

**O-421-15**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF TRADE MARK REGISTRATION NO. 2648227**

**IN THE NAME OF THE JUST SLATE COMPANY (UK) LTD  
OF THE FOLLOWING TRADE MARK IN CLASSES 16, 20, 21 & 24:**

**THE JUST SLATE COMPANY**

**AND**

**AN APPLICATION FOR INVALIDITY  
UNDER NO. 500225  
BY SELBRAE HOUSE LTD**

## Background and pleadings

1. This is an application dated 6 December 2013 by Selbrae House Ltd (“the applicant”) for a declaration that trade mark registration no. 2648227 in the name of The Just Slate Company (UK) Ltd (“the proprietor”) is invalid.

2. The registered mark is THE JUST SLATE COMPANY (“the registration”). Pertinent details of the registration are as follows:

<b>Filing date:</b>	9 January 2013
<b>Publication date:</b>	5 April 2013
<b>Registration date:</b>	14 June 2013
<b>Goods:</b>	Class 16 – Chalkboards Class 20 – Chalkboards Class 21 – Earthen Ware, Platter, Kitchen Ware, Coasters, Cheese Boards Class 24 – Placemats

3. The applicant claims that the trade mark registration should be cancelled under section 5(4)(a) of the Trade Marks Act 1994 (“the Act”), which is applicable by virtue of section 47(2) which states:

“(2) The registration of a trade mark may be declared invalid on the ground-

(a) -

(b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied, unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.”

4. In essence, the applicant claims that they have been trading under the sign “The Just Slate Company” since 2006 for the following goods:

“slate chalkboards, earthenware, platters, kitchen ware, coasters, placemats, cheeseboards, table runners, trivets, trays, cake stands, servers, butter trays, lazy susan, mezze set, pinch pots, sushi set, egg cup set, condiment pots, dipping set, napkin holders, name tags, bottle openers, knives, spice jars, canapé picks cheese wire, spoons, bottle stoppers, storage jars, tealights, magnets, memo boards, slate homeware, serveware and household and garden accessories.”

5. The applicant claims common law ownership in the goodwill in a business known as THE JUST SLATE COMPANY trading in the goods covered by the registration. In view of their use, they claim that use of the registration would be a misrepresentation, which would lead to damage to the aforementioned goodwill. This would contravene the law of passing off.

6. The proprietor filed a counterstatement stating that they disagree with the claims made. The proprietor states that prior to filing the trade mark application, they conducted various investigations and checks which did not identify the applicant.

The proprietor questions that if the applicant is the rightful owner of the registration then why had they not applied to register the mark themselves.

7. Both sides filed evidence in these proceedings. This will be summarised to the extent that it is considered necessary. A hearing took place before me via telephone on 18 August 2015, with the applicant represented by Ms Charlotte Scott of Counsel, instructed by Capital Law LLP. The proprietor was represented by its director, Mr Nigel Hennessy.

## **EVIDENCE**

### **Applicant's evidence**

*Witness statement of Donald Allin Carstairs plus exhibits DC1-DC8*

8. Mr Carstairs is a Director of Selbrae House Ltd. He has held this position since October 2006. He states that the applicant was incorporated on 11 October 2006 for the purposes of buying the trading assets of The Just Slate Company brand from Joseph Jack (Material Handling) Limited. Further to the incorporation the applicant was known as Selbrae House Ltd T/A The Just Slate Company.

9. Mr Carstairs states that the applicant operates from workshops in Kirkcaldy and Fife handcrafting a range of slate, tableware, kitchen and home-ware products. He states that their manufacturing methods are traditional insofar as they select each piece of slate which is subsequently cut, shaped, foam-backed, finished and inspected before packaging.

10. The witness statement also claims that:

- In 2006, the applicant employed 5 people and produced a range of 4 products. At the time of executing the witness statement (7 August 2014), they employed 60 staff and produce a range of 54 products.
- The applicant's products have been sold throughout the UK and are currently active in 743 retail customers including John Lewis Partnership, Lakeland Ltd, Selfridges, Harrods, Fortnum & Mason, Fenwick and Bentalls.
- They claim to have produced bespoke items for HighGrove (the family residence of the Prince of Wales and Duchess of Cornwall).
- They claim to have supplied national and international catering and hospitality distributors, including: Gordon Ramsey, Rick Stein, The Gleneagles, Balmoral and Ritz London hotels. No dates or further details have been provided.
- They also export to 32 international markets and have a wholly owned subsidiary in the USA called The Just Slate Company Inc. No dates or further details have been provided.

- In the 18 months leading up to July 2014 the applicant has supplied 2,579 online customers through its website [www.justslate.co.uk](http://www.justslate.co.uk) It is not clear how many of these took place prior to the relevant date.
- Annual production is approximately 180,000 individual pieces of slate.
- Turnover for the financial year 2013/14 was £2,365,000; as will be seen, this period falls after the relevant date.
- The applicant purchased the domain names [www.justslate.co.uk](http://www.justslate.co.uk) on 8 October 2004 and [www.justslate.com](http://www.justslate.com) on 27 October 2009.
- The applicant has attended 32 regional, national and international trade shows as “The Just Slate Company”, and 23 regional and national “retail” shows throughout the country. Specific dates of when these events took place is not provided but evidenced at exhibit DC6 is a photograph of the trade stand used.
- Mr Carstairs states that the applicant has won the following awards:
  - Silver at the Housewares Innovation awards 2012 in the Table top category for slate mini butter cloche.
  - Finalist in the Excellence in Housewares Awards 2012 for slate mezze set.
  - Finalist in the Excellence in Housewares Awards 2013 for slate antler tray.
  - Winner in Giftware Association “Gift of the Year” in February 2009 for chilli handled tray.
  - Highly commended in Giftware Association “Gift of the Year” in Feb 2014 for the Fusion Slate Range.

11. Further exhibits which appear to be relevant to these proceedings are:

- Exhibit DC1 is an undated letterhead which shows the mark “The Just Slate Company”.
- Exhibit DC2 is an accounts submission front sheet dated 30 September 2012. It refers to “Selbrae House Limited t/a The Just Slate Company”.
- Exhibit DC8 is a cease and desist letter dated 28 October 2013 from the applicant to the proprietor.

### **Proprietor’s evidence**

*Witness statement of Nigel Hennessy plus exhibits DC1 – DC3*

12. Mr Hennessy is a director of The Just Slate Company Limited, a position he has held since its “conception” in January 2013.

13. Mr Hennessey states that prior to filing the registration he had never heard of the applicant or Manual Handling Ltd<sup>1</sup>. The witness statement mainly consists of commentary on the applicant's evidence. I shall refer to the comments provided where necessary. Mr Hennessey attached the following exhibits:

- Exhibit DC1 is an undated blank letter headed with "The Just Slate Company" at the top and an address at the bottom.
- Exhibit DC2 is an undated Facebook screen print which states that The Just Slate Company has 66,737 "likes".
- Exhibit DC3 is a print out from Ebay which states that "thejustslatecompany" has been a member since 11 April 2010.

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

*Witness statement of Donald Allin Carstairs plus exhibits DC9-DC18*

14. Mr Carstairs' evidence claims<sup>2</sup> that the applicant "has been working with [sic] following high street retailers since:

John Lewis Partnership – pre-2006  
Lakeland Ltd – 06/08/2008  
Selfridges – 27/01/2011  
Harrods – 29/06/2011  
Fortnum & Mason – 26/10/2007  
Fenwicks – 27/09/2011  
Bentalls – 12/09/2013"

15. Attached to the witness statement were the following exhibits:

- Exhibit DC11 consists of a purchase order form from John Lewis Partnership dated 5 May 2010. The item descriptions are Just Slate "RECT P/MAT", "RECT TRIVET" and "SQUARE CAST". The exhibit also contains a "Stock Contract" from Lakeland dated 2 November 2012.
- Exhibit DC11a is an Experian (credit reference agency) report for The Just Slate Company. The summary states that the "Business Age Band" is "10-14 years".
- Exhibit DC11b is a "Certificate of Registration for Value Added Tax" for "Selbrae House Limited The Just Slate Company". The certificate was issued on 3 November 2006. The trade classification is described as "Cutting, shaping and finishing of stone".

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<sup>1</sup> The full company name, as referred to in Mr Carstairs first witness statement was Joseph Jack (Manual Handling) Limited

<sup>2</sup> Paragraph 4 of Mr Carstairs witness statement dated 11 June 2015

- Exhibit DC11c is a letter from HM Revenue & Customs to The Just Slate Company dated 12 October 2006.
- Exhibit DC11d is a form from Inland Revenue to “Selbrae House Ltd” dated 20 October 2006. It is headed “Corporation Tax New Company Details”. Section 9 of the form requests that if the company has taken over any other businesses, details should be provided. They completed this section with “Joseph Jack Material Handling Ltd t/a The Just Slate Company”.
- Exhibit DC12 is a web screen print from [www.justslate.co.uk](http://www.justslate.co.uk) dated 13 February 2010. It offers for sale the goods “Heart Shaped Slate Memo Board”, “Set of 2 Rectangle Placemats”, “Slate Cheese Board” and “Set of 4 Square Slate Coasters”. It’s screen shot also claims “As used by...” Gordon Ramsey – London and New York, Three Chimneys Restaurant in the Isle of Skye, Martin Wishart’s in Edinburgh and Jacques Tamson’s in Winder (featured on the recent BBC show “The Restaurant”). It is noted that the web screen print was from the Wayback Machine. This type of evidence has been relied upon without adverse comment in the Courts; for example in the Patents County Court, His Honour Judge Birss, in *National Guild of Removers & Storers Ltd v. Silveria* [2011] F.S.R. 9, said, at paragraph 33:

“Mr Hill submitted and I accept that the fair way to assess the damages appropriate in this case is again to consider the fees due under the rules and use them to gauge an appropriate level of damages. The first question arising is the period of infringing use/passing off. To assess this Mr Sheahan used a website called the “Internet Archive” which is run by a not for profit organisation in the United States. This has a service called the “Wayback Machine” which allows a user to find snapshots of how websites appeared in the past. The Wayback Machine is commonly used in intellectual property cases to see what old websites looked like even when the operators of the websites have changed them or removed them altogether.”

- Exhibit DC13 is a Google Analytics table for the period 1 July 2012 to 31 December 2012. Mr Carstairs claims that the results show that over 30% of the traffic to their website (over 10,000 visitors) was found by typing either “Just Slate”, “The Just Slate Company”, “Just Slate Company” or “The Slate Company”.
- Exhibit DC13a is a copy of the applicant’s Google Adwords account for the period 11 September 2012 and 3 January 2014. They show that the applicant’s total spend on advertising “Just Slate Tableware” on Google was £6261.41. He also states that the applicant appeared 1.6 million times on the Google results page (in the UK), received 30,000 clicks on their advertisements and appears in the top 3 on page 1 of Google.
- Exhibit DC13b is a selection of the paid for adverts that were shown on the Google results page.

- Exhibit DC13c shows a selection of over 100 terms which cover the general products that the proprietor retails, i.e. slate coasters, slate placemats, slate cheeseboards, etc. Mr Carstairs states that given the applicant's level of exposure on Google and their Adwords expenditure<sup>3</sup>, if Mr Hennessy had conducted "any basic research" the applicant would have appeared.
- Exhibit DC14 is a Facebook page screen print. Mr Carstairs states that this shows that the majority of the "likes" on the proprietor's website are from Hyderabad, India. He claims that this is indicative of a user "buying" likes though a Far East broker. Examples of such brokers are evidenced at exhibit DC14a.
- Exhibits DC15 and DC15a are web screen shots of a Google search for "the just slate company". The first is dated 3 November 2014 (after the relevant date). The latter exhibit is a Google+ screen shot which Mr Carstairs claims to show that the page was established in 2012, though this was not on the screen shot.
- Exhibits DC16a-c and DC17 consists of the following: internet screen shots from the applicant's Amazon "Seller Account Information" page. The exhibit includes the applicant's shop front which includes a cheeseboard, items for the serving of food, placemats and trays all made of slate. Also provided is a sales history report for the period of 3 November 2012 and 11 February 2013. It shows that the applicant had 13,415 "Sessions" (people viewing the products on Amazon), and completed sales of £8621. Sales include:

<b>Date</b>	<b>Product description</b>	<b>Quantity</b>
10/02/13	Pack of 4 Slate Napkin Rings	1
08/02/13	Large Slate Tableware Gift Pack	1
19/12/12	The Just Slate Company Slate Cheese Board Slate Board	1
19/12/12	The Just Slate Company Slate Cheese Board	1
19/12/12	Large Rectangular Serving Tray with Brushed Stainless Steel Chilli Handles	1
18/12/12	The Just Slate Company Slate Cheese Board Slate Board	1
18/12/12	Large Slate Tableware Gift Pack	Unknown
17/12/12	The Just Slate Company Cheese Knife	1
16/12/12	Slate Base with Ceramic Dipping Dish	1
16/12/12	Red Glass Chilli Bottle Stopper – The Just Slate Company	3
16/12/12	Set of 4 Heart Slate Fridge Magnets	1
16/12/12	Large Rectangular Serving Tray with Brushed Stainless Steel Chilli Handles	1
17/12/12	Slate Base with Ceramic Dipping Dish	1
14/12/12	The Just Slate Company Slate Cheese Board Slate Board	2 <sup>4</sup>

<sup>3</sup> Exhibits DC13, 13a, 13b and 13c refer

<sup>4</sup> Two separate sales to different customers

14/12/12	Glass tealights with slate base	1
11-13/12/12	The Just Slate Company Slate Cheese Board Slate Board	3 <sup>5</sup>
12/12/12	Large Slate Table Gift Pack	1
12/12/12	Slate Base with Ceramic Dipping Dish	1
9&10/12/12	The Just Slate Company Slate Cheese Board Slate Board	5 <sup>6</sup>
9&10/12/12	Large Slate Tableware Gift Pack	4 <sup>7</sup>
7&8/12/12	The Just Slate Company Slate Cheese Board Slate Board	4 <sup>8</sup>
7/12/12	Slate Base with Ceramic Dipping Dish	1
17/12/12	The Just Slate Company Slate Cheese Board Slate Board	1
06/12/12	Small Slate Tableware Gift Pack	1
05/12/12	Large Slate Tableware Gift Pack	1
06/12/12	Set of 2 Heart Shaped Slate Place Mats	2
29&11/12	Large Slate Tableware Gift Pack	3 <sup>9</sup>
30/11/12	Slate Table Runner	1
28/11/12	The Just Slate Company Slate Cheese Board Slate Board	1
28/11/12	Large Slate Tableware Gift Pack	1
26/11/12	Glass tealights with slate base	1
26/11/12	The Just Slate Company Slate Cheese Board Slate Board	1
26/11/12	Slate Base with Ceramic Dipping Dish	1
21, 22 & 25/11/12	The Just Slate Company Slate Cheese Board Slate Board	4 <sup>10</sup>
14 & 15/11/12	Large Slate Tableware Gift Pack	3 <sup>11</sup>
13/12/11	Set of 2 Heart Shaped Slate Place Mats Set of 4 Heart Shaped Slate Coaster	1 <sup>12</sup>
02/12/09	Set of 2 round slate placemats	1
01/12/09	Slate Cheese Board	2 <sup>13</sup>
01/12/09	Slate table runner	1
26/11/09	Large Slate Tableware Gift Pack	1
24/11/09	Slate table runner	1

Mr Carstairs states that they do not sell their goods via eBay since “it is not a sales channel that fits with its brand values”. They do, however, sell their goods on Amazon. He goes on to observe that the proprietor sells their goods on eBay but not Amazon. Mr Carstairs submits that this is because the proprietor is aware of their

<sup>5</sup> Three separate sales to different customers

<sup>6</sup> Five separate sales to different customers

<sup>7</sup> Four separate sales to different customers

<sup>8</sup> Four separate sales to different customers

<sup>9</sup> Three separate sales to different customers

<sup>10</sup> Four separate sales to different customers

<sup>11</sup> Three separate sales to different customers

<sup>12</sup> One of each to the same customer

<sup>13</sup> Two separate sales to different customers

presence on Amazon and, therefore, wants to avoid direct conflict. A screen shot of the proprietor's eBay ID history is submitted under exhibit DC17a. It states that the effective date is 12 November 2013.

- Exhibit DC18 and DC18a is a cease and desist letter plus draft undertakings dated 17 November 2009 from the applicant to a company called "Simply-Slate".

## Decision

### Section 5(4)(a)

16. Section 5(4)(a) of the Act states:

"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."

### Relevant case law

17. Halsbury's Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165 provides the following analysis of the law of passing off. The analysis is based on guidance given in the speeches in the House of Lords in *Reckitt & Colman Products Ltd v. Borden Inc.* [1990] R.P.C. 341 and *Erven Warnink BV v. J. Townend & Sons (Hull) Ltd* [1979] AC 731. It is (with footnotes omitted) as follows:

"The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

(1) that the plaintiff's goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;

(2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by the defendant are goods or services of the plaintiff; and

(3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant's misrepresentation.

The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and

decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House's previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal definition of passing off, and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House."

18. Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:

"To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

(1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and

(2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

(a) the nature and extent of the reputation relied upon;

(b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;

(c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;

(d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances."

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action."

### *The relevant date*

19. The first issue to address is the relevant date. The Court of Appeal recently considered the relevant date in a case such as this one under the analogous article of the Community Trade Mark Regulation<sup>14</sup>. Kitchen L.J. stated that:

“Under the English law of passing off, the relevant date for determining whether a claimant has established the necessary reputation or goodwill is the date of the commencement of the conduct complained of (see, for example, *Cadbury-Schweppes Pty Ltd v The Pub Squash Co Ltd* [1981] RPC 429). The jurisprudence of the General Court and that of OHIM is not entirely clear as to how this should be taken into consideration under Article 8(4) (compare, for example, T-114/07 and T-115/07 *Last Minute Network Ltd* and Case R 784/2010-2 *Sun Capital Partners Inc.*). In my judgment the matter should be addressed in the following way. The party opposing the application or the registration must show that, as at the date of application (or the priority date, if earlier), a normal and fair use of the Community trade mark would have amounted to passing off. But if the Community trade mark has in fact been used from an earlier date then that is a matter which must be taken into account, for the opponent must show that he had the necessary goodwill and reputation to render that use actionable on the date that it began.”

20. The proprietor has not shown any use of “The Just Slate Company” prior to the date of the application for registration on 9 January 2013. The evidence does show that the proprietor had an eBay account prior to the date of application for registration. However, no evidence of eBay sales have been submitted. Therefore, the relevant date for the assessment of the applicant’s passing off right claim is 9 January 2013.

### *What is goodwill?*

21. As highlighted by Ms Scott, goodwill was defined in the case of *Inland Revenue Commissioners v Muller & Co’s Margarine Ltd* [1901] AC 217 (HOL) as:

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

### *Was there goodwill of more than a trivial nature at the relevant date?*

22. During the hearing Mr Hennessy stated that the level of sales and supporting evidence prior to the relevant period are low. The question is whether the applicant has built up sufficient goodwill under “The Just Slate Company” by the relevant date so as to be protectable under the law of passing off. The level of sales is a

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<sup>14</sup> *Roger Maier v ASOS* [2015] EWCA Civ 220 at paragraph 165

consideration in establishing whether there is protectable goodwill. In *Hart v Relentless Records*<sup>15</sup>, Jacob J. (as he then was) stated at paragraph 62 that:

“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 L.J. in BALI Trade Mark [1969] R.P.C. 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.”

23. Relentless Records had issued around 1600 promotional records over a few years to 500 DJs hoping they would play the music in their clubs. There was no evidence of any actual sales, or even that the DJs had mentioned Relentless Records to the public if the records had been played. So the level of use in that case was truly trivial.

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

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

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

25. Whilst Mr Hennessy was not expected to file a skeleton argument<sup>16</sup> prior to the hearing, he did, and it contained a number of valid and well presented criticisms of the applicant's evidence. Mr Hennessey also stated that the majority of the evidence is after the relevant date, and that any evidence prior to the relevant date is so low that it cannot amount to goodwill. In other words, the evidence is insufficient to be considered as protectable goodwill.

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<sup>15</sup> [2003] FSR 36

<sup>16</sup> Paragraph 6.8.2 of the Tribunal Section, Trade Marks Work Manual

26. During the hearing Ms Scott stated that the evidence shows that the applicant's customers predominantly derive from two sources: their website [www. justslate.co.uk](http://www.justslate.co.uk) and Amazon.

#### *Amazon*

27. The applicant has provided a number of internet screen shots from their "Seller Account Information" pages of their Amazon website. The screen shots show a number of sales prior to the relevant date. These are evidenced in exhibits DC16a-c and DC17 (see page 7 above). These sales amount to £8621 from 13,415 "Sessions".

28. It is noted that there are no repeat sales to Amazon customers. However, as Ms Scott stated, given the nature of the goods (i.e. tableware, kitchenware, etc.) customers are unlikely to make repeat purchases. The customers are more likely to peruse websites for kitchenware, possibly of slate, then come across the goods and decide to purchase them. Whilst repeat orders by the end user would bolster the applicant's claim to goodwill, it is not imperative. If the goods were of a nature in which you would expect repeat orders, this may have a bearing.

#### *Website*

29. No evidence has been provided in relation to sales made from the website that are before the relevant date. The applicant (exhibit DC9a) has filed a screen shot of their website from 25 October 2012 which is prior to the relevant date. The screen shot states that a new range of 6 stylish designs have been launched, however further prints of these have not been provided.

#### *John Lewis order*

30. In Mr Carstairs' evidence in reply he claims to have worked with a number of high street retailers (paragraph 14 refers).

31. In support of the claim that the applicant has worked with John Lewis, they submitted an order form dated 5 May 2010 (before the relevant period). The order is addressed to "Selbrae House Ltd t/a The Just Slate Co" for 360 "JUST SLATE RECT P/MAT x 2", 60 "JUST SLATE RECT TRIVET x 2" and 280 "Just Slate Square CST x 4". In Mr Hennessy's witness statement he points out that this evidence is of one sale to a retailer and for "only" 400 units.

32. Also evidenced is a "Stock Contract" from Lakeland. Mr Hennessy rightfully identified that this is a contract that Lakeland may require stock rather than an actual order. In fact, the contract expressly states "THIS IS NOT AN ORDER". Nevertheless, it is an example of a business attracted by the goods.

#### *Turnover*

33. Mr Carstairs states that the annual turnover for the "financial year" 2013-2014 is £2,365,000. These sales are after the relevant date. Prior to this the only turnover

figures provided are for sales via the Amazon website, these were £8621. This is for the period 3 November 2012 and 11 February 2013.

### *Advertising*

34. As outlined in the evidence summary, the applicant spent £6261.41 between the period 11/09/2012 and 03/01/2014 on advertising Just Slate Tableware on Google. Further, during the same period, the applicant's website appeared 1.6 million times on the Google results page and received 30,000 clicks on their advertisements. Whilst much of this advertising (and any potential resulting sales) is after the relevant period, a proportion was prior to 9 January 2013.

### *Awards*

35. During the hearing, Ms Scott referred me to the various awards which the applicant has either won or was a finalist. The awards relate to "mini butter cloche", "slate mezze set", "slate antler tray" and "chilli handled tray". Further details are provided in page 4 above. In my view, awards of this nature are good supporting evidence that goodwill in the business exists.

### *Exhibitions*

36. The applicant states that since 2006 they have attended various trade and retail events throughout the country, including, Harrogate, Birmingham, London, Glasgow and Edinburgh (the first witness statement of Mr Carstairs refers). The applicant has not provided the number of attendees, dates of the events or the number of orders received at or after the events. The applicant does provide a picture of the exhibition stand. It is difficult to see all of the goods on display but you can see various slate placemats, serving bowls and tableware.

### **Conclusion**

37. Much of the evidence is after the relevant date so it does not assist my assessment. However, as outlined in *Alcon Inc v OHIM*, Case C-192/03 P, the Court of Justice of the European Union stated that:

"Moreover, the Court of First Instance could without inconsistency in its reasoning or error of law take account of material which, although subsequent to the date of filing the application, enabled the drawing of conclusions on the situation as it was on that date (see, by analogy, the order in Case C-259/02 *La Mer Technology* [2004] ECR I-0000, paragraph 31)".

38. In view of the above, I may take into account evidence which is after the relevant period but enables me to draw conclusions on the situation prior to the relevant date.

39. The evidence is not well-marshalled and I agree with Mr Hennessy that there a number of flaws. However, taking all of the relevant factors into consideration, I am of the opinion that the applicant has demonstrated a sufficient protectable goodwill. The applicant has shown consistent sales through Amazon, a large order from John Lewis and a potentially large order from Lakeland. Further, as previously stated,

awards (either won or as a finalist) are good examples of goodwill having been accrued. Whilst the turnover figure for the financial period 2013-2014 is after the relevant date, sales in the millions of pounds so close to this date must have been made as a result of there being earlier goodwill. In other words, sales figures in the millions will not have suddenly been accrued, they would be the result of existing goodwill which is prior to the relevant date.

40. Having considered all of the above I find that the applicant had the requisite goodwill in the UK, at the relevant date, attached to its business in the field of kitchenware and tableware with which the sign THE JUST SLATE COMPANY was associated. No goodwill has been established in relation to chalkboards.

### **Misrepresentation**

41. In terms of misrepresentation, I must be satisfied that the goods offered under the proprietor's mark would be taken (or likely to be taken) by a substantial number of the applicant's customers or potential customers to be the responsibility of the applicant (or that there is some form of connection between the applicant and the proprietor). Although an intention to misrepresent would be a highly relevant factor, it is not a prerequisite. Misrepresentation can be found in innocent circumstances.

42. 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.”

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.”

43. The respective marks are identical. The goods in which the applicant has goodwill are identical (or at least highly similar to) to all of the goods registered in classes 21 and 24. With regard to chalkboards in classes 16 and 20, these are goods which are often made of slate and are commonly used in kitchens for making notes. Further, since the marks are identical, it is highly likely that there is some form of connection between the applicant and proprietor at the relevant date. Therefore, there is a strong likelihood of misrepresentation.

## Damage

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

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

45. In view of the marks being identical and the relevant public believing that the relevant goods are identical (some being similar), this would inevitably damage the applicant's goodwill through the loss of sales to the proprietor.

46. Furthermore, in relation to damage, although a direct loss of sales is often the most obvious form of damage to consider, damage can arise in other ways. can be wider than simply a loss of sales. In *Masyukov v Diageo Distilling Ltd* Arnold J stated:

“85 Secondly, counsel submitted that the hearing officer had wrongly failed to recognise that damage resulting from Diegeo's loss of control over the marks, including erosion of distinctiveness of the marks, was sufficient damage to sustain a passing off action, as shown by the following passage from McAlpine at [20] which the hearing officer himself quoted at para.128 of the decision:

“When it comes to considering damage, the law is not so naïve as to confine the damage to directly provable losses of sales, or ‘direct sale for sale substitution’. The law recognises that damage from wrongful association can be wider than that. Thus in *Ewing v Buttercup Margarine Ltd* (1917) 34 R.P.C. 232 Warrington L.J. said:

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

In so saying, he was not limiting the kinds of potential damage to those listed by him. Rather, he was indicating that the subtleties of the effect of passing off extend into effects that are more subtle than merely sales lost to a passing off competitor. In *Associated Newspapers Ltd v Express Newspapers* [2003] F.S.R. 909 at 929 Laddie J. cited this passage, referred to other cases and went on to say:

'In all these cases [that is to say, the Clock Ltd case referred to above and *Harrods v Harrodian School* [1996] R.P.C. 679 ], direct sale for sale substitution is unlikely or impossible. Nevertheless the damage to the claimant can be substantial and invidious since the defendant's activities may remove from the claimant his ability to control and develop as he wishes the reputation in his mark. Thus, for a long time, the common law has protected a trader from the risk of false association as it has against the risk of more conventional goods for goods confusion.'

The same judge expressed himself more picturesquely, but equally helpfully, in *Irvine v Talksport Ltd* [2002] 1 W.L.R. 2355 at 2366. Having pointed out the more familiar, and easier, case of a defendant selling inferior goods in substitution for the claimant's and the consequential damage, he went on to say:

'But goodwill will be protected even if there is no immediate damage in the above sense. For example, it has long been recognised that a defendant cannot avoid a finding of passing off by showing that his goods or services are of as good or better quality than the claimant's. In such a case, although the defendant may not damage the goodwill as such, what he does is damage the value of the goodwill to the claimant because, instead of benefiting from exclusive rights to his property, the latter now finds that someone else is squatting on it. It is for the owner of goodwill to maintain, raise or lower the quality of his reputation or decide who, if anyone, can use it alongside him. The ability to do that is compromised if another can use the reputation or goodwill without his permission and as he likes. Thus *Fortnum and Mason* is no more entitled to use the name *FW Woolworth* than *FW Woolworth* is entitled to use the name *Fortnum and Mason* ...' 'The law will vindicate the claimant's exclusive right to the reputation or goodwill. It will not allow others so to use goodwill as to reduce, blur or diminish its exclusivity.' (at 2368)

In *Taittinger SA v Allbev Ltd* [1994] 4 All ER 75 at 88, Peter Gibson L.J. acknowledged that:

‘Erosion of the distinctiveness of the name champagne in this country is a form of damage to the goodwill of the business of the champagne houses.’ The same view was expressed by Sir Thomas Bingham MR at 93.”

47. To illustrate the point further, I note that in *WS Foster & Son Limited v Brooks Brothers UK Limited* [2013] EWPC 18, Mr Recorder Iain Purvis QC stated:

“Damage

55 Although proof of damage is an essential requirement of passing off cases, it will generally be presumed where a misrepresentation leading to a likelihood of deception has been established, since such deception will be likely to lead to loss of sales and/or more general damage to the exclusivity of the Claimant's unregistered mark. Mr Aikens accepted that if there was a misrepresentation in the present case, then he had no separate case on damage. I hold that damage is inevitable, at least in the sense recognised in *Sir Robert McAlpine v Alfred McAlpine* [2004] RPC 36 at 49 (the ‘blurring, diminishing or erosion’ of the distinctiveness of the mark).”

48. Therefore, even in relation to the goods such as chalkboards (which the applicant does not currently sell), I consider the notional use of the registration to have the potential to damage the applicant’s business. Since chalkboards may be used in kitchens and are often sold in the same establishments placing the reputation in the hands of another could have a negative impact upon the applicant’s goodwill and business.

## **Outcome**

49. The application for invalidation under section 5(4)(a)<sup>17</sup> of the Act succeeds. Therefore, in accordance with section 47(6) of the Act the registration shall (subject to appeal) be deemed never to have been made.

## **COSTS**

50. The applicant has been successful and is entitled to a contribution towards its costs. In the circumstances I award the applicant the sum of £1700 as a contribution towards the cost of the proceedings. The sum is calculated as follows:

Official fee	£200
Preparing a statement and considering the other side’s statement	£400
Considering and filing evidence	£600
Attending a hearing	£500

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<sup>17</sup> By virtue of section 47(2) of the Act

**Total**

**£1700**

51. I therefore order The Just Slate Company (UK) Ltd to pay Selbrae House Ltd the sum of £1700. The above sum should be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 8<sup>th</sup> day of September 2015**

**MARK KING  
For the Registrar,  
The Comptroller-General**