TRADE MARKS ACT 1994

CONSOLIDATED PROCEEDINGS INVOLVING:

1. TRADE MARK APPLICATION 2648572
BY CAFFEINE CLUB COFFEE HOUSES LIMITED FOR THE FOLLOWING TRADE MARK IN CLASSES 21, 25, 30, 32, 38, 41, 42 & 43:

THE CAFFEINE CLUB

AND OPPOSITION THERETO (NO 400286) BY THE CAFFEINE CLUB LTD

&

2. TRADE MARK APPLICATION 2650634
BY THE CAFFEINE CLUB LIMITED
FOR THE FOLLOWING TRADE MARK IN CLASSES 7, 11, 16, 21, 30, 32 & 43:

AND OPPOSITION THERETO (NO 400330) BY CAFFEINE CLUB COFFEE HOUSES LIMITED

BACKGROUND AND PLEADINGS

1. These proceedings concern cross-oppositions to two competing trade mark applications which either consist of, or contain, the words **THE CAFFEINE CLUB.** The first application was filed by Caffeine Club Coffee Houses Limited ("CCC") on 15 January 2013 and consists solely of those words. The second application was filed some two weeks later (on 30 January 2013) by The Caffeine Club Limited ("TCCL") for a mark which contains those words within a diamond shaped border. Both applications cover a range of goods and services, including those of a coffee house.

2. TCCL opposes CCC's earlier application on the ground that it offends section 5(4)(a) of the Trade Marks Act 1994 ("the Act"). TCCL considers that the use of CCC's mark is liable to be prevented under the law of passing-off. CCC opposes TCCL's later application on a ground under section 5(2)(b) of the Act, relying on its earlier trade mark application. TCCL admits the ground itself, but highlights that the earlier mark relied upon is the subject of its opposition, which, if successful, means that there would be no valid basis for the second opposition.

3. The proceedings were consolidated and both sides filed evidence. Neither side asked for a hearing or filed written submissions in lieu of a hearing. I will, though, take into account the arguments that have been made in the papers before me. The real crux of these proceedings lies with the passing-off claim, so I begin with this.

THE FIRST OPPOSITION – SECTION 5(4)(A) OF THE ACT

Legislation and general principles

4. Section 5(4)(a) states that:

> "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."

5. 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.”

6. 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 pleaded case

7. TCCL claims that the following sign has been used in Plymouth since 29 March 2006:

8. In relation to:

1. The operation of cafe/coffee house bearing the mark The Caffeine Club- class 43
2. The supply of coffee, tea,cocoa and coffee based preparation- class 30
3. Use and supply of Branded Clothing- class 25
4. Use and supply of Branded Cups and crockery- class 21
5. Supply of Smoothies, fruit drinks and fruit juices- class 30

9. In support of its claim, TCCL goes on to state that:

The opponent has operated a cafe/coffee house in Plymouth under the name The Caffeine Club since March 2006. The applicant was incorporated on 7 December 2012

The opponent has established a name and reputation in it's brand over that period of time.

The applicant trademark is likely to cause confusion to the public for the following reasons:

i. The classes in which the trademark is sought are classes which the opponent has established a brand recognition

ii. The applicant is based in Plymouth being the same area that the opponent operates from

iii. the trademark wording is identical to that of the opponents company's name and brand

By virtue of this likely confusion the opponent is likely to suffer damage should the trademark be registered.

10. In its counterstatement, CCC simply denies the claim.

TCCL's primary evidence

11. TCCL's evidence comes from Mr Gary Black, a director of TCCL. He states that TCCL was incorporated on 29 March 2006 and that until July 2012 it traded from premises at the following address: "1-1a, The Coffee Shop, Lisson Grove, Plymouth". He states that "the company used the name The Caffeine Club when trading from those premises". In July 2012 the business relocated to 46 Tavistock Place, Plymouth and "continued to use the name and branding of The Caffeine Club".

12. Exhibit GB1 contains TCCL's financial accounts for the years ending 2009, 2010 and 2011. Turnover was £32k, £30k, and just under £52k respectively. Mr Black highlights the upward trend, a trend that he says has continued. Although he is unable to provide the latest accounts (because they were still being prepared) he does provide two VAT returns which cover the period 1 January 2013 to 31 May 2013 and which show £137k in terms of sales. He adds that an increase in turnover is indicative of an increase in sales. He states that TCCL is a cafe/coffee house and its sales are dependent on its customers. He puts the increase in custom down to its reputation and goodwill, although, he accepts that the location of the business will have had an impact.

13. Mr Black states that the move to larger premises was needed because of the increase in turnover. He explains the better demographic of the new location, being located close to the University of Plymouth. To continue its marketing strategy, it opened a Facebook page on 16 October 2012. This is shown in Exhibit GB2. The Facebook page depicts the sign relied upon. There are also photographs of the premises which show the name The Caffeine Club, but not in the form of the sign relied upon. Mr Black states that the Facebook page has received 1742 likes and 3939 sign-ins, but, of course, these are not dated so will have included likes and sign-ins up to the date on which the prints were obtained which I must assume was around 25 September 2013 when Mr Black gave his evidence.

14. When TCCL moved premises a refurbishment took place including "significant signage" internally and externally. Exhibit GB3 contains photographs of such signage. It includes THE CAFFEINE CLUB used just as words and also in the form relied upon. It is fair to say that the signage is prominent. However, it is not clear when this signage was erected. In the same exhibit there is a letter from Shannon Signs, a letter which I suspect has been solicited for the proceedings. The letter writer appears to have been asked for information as to when works were carried out. The letter writer states that:

- In May 2008 it manufactured signage for the Caffeine Club at its original site.

- The Caffeine Club was re sited in June/July 2012 and it was asked to manufacture temporary signage to gates, glass decking panels and wall areas, pending full refurbishment to site and grand opening in early 2013.

- New signage was manufactured and still exists today.

15. Mr Black adds that the illuminated signage on the external elevation of the building was erected on 9 November; I assume he means November 2012.

16. Mr Black adds that throughout its history the company has used branded products and stationery. This is mainly used in the operation of the business, but it is, apparently, available for sale to the public. Photographs are provided showing bags of coffee, mugs/cups, loyalty cards, menus etc. Some show the sign relied upon, others use just the words The Caffeine Club.

17. In relation to CCC, he states that it was incorporated on 7 December 2012 and as far as he knows it has not traded, so no damage has yet been done to the business of TCCL. CCC has an address in Plymouth.

CCC's primary evidence

18. CCC's evidence comes from Mr Gareth Eddy, a director of CCC. Mr Eddy's evidence is not easy to follow. It could have been structured in a clearer and more concise manner. His witness statement alone runs to around 40 pages. Nevertheless, some serious claims are made about the credibility of TCCL's evidence so it goes without saying that I have given full and careful consideration to everything Mr Eddy has stated even if I do not summarise it all. His main claim is that when TCCL was located at its old location in Lisson Grove, it was not called The Caffeine Club and, further, that when it moved to Tavistock Place, it did not begin trading as The Caffeine Club until after CCC filed its trade mark application. Mr Eddy believes that the building in Tavistock Place was in a severe state of disrepair and was completely closed throughout 2012 and into 2013 whilst renovations were undertaken. He notes that nowhere in his evidence does Mr Black say when the new premises was opened and that Mr Black does not even mention the long term closure.

19. Mr Eddy believes that the immediate financial success of The Caffeine Club when it opened (this, I assume, is a reference to the sales highlighted in the VAT returns) stems from its primary focus on the late night alcohol club trade. Also, its success may in part be down to the public perception that the business was associated with a "legendary" business that used to be run in the adjoining building (45 Tavistock Place) between 1994 and 2000 and which was also called The Caffeine Club; Mr Eddy refers to this as riding on the back of this past reputation and is indicative of the true motivation for the business being located where it is and taking the same name. He refers to exhibit GEA2 which consists of a UK trade mark register extract for the words THE CAFFEINE CLUB dating from 1995. The mark is in the joint ownership of Mr Eddy and a Ms Anna Harwood and covers coffee based goods in class 30 and various food and drink services in class 43. Mr Eddy confirms that this earlier mark is not relied upon in this or any other opposition. He adds that CCC's new application (the mark the subject of the first opposition) was filed to re-enforce the mark in classes 30 and 43 and to add protection for other classes for which it will be used as part of new projects. He sates that these plans are now feasible due to "a positive change in underlying social values and recent progressive legislation". Exhibit GE6 contains a series of articles and advertisements about the original Caffeine Club run by Mr Eddy and Ms Harwood. It is clear that the cafe sprung from the new coffee culture scene that existed at that time. The exhibit also

includes two more recent web extracts including one from *thebookaholic blogspot* in 2006 where a user recounts his memory of the Caffeine Club and, also, someone reminiscing on the Facebook page of Jelly Jazz about the same venue.

20. Mr Eddy states that the various web prints he provides in evidence should be enough to prove the points he is trying to establish, but adds that there were many more which have been removed from the web, he assumes by TCCL.

21. Mr Eddy notes that Mr Black does not say when TCCL began trading. He questions why there as a gap between its incorporation in 2006 and the trading accounts provided from 2009. He believes that in this time TCCL was just one of a number of dormant companies held by a Mr Steven Bartlett, who he believes is the driving force behind the business. A Companies House print shows that the two shares issued in respect of the company are owned by Steve Bartlett Enterprises Limited. Mr Eddy believes that the accounts were concocted and states that there is no evidence that TCCL operated The Caffeine Club at any location prior to the opening of it in February 2013 at 46 Tavistock Place. On the contrary, he states that the business operated at the previous location went by the name CAFFEINE CAFE. He considers it damning that Mr Black did not mention the operation of CAFFEINE CAFE in his evidence. Exhibit GE3 contains a series of photographs and business listings showing the cafe located at Lisson Grove. This evidence strongly suggests that the name of the cafe was CAFFEINE CAFE. There is also a recent *Trip Advisor* review for a business at the same address called Ministry of Coffee which appears to be a rebrand of CAFFEINE CAFE. Mr Eddy comes back to this evidence in more detail later in his witness statement, but for reasons that will become apparent (see paragraph 34 below) I do not need to detail this further.

22. In an attempt to shed some light on the date of opening of The Caffeine Club, Mr Eddy provides extracts from the social networking site *Twitter*. Exhibit GE1.3B is a Twitter search for "#Caffeine Club" the results of which show a number of hits including user "Dec Pike" who *tweeted* on 12 February (the context of the evidence as a whole puts this as 2013) about The Caffeine Club; an attached *Instagram*[1] photograph shows The Caffeine Club (with a visible sign) located behind him and he is drinking from a Caffeine Club disposable cup. Mr Eddy states that this is the first customer *Tweet* and that the management of the business had not themselves *Tweeted* any earlier. I note that the page contains hits from 2012, but the use of #caffeineclub by those users does not appear to be in relation to The Caffeine Club business.

23. Mr Eddy refers to another page of *Tweets* by The Caffeine Club itself which, after *Tweeting* its address on 22 January [2013], user "Laura Mouncher" asks, on the same day, whether they are open Thursday. The user then answers her own question by stating:

> "Aww damn!! Okay looking forward to when its open:) be my new coffee spot x".

[1] Another social networking website, with a focus on user photographs.

24. Mr Eddy states that the first *tweet* that potentially shows a customer is posted by The Caffeine Club on 1 February [2013] and reads:

> "A local businessman popped in to get his coffee from us. The Feedback we received was fantastic!"

A photograph of said customer is attached with a neon CAFFEINE CLUB sign in the background (inside the premises). Mr Eddy believes that this is further support for his believe that the business did not open until after 15 January 2013 and that this is consistent with the lower VAT returns in the first period provided by Mr Black.

25. The next part of Mr Eddy's evidence details his attempts to get information about TCCL's business accounts from its accountants, Oakleys Accountants. They refused to provide Mr Eddy with anything. This is unsurprising. A firm of accountants is hardly going to provide a third party with information about one of its clients. If Mr Eddy wanted something in particular he should have requested some form of disclosure with TCCL's legal advisors.

26. Mr Eddy states that the principal business activity of TCCL was identified as a cafe in the first two annual reports filed by TCCL, but in the third it was "rental and leasing and management of commercial and domestic properties". Mr Eddy feels that this supports the proposition that The Caffeine Club was not a forward facing brand and that the accounts were concocted. He states that the accounts would have referred to CAFFEINE CAFE as this was the name of the cafe. He states that the first time any forward facing use in relation to anything to do with the coffee business occurred was when annual accounts were filed on 28 January 2013 and the principal business activities of TCCL included coffee related food, drinks and services. He states that Mr Black's assertion that the accounts for 2012 would show an increase in trade cannot be true because the business moved to Tavistock Place that year and was closed for refurbishment.

27. Mr Eddy then spends some time discussing what he describes as "Steve Bartlett's long time coveting of the brand "The Caffeine Club"" and he recounts and provides exerts of transcripts of telephone calls between the two. I do not consider it necessary to summarise this evidence. The transcripts are only partial so without full context it is difficult to take much from them, although, I accept from this evidence that Mr Bartlett knew of the original Caffeine Club. Mr Eddy highlights that some people will assume that the new business is connected to the old and refers to another *Tweet* on the *Twitter* account of The Caffeine Club from user "Alex Evans" which reads:

> "Happy to hear there's a caffeine club back on tavi place...any of the old gang involved?"

28. Mr Black's reference to the "continuation" of a marketing strategy (with the opening of a Facebook page in October 2012) is considered by Mr Eddy to be misleading given that the previous name from which this marketing continued is CAFFEINE CAFE. Mr Eddy states that Mr Black's reference to "refurbishment" is not adequately explained because he does not describe the situation properly given that the building was completely closed through the last 6 months of 2012 and January

2013. He accepts that significant signage has been put up which, he says, is symptomatic of insecurities over the use of the name. He accepts that branded products and stationery are used by TCCL but states that Mr Black is misleading when he states that this has been done throughout the trading history of TCCL.

29. Mr Eddy refers to the trade mark owned by him (and Ann Harwood) and the re-filing of the mark (the trade mark the subject of the first opposition). He explains his plans for the future with regard to the name (which I do not need to summarise here) and suggests that Mr Bartlett must have got wind of his plans and rushed through the use by TCCL of the name and launched the Facebook page in October 2012 etc.

30. Reference is made not only to the trade marks applied for by TCCL (the mark the subject of the second opposition in these proceedings) but, also, earlier applications by Boutique Coffee Brands, another company which, according to Mr Eddy, is owned by Mr Bartlett. The details provided show a stable of earlier registered marks for coffee shop names, including Caffeine Club, but that this was registered only for class 35 services not any coffee related services; Mr Eddy takes this as proof that there was no prior trade as The Caffeine Club as a coffee shop. Mr Eddy also refers to a trade mark owned by Plymouth Land Limited (apparently another company owned by Mr Bartlett) in respect of CAFFEINE COWBOYS which uses the address in Lisson Grove, and uses the name “Caffeine Cafe” as its customer reference. Mr Eddy considers this to show that Caffeine Cafe was the trading entity and that it must have had an account with the IPO; this latter point is misconceived because the name is simply a customer reference, nothing more.

31. The remaining statements of Mr Eddy that I note are that:

- The Facebook page of The Caffeine Club may have begun advertising certain images (of food etc) on it in January 2013, but there is no customer interaction until later in the year.

- The only reference to The Caffeine Club ever having been used in the previous location was in a promotional comment on the Facebook page, a comment posted by the management.

- TCCL has acted dishonestly by indicating in a logo that it has been established since 1983 and that this shows they are willing to lie to people.

- In a license application for the Tavistock Place premises dated 26 December 2012, the premises was identified as The Caffeine Cafe.

- The good name of his old business will be damaged by TCCL’s new use.

TCCL’s additional evidence

32. The evidence is given by Ms Emma Pope, a director of TCCL. In terms of the use of the name The Caffeine Club, she highlights the letter in Mr Black’s evidence from Shannon Signage to the effect that they manufactured signage for the original location and also temporary signage for the new location; it is stated that temporary signage would not have been used if no business was being conducted. It is stated

that whilst refurbishment was taking place so that it could operate as a 24 hour cafe, it was operated as a normal cafe during the refurbishment period. Reference is made to page 28 of Mr Black's evidence which shows a photograph on *Facebook* dated 9 November [2012] showing an external sign fully illuminated demonstrating, Ms Pope states, that the establishment was trading.

33. To further show that the cafe was open, she highlights that in the part of Mr Eddy's evidence where he recounts his conversations with Mr Bartlett, the following exchange takes place:

> Bartlett: "You've seen The Caffeine Club, er, er, back on your old site...you want a piece of that action"
>
> Eddy: "I don't want a piece of the action at all!"

This is meant to demonstrate that Mr Eddy knew that the business had opened in 2012, however, I note that the conversation took place in October 2013 so Ms Pope's point is misconceived.

34. Ms Pope confirms that Caffeine Cafe was used as front signage for the old location. However, she states that at all times the crockery and branding used within the premises was The Caffeine Club. To support this she provides two "to whom it may concern" letters. The first is from Foodsmiths who state "we have been supplying a diverse array of products to the Caffeine Club previously at Lisson Grove" and that since its relocation there has been a dramatic increase in this trade. The second letter is from Pieras Coffee who state that TCCL has been a valued customer for a number of years and that in this time "we have supplied them Caffeine Club bespoke branded coffee".

35. In relation to TCCL's accounts, she states that they have been compiled by a well established and reputable firm of accountants and are a true reflection of the trading of TCCL.

36. Ms Pope states that TCCL was set up in 2006, 6 years after the closing of The original Caffeine Club. As she was not a director at the time, she has spoken to Mr Bartlett. He apparently always liked the name but knew that it had been trade marked by Mr Eddy, so was not a name he could use. However, in 2006 the trade mark was not renewed so he decided to incorporate a company (TCCL) to use it as a trading name. However, when he learnt that the trade mark had been restored he thought that this meant that Mr Eddy was to re-open; this is why Mr Bartlett simply used the company name (as opposed to trading under it) as he did not wish to cause confusion. Ms Pope states that by 2009 the name had not been used by Mr Eddy, so Mr Bartlett was able to trade under it, and he did so. All of this is, of course, hearsay evidence.

CCC's additional evidence

37. This is a second witness statement from Mr Eddy. Part of his evidence is dedicated to the apparent removal of Mr Black from his directorship and shareholding in TCCL, which Mr Eddy considers to have some form of ulterior

motive. In relation to Ms Pope's claim that the business was trading as a normal cafe during the refurbishment is something vehemently denied by Mr Eddy. He states that the location was a building site with the whole of the first floor and front of the building ripped apart.

38. In relation to the letter from Shannon Signs, he says this could have been written as a favour to Mr Bartlett and is, in any event, undermined by the photographs of signage for CAFFEINE CAFE. In relation to the photograph of the illuminated sign in November 2012 (on the *Facebook* page), he states that this does not show actual trade. He highlights, again, the *Tweets* which he considers to show when the business opened. He accepts that in the telephone conversation with Mr Bartlett he was at that point aware of the business trading, but he highlights that this was in October 2013 not 2012.

39. Mr Eddy does not believe, nor is it realistic, that a business whose name is CAFFEINE CAFE would use The Caffeine Club on crockery etc. He considers the "to whom it may concern" letters to lack reliability. In relation to accounting, Mr Eddy still has doubts and states that Oakleys are also his accountants and that in informal conversations with them he knows that they would not back-up Mr Black's or Ms Pope's statements. I have borne in mind the rest of Mr Eddy's statement, but it is unnecessary to summarise its contents .

ANALYSIS AND DECISION

Relevant date

40. Whether there has been passing-off must be judged at a particular point (or points) in time. In *Advanced Perimeter Systems Limited v Multisys Computers Limited,* BL O-410-11, Mr Daniel Alexander QC, sitting as the Appointed Person, stated:

> "39. In *Last Minute*, the General Court....said:
>
> > '50. First, there was goodwill or reputation attached to the services offered by LMN in the mind of the relevant public by association with their get-up. In an action for passing off, that reputation must be established at the date on which the defendant began to offer his goods or services (*Cadbury Schweppes* v *Pub Squash* (1981) R.P.C. 429).
> >
> > 51. However, according to Article 8(4) of Regulation No 40/94 the relevant date is not that date, but the date on which the application for a Community trade mark was filed, since it requires that an applicant seeking a declaration of invalidity has acquired rights over its non-registered national mark before the date of filing, in this case 11 March 2000.'
>
> 40. Paragraph 51 of that judgment and the context in which the decision was made on the facts could therefore be interpreted as saying that events prior to the filing date were irrelevant to whether, at that date, the use of the mark applied for was liable to be prevented for the purpose of Article 8(4) of the CTM Regulation. Indeed, in a recent case before the Registrar, *J Sainsbury*

plc v. Active: 4Life Ltd O-393-10 [2011] ETMR 36 it was argued that *Last Minute* had effected a fundamental change in the approach required before the Registrar to the date for assessment in a s.5(4)(a) case. In my view, that would be to read too much into paragraph [51] of *Last Minute* and neither party has advanced that radical argument in this case. If the General Court had meant to say that the relevant authority should take no account of well-established principles of English law in deciding whether use of a mark could be prevented at the application date, it would have said so in clear terms. It is unlikely that this is what the General Court can have meant in the light of its observation a few paragraphs earlier at [49] that account had to be taken of national case law and judicial authorities. In my judgment, the better interpretation of *Last Minute*, is that the General Court was doing no more than emphasising that, in an Article 8(4) case, the *prima facie* date for determination of the opponent's goodwill was the date of the application. Thus interpreted, the approach of the General Court is no different from that of Floyd J in *Minimax*. However, given the consensus between the parties in this case, which I believe to be correct, that a date prior to the application date is relevant, it is not necessary to express a concluded view on that issue here.

41. There are at least three ways in which such use may have an impact. The underlying principles were summarised by Geoffrey Hobbs QC sitting as the Appointed Person in *Croom's TM* [2005] RPC 2 at [46] (omitting case references):

> (a) The right to protection conferred upon senior users at common law;
>
> (b) The common law rule that the legitimacy of the junior user's mark in issue must normally be determined as of the date of its inception;
>
> (c) The potential for co-existence to be permitted in accordance with equitable principles.

42. As to (b), it is well-established in English law in cases going back 30 years that the date for assessing whether a claimant has sufficient goodwill to maintain an action for passing off is the time of the first actual or threatened act of passing off: *J.C. Penney Inc. v. Penneys Ltd.* [1975] FSR 367; *Cadbury-Schweppes Pty Ltd v. The Pub Squash Co. Ltd* [1981] RPC 429 (PC); *Barnsley Brewery Company Ltd. v. RBNB* [1997] FSR 462; *Inter Lotto (UK) Ltd. v. Camelot Group plc* [2003] EWCA Civ 1132 [2004] 1 WLR 955: "date of commencement of the conduct complained of". If there was no right to prevent passing off at that date, ordinarily there will be no right to do so at the later date of application.

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

> 'Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. However, where the applicant has used the mark before the date of the application it is

necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made.' "

41. In a normal case before this tribunal the relevant date would, therefore, be the filing date of the subject trade mark application so, in these proceedings, 15 January 2013. However, if the subject trade mark has been used before that date then the position at the earlier date (when the use of that mark commenced) must also be considered. Such use may establish, for example, that CCC is the senior user of the mark. I highlight this because Mr Eddy, a director of CCC, has provided evidence that he operated a cafe called The Caffeine Club between 1994 and 2000. The cafe was located in the adjoining building to where TCCL has opened its Caffeine Club. Whilst I recognise the potential for such a claim to be relevant, I do not consider that it is relevant in these proceedings, for the following reasons:

i) At no time has CCC claimed a senior user status, Mr Eddy's prior use instead being relied upon simply to demonstrate the motives of TCCL.

ii) The applicant for the first trade mark is CCC as opposed to Mr Eddy personally. For the senior use to be relevant CCC would need to establish that it owned any goodwill Mr Eddy built up – there is no evidence of any form of assignment of goodwill from Mr Eddy to CCC.

iii) Notwithstanding Mr Eddy's claim that it was a legendary venue, all one has to go on are a few articles and advertisements. This creates a problem in assessing whether goodwill existed at the time, and/or, the strength of that goodwill.

iv) The original Caffeine Club closed twelve years before CCC applied for its trade mark which means that it would have to demonstrate a residual goodwill. This is difficult in circumstances when the evidence is lacking in terms of being able to assess its initial strength. Whilst there are a few indications that some members of the public recall the original Caffeine Club (*Twitter* user Alex Evans, for example) it is not clear if this equates to an assumption that the new business is the same as the old[2]; Alex Evans is himself just wondering whether the "old gang is involved". This, combined with the questionable degree of how many people will even recall it, means that residual goodwill is not established.

42. For the above reasons, the matter must be judged solely as of 15 January 2013. TCCL must establish that it had a protectable goodwill associated with the sign relied upon at this date and that notional use of the applied for mark by CCC would constitute passing-off.

[2] In *WS Foster & Son Limited v Brooks Brothers UK Limited* [2013] EWPCC 18, Mr Recorder Iain Purvis QC, described this as the acid test.

Was there goodwill at the relevant date?

43. In *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL) the following was stated in respect of goodwill:

> "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."

44. The earlier use by a claimant must relate to the use of the sign for the purposes of distinguishing goods or services. For example, merely decorative use of a sign on a T-shirt cannot found a passing-off claim: *Wild Child Trade Mark* [1998] RPC 455 (AP).

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

> "27. There is one major problem in assessing a passing of claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirements of the objection itself are considerably more stringent that the enquiry under s.11 of the 1938 Act (see Smith Hayden & Co. Ltd's Application (OVAX) (1946) 63 R.P.C. 97 as qualified by *BALI Trade Mark [1969] R.P.C. 472*). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.
>
> 28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed to the relevant date. Once raised, the applicant must rebut the prima facie case. Obviously, he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of probabilities that passing off will occur."

46. However, in *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat) Floyd J. stated:

> "[The above] observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be answered of passing off. I do not understand Pumfrey J to be laying down any absolute requirements as to the nature of evidence which needs to be filed in every case. The essential is that the evidence should show, at least prima facie, that the opponent's reputation extends to the goods comprised in the

application in the applicant's specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application."

47. Trivial goodwill is not protectable under the law of passing-off, as per the judgment in *Hart v Relentless Records* [2003] FSR 36, where Jacob J. stated:

> "62. 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."

48. 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 goodwill 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."[3]

49. TCCL claims to have used the designation The Caffeine Club at two distinct locations in Plymouth, firstly in Lisson Grove, subsequently in Tavistock Place. It claims that goodwill will have been generated from such activities. I will consider, initially, whether the business conducted at Lisson Grove will have generated goodwill associated with the designation The Caffeine Club.

50. In his witness statement Mr Black made this statement about the Lisson Grove cafe:

> "the company used the name The Caffeine Club when trading from those premises..."

[3] *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

51. However, it is clear from the evidence presented by Mr Eddy that the primary name associated with the business at Lisson Grove was CAFFEINE CAFE. That Mr Black did not mention this, according to Mr Eddy, is damning. I do not go as far as that, but it is certainly somewhat misleading. Mr Black ought to have explained the manner in which The Caffeine Club was being used. Ms Pope subsequently attempted to explain this. She accepts that CAFFEINE CAFE was used externally but suggests that at all times the crockery and branding used within the premises was The Caffeine Club.

52. Ms Pope refers to three "to whom it may concern letters". By their very nature, such letters constitute hearsay evidence. The letter writers have not given evidence themselves so have immunised themselves (although not necessarily intentionally) against being cross-examined. It is therefore not the strongest evidence. The strength is weakened further because of the content of the letters or, more acutely, the content which is missing from them. Shannon Signs state that they manufactured signage for the Caffeine Club at its original site, however, it is not explained (or depicted) what those signs were. It must be remembered that TCCL's company name is The Caffeine Club Limited so the letter writer could have just been referring to the manufacture of signs for The Caffeine Club (as in the company). Either way, it is not clear what exactly they made or how they were displayed. Then there is the letter from Foodsmiths who state "we have been supplying a diverse array of products to the Caffeine Club previously at Lisson Grove". Again, they may have just been referring to the company and the letter does not indicate what designations were in use, in what circumstances and what exactly they were providing. Pieras Coffee state that TCCL has been a valued customer for a number of years and that in this time "we have supplied them Caffeine Club bespoke branded coffee". This at least suggests that some goods (coffee) bearing the sign The Caffeine Club were produced, however, there is no evidence of what the product looked like and what impact it would have had on customers. There is no evidence of how many, if any, bags of coffee were sold to the public during this time. There is no evidence of whether customers would ever have seen the bags of coffee. Mr Black did, of course, provide some photographs of certain products in his evidence. However, none can be dated so it is not clear what, if any, were used at the first location. The goods depicted may have just been used in the new location when greater significance was given to the designation The Caffeine Club because, by this time, the new cafe took this name.

53. Goodwill cannot simply be asserted. This is particularly so when the primary name associated with the business is different from that relied upon. The evidence of how this secondary designation was used lacks any objective detail from which reliable assessments can be made. TCCL may have had a small (and local) protectable goodwill associated with the name CAFFEINE CAFE, but the evidence does not establish any goodwill associated with the name The Caffeine Club. I should stress for the sake of completeness that Mr Eddy's comments regarding the concoction of trading figures is not accepted. There is insufficient evidence to undermine the proposition that the trading figures provided relate to the business run at Lisson Grove.

54. That, however, is not the end of the matter because it is clear that TCCL has operated a business from the premises in Tavistock Place. The question is whether

this business activity generated goodwill (associated with the name The Caffeine Club) before the relevant date of 15 January 2012. Mr Eddy does not believe that any business was operated before the relevant date because of the refurbishment that was taking place and the severe state of disrepair of the building during this process. Mr Black's evidence is not helpful because whilst he states that TCCL moved to Tavistock Place in July 2012 and that there was a refurbishment, he does not explain or differentiate in the way that Ms Pope later does, namely, that whilst the refurbishment was taking place there was still a trade being undertaken as a "normal cafe" and that Shannon Signs had manufactured temporary signage. What is clear is that the grand opening (of the 24 hour cafe) does not appear to have taken place until early 2013. This is consistent with Mr Eddy's *Twitter* evidence and the letter from Shannon Signs. It is noteworthy that neither Mr Black nor Ms Pope puts any specific date on this. It is something that they could very easily have done. The logical conclusion of all this is that the grand opening of the 24 hour The Caffeine Club took place after the relevant date.

55. The only potential for goodwill to have been generated is, therefore, left with Ms Pope's claim that between July 2012 and the grand opening (which I have held was after the relevant date) a "normal" cafe was being operated. She relies on the temporary signs referred to by Shannon Signs. Also relied upon is the *Facebook* photograph from November 2012 showing the illuminated Caffeine Club sign on the side of the building.

56. It does seem unusual that a cafe was being operated whilst it was also being refurbished. Health and Safety regulations would normally prevent such activity. That of course depends on the level of refurbishment. Mr Eddy has stated that is was like a building site, neither Mr Black or Ms Pope provide any real explanation of what level of refurbishment was taking place. The fact that temporary signs were manufactured does not establish trade. The temporary signs could have been to simply indicate what was to come. Neither does a photograph of an illuminated sign indicate trade. The sign could have been put up and switched on to test it and/or for promotional purposes (on the *Facebook* page) in advance of the grand opening. Ms Pope, of course, states, that a normal cafe was in operation. However, other than this bare statement there is not a shred of evidence. TCCL must have had something in its possession to show that trade was taking place between July 2012 and the relevant date. In circumstances where Mr Eddy has made strong criticisms and provided counter-evidence, my finding is that TCCL has failed to establish that any form of trading was taking place. Even if I am wrong to make such a finding, the paucity of evidence is such that goodwill cannot be inferred. Goodwill is about custom and trade. There is no evidence whatsoever of customer numbers, turnover, sales etc. There is no evidence as to what the temporary signage looked like and what impact the name would have had on the public. The only visible use presented in evidence that can be specifically tied to periods before the relevant date is the photograph in November 2012. This is only 2 months before the relevant date and this, together with the paucity of evidence already presented, fails to establish goodwill.

57. TCCL has failed to establish any goodwill associated with the designation The Caffeine Club before the relevant date. Its opposition therefore fails. For completeness, I should add that the sign actually relied upon in its pleadings

was the words The Caffeine Club in a diamond border. Its position is even weaker here and would also have failed for this reason also.

The second oppposition – section 5(2)(b) of the Act

58. CCC's opposition to TCCL trade mark application is based on section 5(2)(b) of the Act, CCC relying on its earlier trade mark. I note that in its counterstatement TCCL stated:

2. Applicant admits the grounds as set out in opposition however for the reasons set out below submits that a determination on the grounds at present would be precipitous.

3. The Applicant's Mark is opposed by Caffeine Club Coffee Houses Limited (the Opponent), who claimed to be the owner of Trade Mark No. 2648572. ("the Disputed Mark")

4. The Disputed Mark of The Caffeine Club Coffee Houses Limited is opposed, under opposition number OP000400286, by The Caffeine Club Limited on the basis that it has established a reputation in the Disputed Mark prior to the Trade Mark Application No. 2648572 The Caffeine Club being filed.

5. Should the Applicant be successful in opposition matter OP000400286 the grounds of opposition raised by the Opponent will fail.

59. The consequence of the above is that in circumstances where CCC's earlier mark survives its opposition (which I have so held), the opposition to TCCL's mark is admitted by TCCL. That is, therefore, the end of the matter. When CCC's mark becomes registered, TCCL's mark will be refused under section 5(2)(b) of Act.

COSTS

60. CCC has been successful and is entitled to a contribution towards its costs. In making my assessment I bear in mind that it was not legally represented so would not have incurred legal costs. I award CCC the sum of £1000 as a contribution towards the cost of the proceedings. The sum is calculated as follows:

Preparing a statement and considering the other side's statement x 2 - £300

Fee for opposition - £200

Considering and filing evidence -- £500

***Total* - £1000**

61. I therefore order The Caffeine Club Limited to pay to Caffeine Club Coffee Houses Limited the sum of £1000. 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 28th day of November 2014

Oliver Morris
For the Registrar,
The Comptroller-General