

**REGISTRATION NO. 2220302 IN THE
NAME OF CAPRIVET LTD AND
APPLICATION FOR A DECLARATION
OF INVALIDITY NO. 80204 BY
TANGERINE HOLDINGS LTD**

TRADE MARKS ACT 1994

**IN THE MATTER OF registration
No. 2220302 in the name of
Caprivet Ltd and application
for a declaration of invalidity
No. 80204 by Tangerine Holdings Ltd**

Background

1. Trade Mark No. 2220302 is for the mark OVICOL and is registered in Class 31 for the following specification of goods:

Foodstuffs for animals; additives and supplements for animal feed.

The mark stands registered from a filing date of 25 January 2000.

2. On 7 January 2002, Tangerine Holdings Ltd applied for a declaration of invalidity of the trade mark registration. The grounds of invalidation are, in summary:

- under Section 47(2)(b) in that there is an earlier right in relation to which the condition set out in Section 5(4) is satisfied;
- under Section 47(1) in that the mark was registered in breach of Section 3(6).

The registered proprietor filed a counterstatement putting the applicant to strict proof of the claims made. Only the applicant filed evidence. Neither party requested a hearing. Both parties requested an award of costs.

Applicant's evidence

3. This takes the form of a statutory declaration of David Alan Haythornthwaite dated 30 April 2002 and a witness statement of Roger Dawson dated 12 April 2002.

Mr Haythornthwaite's Statutory Declaration

4. Mr Haythornthwaite states that he is the Chairman and Managing Director of Tangerine Holdings Ltd, (Tangerine) a company incorporated on 7 October 1994. He states that he has been the Managing Director continuously since its incorporation. He is also the Managing Director of Farmsense Ltd, (Farmsense) a position he has held since 1996.

5. Mr Haythornthwaite explains that Farmsense (Company Registration No. 02590151) is a wholly owned subsidiary of Tangerine and that both companies trade from the same

address. He exhibits a letter from the companies' accountants to confirm this. He goes on to say that Farmsense was incorporated on 8 March 1991, changed its name to Nu-Wave Health Products Ltd on 30 September 1991, to Farmsense (UK) Ltd on 27 June 1996 and finally to Farmsense on 15 August 1996. He exhibits print-outs from the Companies House database to support these claims.

6. Mr Haythornthwaite says he is authorised by Tangerine to make the statutory declaration on its behalf and that the facts and information in his evidence are known personally to him and/or abstracted from the records of Tangerine and Farmsense.

7. Mr Haythornthwaite states that Tangerine is a management company and Farmsense is one of several of its trading subsidiaries. It has been the policy of Tangerine since its incorporation, he says, that all rights in trade marks used by its trading subsidiaries should belong to itself. He adds that Farmsense manufactures, packages, warehouses and distributes animal nutrition and health products to specialist animal health dealers, ie agricultural co-operatives, animal feed and health shops and agricultural chemists. The products are then retailed to the user, the farmer.

8. Mr Haythornthwaite states that Farmsense has used the mark OVICOL in the UK continuously since at least November 1991 in respect of a foodstuff for newly born and young lambs and consisting of dried colostrum powder and various additional constituents. Prior to 1996 such use was, he says, under Farmsense's previous name, Nu-Wave Health Products Ltd.

9. Mr Haythornthwaite says that on 20 June 1992, Nu-Wave Health Products Ltd applied to register the word OVICOL and device of a lamb as a trade mark under application No. 1504353. The mark was subsequently registered and Mr Haythornthwaite exhibits a copy of the registration certificate. The registration remained in force until June 1999 when it was inadvertently allowed to lapse by non-renewal. Mr Haythornthwaite exhibits various documents as evidence of use of the mark dating back to 1991.

10. Allowing the registration of mark No. 1504353 to lapse was, says Mr Haythornthwaite obviously unintentional as Farmsense were actively using the mark OVICOL and selling and promoting the OVICOL product, something they still do. Mr Haythornthwaite explains that when they realised the registration had lapsed they decided to file a fresh application rather than seek restoration and he exhibits a copy of internal memos to support this. The fresh application was filed on 19 April 2000 under No. 2229991 for the word OVICOL. During the examination process they became aware of the application for the mark they now seek to invalidate. Application No. 2229991 was accepted on the basis of honest concurrent use and registered and Mr Haythornthwaite exhibits a copy of the registration certificate.

11. Mr Haythornthwaite gives details of the sales throughout the UK by Farmsense of milk-based foodstuffs for lambs under the trade mark OVICOL as follows:

1995/96	£69,048
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1996/97	£75,333
1997/98	£112,399
1998/99	£85,248
1999/00	£84,473

12. Mr Haythornthwaite goes on to say that the advertising and marketing spend during the same period was as follows:

1995/96	£11,000
1996/97	£12,000
1997/98	£20,000
1998/99	£18,000
1999/00	£19,000

13. Mr Haythornthwaite exhibits copies of invoices and customer orders for the supply of the OVICOL product during the period 1994-2000 along with product labels, brochures, advertisements, price lists and photographs of the product packs.

14. Mr Haythornthwaite states that Osmonds Ltd, the former registered proprietor of the mark under attack is a competitor of Farmsense in the animal feedstuffs market, specifically in the market for nutritional and dietary supplements and additives and that both companies are members of the Animal Health Distribution Association (AHDA). It would, he says, be inconceivable that Osmonds were unaware of the longstanding use of OVICOL by Farmsense when it filed application No. 2220302. There was no evidence he says, that Farmsense had abandoned or was intending to abandon its use of OVICOL and promotion and sales of OVICOL products continued. Mr Haythornthwaite exhibits copies of print-outs from the Trade Marks Registry database showing that the registration under attack was assigned from Osmonds Ltd to Caprivet in October 2001. Caprivet is, he says a dormant, non-trading company. He exhibits copies of documents from Companies House in support.

15. In October 2001, Mr Haythornthwaite became aware of two instances of use of the mark OVICOL by Osmonds. He exhibits a copy of an advertisement from the Farmers Weekly publication which offers for sale the registered trade marks OVICOL and FARMSSENSE amongst others. He also exhibits a copy of an open letter to Osmond's customers which, he says, refers to OVICOL as being either a general name or a name Osmonds intended to adopt for a lower quality product which would be detrimental to the reputation his company had built up in the brand.

Mr Dawson's witness statement

16. The witness statement of Roger Dawson confirms that he is the General Secretary of the AHDA and that he has held the position of Chief Executive, subsequently Secretary

General since August 1987. He goes on to say that he has been actively involved in the animal health and feedstuffs industries since 1974.

17. Mr Dawson confirms that Farmsense is a member of the AHDA and is a well-known company in the animal feedstuffs market, particularly in speciality feeds. He says he has known of the company and its predecessor Nu-Wave Health Products Ltd since Nu-Wave joined the AHDA in 1991. He goes on to say that he is aware of the trade mark OVICOL which is used in respect of feedstuffs for lambs and that OVICOL is the trade mark of Farmsense.

18. Finally, Mr Dawson confirms that Osmonds Ltd is also a member of the AHDA and is well-known in the animal feedstuffs market, in precisely the same sector as Farmsense.

19. This completes my summary of the evidence, which I found to be well presented, and clear and pertinent to the facts in issue.

Decision

20. I will first consider the application under Section 5(4)(a) of the Act, which states:

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

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

21. The requirements for this ground of objection have been restated many times but can be found in the decision of Mr Hobbs QC sitting as the Appointed Person in *Wild Child* [1998] RPC 455. The relevant passages are re-produced below:

“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 intentionally) leading or likely to lead the public to believe that 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.*

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."

22. To succeed in a passing off action, the applicant has to establish that at the relevant date (25 January 2000): (i) it had acquired goodwill under the trade mark; (ii) that use of the mark by the registered proprietor would amount to a misrepresentation likely to lead to confusion as to origin of the goods; and (iii) that such confusion is likely to cause real damage to the applicant's goodwill.

23. The applicant for invalidation, through its subsidiaries, has been using the mark OVICOL continuously since at least November 1991 in respect of specialist animal feed products. This claim is supported by the evidence provided which shows use of the mark throughout the UK prior to the relevant date. Use is shown of the word OVICOL simpliciter as well as the word OVICOL with the device of a lamb. Sales and advertising figures have also been provided. In view of this use, I am satisfied that the applicant possessed the necessary goodwill to mount a passing off action as at the date of Osmond's Ltd's application to register OVICOL (25 January 2000).

24. I therefore go on to consider whether there is a misrepresentation. To succeed here, the applicant has to show that the relevant public will or is likely to believe that the goods offered by the registered proprietor are those of the applicant. In this case, the goods are intended for use on animals, in particular farm animals. The relevant public therefore, are owners and carers of animals, in particular, farmers.

25. The applicant has furnished evidence showing that it carries on business in the manufacture and marketing of animal feedstuffs, supplements and health products to specialist animal health dealers, agricultural co-operatives, animal feed and health shops and agricultural chemists, which then retail those goods to the farmer. I have not had the benefit of any evidence or submissions from the registered proprietor however, the specification of goods of the mark in suit covers "foodstuffs for animals; additives and supplements for animal feed" which would encompass the goods the applicant has traded in under the mark OVICOL. As the goods are identical it therefore follows that they are likely to use the same channels of trade and have the same potential customer. In view of this, I am satisfied that there would be confusion and deception among a substantial number of the relevant public.

26. The parties are direct competitors; a fact supported by the evidence. It is well established that where the parties are in the same field of activity, if there is confusion between the goods, there will be damage by diversion of trade.

27. The necessary elements of the action for passing off have been shown to exist in this case. The application for invalidation therefore succeeds under this ground.

28. Given my finding under Section 47(2)(b) I do not intend to consider the application under the other ground raised.

Conclusion

29. The application for invalidation has succeeded. In accordance with Section 47(6) of the Act, the registration will be declared invalid and deemed never to have been made. The applicant is entitled to a contribution towards his costs. I order the registered

proprietor to pay the applicant the sum of £1000. This sum is to 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 10th day of December 2002

**ANN CORBETT
For the Registrar
The Comptroller General**