually limit the services to any rice being provided as being solely Basmati.

30) In essence, the *IP Translator* judgment stated that "...Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and

⁷ The Chartered Institute of Patent Attorneys (Trademarks), the "*IP Translator*" case, [2012] ETMR 42

⁸ *Koninklijke KPN Nederland NV v Benelux-Merkenbureau*, the "*Postkantoor*" case, (C-363/99) [2004] ECR I-1619

imprecise”⁹. It is argued that the words “all involving the use of Basmati rice” and “containing Basmati rice” are vague and uncertain. Further, it is claimed that the applicant wishes to be linked with basmati without limiting the type of rice it may use, which is contrary to the principles set out in *Postkantoor*.

31) During the hearing I asked Mr Bechem to clarify the applicant’s interpretation and intention of the amended specification. He stated that the specification was intended to limit any rice being served to be basmati. In my view the amendments do not meet what was intended by the applicant (something that I shall address in further detail later in this decision), but they are nevertheless acceptable. The trade marks work manual addresses terms in specifications such as “Including, for example, namely, as well as, in particular, specifically, i.e.” and states that “While not desirable in specifications since it encourages tautology, such wording should usually not be changed.” Whilst “all involving” and “containing” are not desirable terms they do indicate the type of goods which could be provided without being definitively restricted to such goods.

32) In view of the above, I shall proceed with the opposition on the basis that the amended specification does not limit the applicant’s services to the provision of rice entitled to the designation basmati (as argued by the applicant).

33) During the hearing Mr Malynicz also referred me to *Gap 360 Limited v GAP (ITM) Inc. (Gap360 mark)*¹⁰ which was appealed on the basis of the proposed limitation “all relating to gap travel”. The appeal was subsequently referred by Mr Hobbs QC, sitting as the appointed person, to the High Court. The case has yet to be decided so it has no bearing on these proceedings.

Legislation

34) Section 5(4)(a) states:

⁹ Summary provided in *YouView Ltd v Total Ltd* [2012] EWHC 3158 (Ch) at [12]

¹⁰ BL O-413-15

“A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented –

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

(b) [.....]

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of “an earlier right” in relation to the trade mark.”

Introduction

35) Passing off claims typically depend on the existence of a) goodwill, b) misrepresentation, and c) damage. Ordinarily the goodwill is that of an individual business and the unauthorised use of such goodwill by a third party may result in some form of misrepresentation which may lead to there being damage. This case is rather unusual in that the opponent is not claiming that basmati is distinctive of just the goodwill in its business. Instead, the opponent claims to be one of many suppliers of basmati rice whose businesses are each entitled to a share in the goodwill attached to the name basmati. It is on this basis that the applicant’s unauthorised use of the trade mark for the applied for services is claimed to be contrary to section 5(4)(a) of the Act. In other words, protection is sought in respect of the goodwill in the term basmati for a class of rice products. This is known as a claim to an “extended” form of passing off right.

General Court decisions relating to Basmati

36) During the hearing Mr Malynicz sought to rely upon two General Court (“GC”) decisions, namely *Tilda Riceland v OHIM* case T-304/09 and *Tilda Riceland Private Ltd v OHIM* case T-136/14. The first GC decision (T-304/09) annulled the Board of Appeal’s judgment on the basis it “had erred in rejecting on the ground that the applicant had not proved that it was the proprietor of the sign in question, without

analysing specifically whether the applicant had acquired rights over that sign in accordance with the law of the United Kingdom”¹¹. The decision made no comment on whether the term basmati was capable of being relied upon for an extended passing off claim.

37) Mr Malynicz argued that in the second case “.....the General Court held that the term was distinctive”. Decisions of the GC on points of law are binding on the tribunal and decisions of fact are of persuasive value in cases where similar considerations apply. However, my interpretation of the GC judgement is that it annulled the decision of the Board of Appeal on the basis it had “laid down a condition which is not provided for by Article 8(4)”, namely that use of the sign should not be exclusively limited to the commercial origin of the goods or services at issue. At paragraph 29 the judgment stated that:

“The sign at issue, in light of its nature, may thus be classified as a distinctive element if it serves to identify the goods or services of one undertaking in relation to those of another undertaking, but also, inter alia, if it serves to identify certain goods or services in relation to other similar goods or services.”

38) In view of the above, I do not consider that the GC concluded that basmati is a term which may be relied upon for extended passing off. It merely states that it is possible for such a term to be relied upon by several traders in order to prevent the use (and registration) of a term such as basmati for goods or services other than basmati.

Relevant date

39) In *SWORDERS* TM O-212-06 Mr Allan James acting for the Registrar well summarised the position in section 5(4)(a) proceedings as follows¹²:

¹¹ Paragraph 11 of the judgment

¹² This approach was endorsed by Daniel Alexander QC, sitting as the Appointed Person, in *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11,

‘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.’

40) The applicant has not filed any evidence of use or claimed a differing relevant date. Therefore, I need only consider the position at the filing date, namely, 9 March 2015.

Extended passing off

41) Protection in the form of extended passing off has been granted in respect of goods such as champagne, sherry, advocaat, whisky, vodka and Swiss chocolate. A brief history of the case law involving extended passing off was set out at paragraphs 4 to 8 by Mr Justice Arnold in the VODKAT case¹³. He stated that:

“4. The first successful claim for extended passing off concerned "Spanish champagne". Danckwerts J first held as preliminary points of law that, assuming the truth of the champagne houses' allegations, a cause of action for passing off lay, but not a civil claim for breach of statutory duty under the Merchandise Marks Act 1887: *Bollinger v Costa Brava Wine Co Ltd* [1960] Ch 262. At trial he held that "champagne" meant sparkling wine produced in the Champagne district of France by the champagne houses and that the use of the term "Spanish champagne" in relation to perelada sparkling wine from Spain was likely to mislead people who were not knowledgeable about champagne into thinking that the defendant's wine was champagne: *Bollinger v Costa Brava Wine Co Ltd* [1961] 1 WLR 277. I shall refer to these two decisions as the "*Spanish champagne*" case.

¹³ *Diageo North America Inc v Intercontinental Brands (ICB) Ltd* [2010] EWHC 17 (Ch)

5. *Vine Products Ltd v Mackenzie & Co Ltd* [1969] RPC 1 (the "sherry" case) Cross J followed the Spanish champagne case on the law. On the facts he held that "sherry" meant wine from Jerez, and accordingly the sherry producers and shippers were entitled to an injunction restraining the plaintiffs from using that term otherwise than in relation to such wine; but that the plaintiffs were entitled to use the terms "British sherry", "English sherry", "South African sherry", "Australian sherry", "Cyprus sherry" and "Empire sherry" in relation to wines which came from elsewhere by reason of acquiescence.

6. *John Walker & Sons Ltd v Henry Ost & Co Ltd* [1970] 1 WLR 917 (the "Scotch whisky" case) was the first of a number of cases concerning the sale in other countries of mixtures of Scotch whisky and locally produced spirit as Scotch whisky. Foster J followed the Spanish champagne case, but it should be noted that cases of this type raise additional issues to those raised by claims of extended passing off in this country.

7. In *H.P. Bulmer Ltd v J. Bollinger SA* [1978] RPC 79 Whitford J granted an injunction to restrain use of the terms "champagne cider" and "champagne perry" in relation to sparkling cider and perry. An appeal with respect to the former was abandoned, but a majority of the Court of Appeal allowed an appeal in relation to the latter. The Court of Appeal approved the law laid down in the Spanish champagne case, but the majority held that in view of the absence of evidence of actual confusion after many years' trading passing off had not been established.

8. In *Erven Warnink BV v J. Townend & Sons Ltd* [1979] AC 731 (the "advocaat" case) the House of Lords not merely endorsed the law as developed in the earlier cases, but also its further extension to descriptions with no geographical element. The first plaintiff made in the Netherlands and the second plaintiff distributed in the UK WARNINK'S ADVOCAAT, which was the leading brand of Dutch advocaat in the UK. Most of the advocaat made in the Netherlands and sold in the UK was principally constituted from hens' eggs, sugar and a colourless spirit called brandewijn. In addition to Dutch

advocaat, there had been limited sales in the UK of advocaat from other sources. The defendants sold a product made from dried egg powder and fortified sweet wine as KEELING'S OLD ENGLISH ADVOCAAT.”

42) Mr Arnold also commented that in order for products to qualify for protection under the extended form of passing off they must have acquired a reputation and goodwill in their own name by dint of properties or characteristics which they possessed. There is no legal requirement that the distinctiveness of the claimants' mark should also be a badge of quality or that there should be some cachet in the sense of the product being a superior or luxury brand.

Goodwill

43) It is clear from the evidence that the opponent is a supplier of large quantities of basmati rice. Therefore it is one of many traders entitled to seek to rely upon the goodwill associated with the term basmati (should such goodwill exist).

44) In order for a claim for extended passing off to be successful I must determine whether the term “Basmati” denotes a class of goods with a reputation and a protectable goodwill. As previously stated, ordinarily the goodwill is that of a particular business. However, in this instance, and as recognised by the courts in the cases listed at paragraph 41, deceptive use of names that are distinctive of a particular class of goods may in itself be protectable under the tort of passing off. In other words, it is the class of goods which may or may not be the attractive force which brings in custom¹⁴ (i.e. goodwill) rather than the business.

45) In *VODKAT*, Mr Arnold stated that there are two questions which should be addressed at the relevant date:

“First, does it denote a clearly defined class of goods? Secondly, does that class of goods have a reputation giving rise to goodwill amongst a significant section of the public.”

¹⁴ *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL)

46) During the hearing I asked Mr Malynicz whether basmati would be recognised as originating from a particular area or whether it is an actual type of rice. He argued that it is likely to be the latter but the important question is whether the relevant public recognise it as being basmati rice or not, i.e. a clearly defined class of goods. The applicant argues that the sign is descriptive and therefore the opponent must tolerate the use of other traders.¹⁵

47) The evidence shows that in order for UK sellers of basmati rice to label its goods as such it must comply with the Code. The conditions include being one of the varieties of basmati as listed in Table 1 (paragraph 15 above), complying with the minimum characteristics for basmati rice (see paragraph 16 above) and originating from a particular region in India and Pakistan. This particular geographic indication of basmati is covered by EC Regulation 1549/2004, as detailed in Council Decisions 2004/617/EC and 2004/618/EC. It is clear that there are defined properties which the rice must contain or adhere to in order to be called basmati. Therefore, by virtue of the characteristics set out in the Code, basmati denotes a clearly defined class of goods.

48) Secondly, does basmati “have a reputation giving rise to goodwill amongst a significant section of the public”. In my view it has. The rice consuming public will recognise basmati as denoting a particular class of rice. They may not know the precise area or characteristics of the goods but they will recognise it as being a class of rice. This is evidenced by the various UK rice manufacturers and merchants individually marking its goods as being basmati, the recipes and chefs which all specifically refer to basmati rather than rice *per se*. This conclusion is also supported by my own knowledge and experiences.

49) To summarise, I find that the term basmati denotes a clearly defined class of goods and it has a reputation giving rise to goodwill amongst a significant section of the public. It has a protectable goodwill, and as a trader in basmati rice, the opponent may rely upon the goodwill attached thereto.

¹⁵ Court of Appeal judgment in *My Kinda Town v Soll* [1983] RPC 407

Misrepresentation

50) In *Neutrogena Corporation and Another v Golden Limited and Another*, [1996] RPC 473, Morritt L.J. 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]”

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.

The same requirement that a substantial number of members of the public will be misled applies in the context of extended passing off: see the *Swiss chocolate* case [1998] RPC 117 at 137.”

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.”

51) During the hearing Mr Malynicz argued that this case is akin to the facts surrounding the existing extended passing off case law. In the cases cited to me they invariably concern the misuse of established names for very similar products. This is not the case here. In this instance, I have to assess the likelihood of a significant number of consumers (or potential consumers) of basmati being deceived by the use of BASMATI BUS, in relation to mobile catering services etc., and not on the goods themselves, i.e. rice.

52) As submitted by Mr Malynicz, the tort of passing off may apply even where the use (or proposed use) of the respective parties are engaged in different fields of business¹⁶. Whilst this is generally correct, as argued by Mr Bechem, the absence of a common field of activity is an important factual issue when it comes to establishing the likelihood of passing off. As Millett L.J. said in *Harrods Limited v Harrodian School Limited*¹⁷:

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

53) During the hearing Mr Bechem, for the applicant, argued that each of the cases relied upon by the opponent (*Elderflower champagne, Vodkat, Spanish champagne, English sherry* and *Swiss chocolate*) involve goods which are either similar or identical. Mr Bechem stated that the goods and services are not similar and certainly not “very complementary” as argued by the opponent, who also claims that a party that sells a food product, such as rice, will also provide food and drink services.

¹⁶ *Lego* [1983] FSR 194

¹⁷ [1996] RPC 697

54) The applicant's provision of food and drink via mobile trucks etc. includes providing prepared meals which could contain rice. Consumers of such prepared meals are also likely to purchase rice (including basmati rice) from shops and supermarkets. They will be familiar with basmati rice and likely to know that it is a particular variety of rice which, as the evidence shows, is considered to be one of the best types of rice. Further, basmati is such a well known description of a particular class of goods that members of the public would instantly recognise it. When such people see the mark BASMATI BUS being used for the provision of food and drink they are likely to conclude that if the meal provided contains rice, it will be basmati. Whilst some consumers may view BASMATI BUS as being a fanciful combination of two known words to create the impression of a "bus" which makes prepared meals, for example curry type of food, I consider that a substantial number of consumers will expect basmati rice to be provided rather than any other type of rice. If the services do not provide basmati rice, which the existing specification currently allows, there is a likelihood of misrepresentation.

Damage

55) The only comments the opponent has made with regard to damage is that due to the misrepresentation the opponent is likely to "suffer, substantial damage to his property in the goodwill by reason of the trade mark applicant's services which are falsely described by the name BASMATI BUS¹⁸."

56) 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

¹⁸ Paragraph 6 of the statement of grounds

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.

57) Having found that the opponent is entitled to rely upon the protectable goodwill attached to the term basmati and that there is a likelihood of misrepresentation, I also find that there is likely to be damage. Damage to the goodwill in the term basmati is liable to arise if food thought to be basmati rice is sub-standard or there being some other form of injurious association.

58) Having found that the opponent has established goodwill and that there is a likelihood of misrepresentation and damage, this would typically result in the opposition succeeding and that being the end of the matter (subject to appeal). However, as previously stated the applicant filed an amendment to its specification. During the hearing Mr Bechem confirmed that the applicant's intention with the specification amendment was to limit any rice supplied through services offered under the mark to basmati. I have already established that the specification limitation did not have the desired effect. If the specification was amended, as was intended, to limit any rice that is served to being basmati rice the position would be entirely different.

59) As I have stated above, the likelihood of misrepresentation has been caused by virtue of the term basmati being used for the provision of food which may contain rice not being basmati as defined by the Code. However, if the rice being served was basmati this cannot be deceptive and will not result in damage. On this basis, if the applicant were to amend its specification as follows the opposition fails. This should be done within 14 days of the date of this decision. If the applicant does not amend the application (as below) it shall be refused in its entirety:

“Class 43: Restaurant and cafeteria services, any food containing rice being basmati rice as defined and covered by the Rice Association’s code of practice on basmati rice; provision of food and drink in restaurants and via mobile trucks, any food containing rice being basmati rice as defined and covered by the Rice Association’s code of practice.”

60) In the event the applicant proposes a further amendment other than the above, I will allow the opponent 14 days to comment on the proposal before I decide whether it is acceptable. I will then issue a final decision.

COSTS

61) At this stage I shall refrain from deciding costs. Instead I allow the parties 21 days from the date shown below to file any comments (if they wish to do so) they may have on costs. I shall then issue a final decision.

Appeal

62) Since this is a preliminary decision, the period for appeal will run from the date of my final decision.

Dated this 9TH day of August 2016

**Mark King
For the Registrar,
The Comptroller-General**