

O-602-16

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO 3010419
BY MARIAGE FRÈRES, SOCIÉTÉ ANONYME TO REGISTER THE TRADE MARK**

LUCKY TEA

IN CLASSS 21 AND 30

**AND IN THE MATTER OF OPPOSITION THERETO UNDER NO 401001
BY TWG TEA COMPANY PTE LTD**

AND

**IN THE MATTER OF APPLICATION NO 3019785
BY TWG TEA COMPANY PTE LTD TO REGISTER THE FOLLOWING SERIES OF
TWO TRADE MARKS**



AND



IN CLASSS 21 AND 30

**AND IN THE MATTER OF OPPOSITION THERETO UNDER NO 401446
BY MARIAGE FRÈRES, SOCIÉTÉ ANONYME**

Background and pleadings

1) Mariage Frères, Société Anonyme (hereafter “MF”) applied to register the mark no. 3010419 LUCKY TEA in the UK on 18 June 2013. It was accepted and published in the Trade Marks Journal on 5 July 2013 in respect of the following goods:

Class 21: *Household or kitchen utensils and containers; teapots; tea services; tea balls, strainers, tea measures, infusers, tea filters, tea cosy of metal; tableware of glass, porcelain, earthenware, synthetic resin, terracotta; tableware of precious metal or coated therewith (except cutlery); tea canisters, caddies and urns; candlesticks and candelabra (candlesticks) of precious metal or coated therewith; trays and boxes for household use of precious metal or coated therewith.*

Class 30: *Coffee, tea, cocoa ; cocoa-, coffee-, chocolate- or tea-based beverages; non medicinal infusions; sugar, rice, bread, pastry and confectionary, pancakes (foodstuffs); cookies; cakes; rusks; confectionary; chocolate; edible ices; honey, salt, mustard; vinegar, sauces (condiments); condiments; spices; dried plants and seeds, flavourings, other than essential oils, and mixtures of the aforesaid goods, for preparing non-medicinal beverages.*

2) TWG Tea Company PTE Ltd (hereafter “TWG”) oppose the mark on the basis of section 3(3)(b), section 3(6) and section 5(4) (a) of the Trade Marks Act 1994 (“the Act”). The section 3(3)(b) ground is based upon a claim that the mark is deceptive when used in respect of goods not being teas or not related to teas. The section 3(6) grounds are based on a claim that it is not credible that MF had a bona fide intention to use its mark on all the goods applied for.

3) The section 5(4)(a) grounds are based upon its alleged earlier rights in the signs LUCKY TEA, LUCKY ME TEA and LUCKY YOU TEA. It claims to have been selling tea under these signs since at least 2010 and has acquired goodwill under the signs. Use of the trade mark applied for would therefore be a misrepresentation to the public and result in damage to the aforementioned goodwill.

4) MF filed a counterstatement denying the claims made and puts TWG to strict proof of use.

5) On 28 August 2013, TWG applied to register the following series of two marks (mark no. 3019785) in the UK:



6) It was accepted and published in the Trade Marks Journal on 27 September 2013 in respect of the following goods:

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

Class 30: *Coffee, coffee-based beverages; tea, black tea [English tea], flavorings of tea, tea-based beverages, fruit flavoured tea (other than medicinal), fruit tea (other than for medical purposes), beverages with tea base, Rooibos tea, herbal tea (other than for medicinal use), Chai tea, green tea, Japanese green tea, Oolong tea (Chinese tea), aromatic teas (other than for medicinal use), beverages made of tea, iced tea, tea bags (other than for medicinal use), tea extracts, tea essence; tea for infusions (other than for*

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

7) MF subsequently filed an opposition to this application on the basis of section 3(6), section 5(1), section 5(2)(a), section 5(2)(b) and section 5(4) (a) of the Trade Marks Act 1994 ("the Act"). The section 3(6) grounds was subsequently withdrawn.

8) The grounds based upon sections 5(1), 5(2)(a) and 5(2)(b) rely upon MF's earlier mark 3010409 LUCKY TEA, the subject of the above detailed opposition by TWG. MF claims that the TWG's mark is identical to its mark and in respect of identical goods and similar goods. It also, rather paradoxically, claims that the respective marks are similar.

9) The section 5(4)(a) grounds are based upon MF's alleged earlier rights in the signs LUCKY NUMBER TEA, LUCKY and LUCKY STAR. It claims to have been selling tea under signs incorporating the word LUCKY since 2006 and has acquired goodwill under the sign. Use of the trade mark applied for would therefore be a misrepresentation to the public and result in damage to the aforementioned goodwill.

10) Both sides filed evidence in these proceedings. This will be summarised to the extent that I consider appropriate/necessary. These cases form two of a number of cases between the parties that were heard consecutively over two dates in October 2016 where MF was represented by Thomas St Quintin of counsel, instructed by Potter Clarkson LLP and TWG represented by Mr Ian Bartlett for Beck Greener. The hearing in respect of this case took place on 20 October 2016.

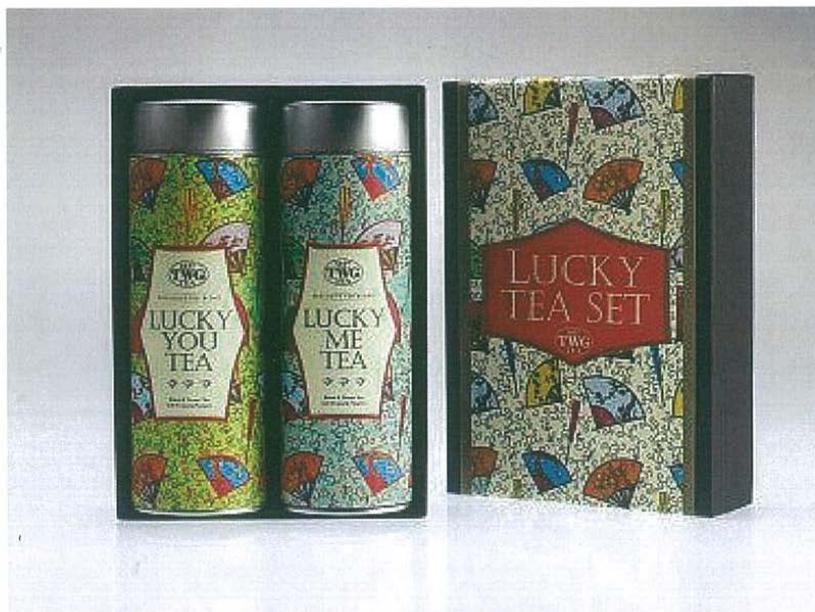
11) As the success or otherwise of MF's opposition to TWG's 3019785 mark relies, in part, upon its earlier dated application 3010419, I found it convenient to consolidate the two sets of proceedings and I also find it convenient to begin by considering TWG's opposition to MF's 3010419 mark.

TWG's opposition against MF's 3010419 application

TWG's evidence

12) This takes the form of a witness statement by Taha Bouqdib, president, chief executive and a director of TWG. Mr Bouqdib states that TWG opened its first tea salon in Singapore in August 2008. A market analysis commissioned in the context of legal proceedings in France is referred to by Mr Bouqdib. It mentions that TWG "...operates an outlet at Harrods in London."

13) Mr Bouqdib explains that its LUCKY tea is one of TWG's packaged tea range that are sold in card or metal containers, examples of which are shown below:



14) Mr Bouqdib states that TWG first used the name “LUCKY tea, including in the forms LUCKY ME Tea and LUCKY YOU Tea in 2008”. At Exhibit TB5, is an article dated 27 August 2008 from the Reuters UK website. This is about TWG’s “luxury tea boutique” in Singapore and states “The shop sells gift packs of some of tea blends such as ... “Lucky Me” and “Lucky You”, which were created to celebrate the Lunar New Year, a major festival among Chinese communities in Asia”. A price list dating from 2009 is provided in the same exhibit that lists “Lucky Tea” under “Exclusive Tea Blends”. It is priced in dollars and the contact details on the final page refer to an address in Singapore. An undated press release is also included relating to the

launch of LUCKY TEA in Singapore. Mr Bouqdib states this is from 2008. Other exhibits also illustrate TWG's use of LUCKY TEA in Singapore.

15) Exhibit TB8 consists of extracts from various international websites where LUCKY TEA has featured. These are:

- *The New York Times* website, dated 12 November 2009 that, under the heading of "New This Year" is "TWG Teas". There is a photograph of various tea canisters/boxes, three of which features the mark in question;
- www.deandeluca.com promoting "TWG Loose Leaf Teas" that includes "Lucky Tea". It is undated, but contains a 2009 copyright notice;

16) Mr Bouqdib states that TWG launched in teas in the *Harrods* store in London in December 2009. Photographs of this store are provided at Exhibit TB9. The tea in question is not visible. He states that a significant proportion of the 15 million customers that visit *Harrods* every year will visit or come across TWG's store.

17) Mr Bouqdib also states that LUCKY TEA is also promoted via TWG's "Tea Book", pages of which were provided at Exhibit TB10. He states that it retails for S\$25 and is available for sale at TWG's store at *Harrods*.

MF's evidence

18) This takes the form of two witness statements, the first by Sanjay Kapur, Registered Trade Mark Attorney and Partner in Potter Clarkson LLP, the second by Kittichat Sangmanee, President of the Board and CEO of MF.

19) In response to the grounds based upon section 3(3)(b), Mr Kapur states that the way brands are applied to products nowadays and the concept of brand extension will result in consumers not being deceived if they see a mark containing the word TEA applied to non-tea products. To support this, at Exhibit SK1 he provides extracts from the *Marquesa* trade mark database showing a selection of marks which contain

the word TEA and registered in relation to food and drink stuffs, a number of which are held by TWG.

20) In response to the grounds based upon section 5(4)(a), Mr Kapur provides a critique of TWG's evidence that I will not detail here but will discuss as necessary in my decision.

21) Mr Sangmanee provides a history of MF and states that "currently" MF sells Mariage Freres branded teas in more than 60 countries and it has a prestigious image. He states that MF have been selling its branded teas in the UK for a number of years including at *Harrods* and *Selfridges*.

22) Mr Sangmanee states that MF's creation of LUCKY marks pre-date the alleged 2010 first date of use claimed by TWG. He claims that MF used LUCKY NUMBER TEA in UK since November 2006, LUCKY since 2007 in respect of tea cups and LUCKY STAR since December 2007 in respect of teapots. Exhibit KS13 consists of five invoices dated between December 2007 and November 2009 (all pre-dating the date of first use claimed by TWG). In total, these five invoices record the sale of 25 LUCKY STAR tea pots.

23) Mr Sangmanee identifies French trade marks in the name of MF that includes LUCKY NUMBER TEA registered in 2003 and he points out that this was registered prior to TWG's first use in the UK of its "LUCKY" marks.

TWG's evidence in reply

24) This takes the form of a second witness statement by Mr Bouqdib. In an attempt to address MF's position that TWG has failed to demonstrate that it has "any goodwill or reputation in the trade mark.... LUCKY TEA...", Mr Bouqdib provides (redacted) sales figures that include the UK. It is not necessary for me to refer to these because they do not identify what proportion relates to the UK, However, Mr Bouqdib also provides "greater than" figures in respect of the UK for the years 2010 to 2014. These figures are covered by a confidentiality order limiting disclosure only to MF's representative. These figures are as follows:

Year	Sterling
2010	****
2011	****
2012	****
2013	****
2014 (to 30 September)	****

25) Mr Bouqdib states that TWG's products are specialised and expensive and therefore have a limited market but its customers use the tea names when making repeat orders.

DECISION

TWG's opposition to MF's application 3010419

Section 5(4)(a)

26) Section 5(4)(a) 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.”

27) 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."

28) 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.”

29) The earlier use by the 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)

The relevant date

30) In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC as the Appointed Person considered the relevant date for the purposes of s.5(4)(a) of the Act and concluded as follows:

“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.’ ”

31) MF’s mark was applied for on 18 June 2013. This is the primary relevant date for assessing the issue of goodwill. However, MF claims that it has antecedent use of the sign LUCKY NUMBER TEA from November 2006, LUCKY since 2007 and LUCKY STAR since December 2007 and the position as of these dates may also need to be considered.

Goodwill

32) I must first consider if TWG has acquired the necessary goodwill at the primary relevant date. In *Inland Revenue Commissioners v Muller & Co’s Margarine Ltd* [1901] AC 217 (HOL) it was stated:

“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.”

33) In *Hart v Relentless Records* [2002] EWHC 1984 (Ch), Jacob J. (as he then was) stated that:

“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.”

34) 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)

35) Mr Bouqdib states that TWG has used the signs LUCKY TEA, LUCKY ME TEA and LUCKY YOU TEA since as early as 2010. At the hearing, Mr Bartlett referred me to the following evidence that he claimed illustrates this:

- a photograph of tea and a tea set branded as LUCKY YOU/LUCKY ME/LUCKY TEA SET with the get-up being virtually identical (as shown in paragraph 13, above);
- first use in the UK was from the *Harrods* store where TWG opened its UK shop in December 2009. A photograph of the store is provided but does not show the mark;
- LUCKY TEA has been promoted through its tea book (that is marked as costing S\$25, but that it is stated is available from the *Harrods* store for the equivalent of about £12);
- The confidential sales figures that Mr Bartlett submitted do not reflect “huge volumes” but they are significant enough to illustrate a more than trivial goodwill.

36) Mr St Quintin submitted that Mr Bouqdib has made no distinction between the uses of LUCKY YOU, LUCKY ME and LUCKY TEA. This is not fatal to TWG’s case because if it can show that its goodwill is identified by these signs then this is a factor I can take into account when assessing if there is misrepresentation and damage. The level of sales in respect of these signs is very small with a total of £***** sales of tea sold under the three marks in the three and half years prior to the relevant date. Further, the volume of sales peaked in 2010 and has reduced from a total of £***** in 2012 to £***** in 2013. Therefore, at the relevant date, sales of these three teas appeared to be in decline. The 2009 retail price list is provided at Mr Bouqdib’s Exhibit TB5 where 50 grams of LUCKY TEA is priced at S\$16 (a little less than £10 at today’s exchange rates). Making a fair assumption that the price of tea sold from TWG’s *Harrods* store is no less in 2013, this amounts to less than 4 kilogrammes of

LUCKY TEA, LUCKY ME and LUCKY YOU teas. Taken in context, I find that this reflects no more than a trivial goodwill identified by these marks. As Jacob J stated in *Hart v Relentless Records*, “one is looking for more than a minimal reputation”. The sales figures provided illustrate that this is not the case here.

37) In addition, the evidence suffers from a number of other shortcomings that, as a result, fail to displace this finding. These are:

- the *Reuters UK* article provided by Mr Bouqdib, at his Exhibit TB5 is insufficient to demonstrate goodwill in the UK because it is reporting activities in Singapore;
- the price list provided in same exhibit is priced in Singaporean dollars and cannot assist in demonstrating goodwill in the UK;
- the photograph of TWG’s *Harrods* store, provided at Exhibit TB9 do not show the signs LUCKY TEA, LUCKY ME or LUCKY YOU;
- contrary to Mr Bartlett’s submission, the high level footfall associated with the *Harrods* store does not mean TWG’s signs have been encountered. There is no evidence of the level of prominence, if any, afforded to the signs within the store, nor is there any information regarding visitor numbers to the TWG store rather than the *Harrods* store as a whole;
- there is no documentary evidence of sales in the form of invoices, dated sales or UK promotional material etc.;
- the extracts from the magazines *Elle* and *L’Official* (Exhibit TB7) both appear to be Singaporean editions not officially circulated in the UK;
- the extracts from the websites of the *New York Times* and *deandeluca.com* (Exhibit TB8) are both US based (and prices are in dollars)

38) Consequent to the above, I conclude that the use shown is insufficient to demonstrate that the sign has goodwill attached to it. In the absence of such goodwill, there can be no misrepresentation and damage and the ground based upon section 5(4)(a) fails.

39) In light of my finding, there is no need for me to consider the claim to antecedent use. Even if proven, it cannot improve upon MF’s position.

Section 3(6)

40) Section 3(6) of the Act states:

“(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith.”

41) The law in relation to section 3(6) of the Act (“bad faith”) was summarised by Arnold J. in *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch):

“130. A number of general principles concerning bad faith for the purposes of section 3(6) of the 1994 Act/Article 3(2)(d) of the Directive/Article 52(1)(b) of the Regulation are now fairly well established. (For a helpful discussion of many of these points, see N.M. Dawson, "Bad faith in European trade mark law" [2011] IPQ 229.)

131. First, the relevant date for assessing whether an application to register a trade mark was made in bad faith is the application date: see *Case C- 529/07 Chocoladenfabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH* [2009] ECR I-4893 at [35].

132. Secondly, although the relevant date is the application date, later evidence is relevant if it casts light backwards on the position as at the application date: see *Hotel Cipriani Srl v Cipriani (Grosvenor Street) Ltd* [2008] EWHC 3032 (Ch), [2009] RPC 9 at [167] and cf. *Case C-259/02 La Mer Technology Inc v Laboratoires Goemar SA* [2004] ECR I-1159 at [31] and *Case C-192/03 Alcon Inc v OHIM* [2004] ECR I-8993 at [41].

133. Thirdly, a person is presumed to have acted in good faith unless the contrary is proved. An allegation of bad faith is a serious allegation which must be distinctly proved. The standard of proof is on the balance of probabilities but cogent evidence is required due to the seriousness of the allegation. It is not enough to prove facts which are also consistent with good

faith: see *BRUTT Trade Marks* [2007] RPC 19 at [29], *von Rossum v Heinrich Mack Nachf. GmbH & Co KG* (Case R 336/207-2, OHIM Second Board of Appeal, 13 November 2007) at [22] and *Funke Kunststoffe GmbH v Astral Property Pty Ltd* (Case R 1621/2006-4, OHIM Fourth Board of Appeal, 21 December 2009) at [22].

134. Fourthly, bad faith includes not only dishonesty, but also "some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined": see *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367 at 379 and *DAAWAT Trade Mark* (Case C000659037/1, OHIM Cancellation Division, 28 June 2004) at [8].

135. Fifthly, section 3(6) of the 1994 Act, Article 3(2)(d) of the Directive and Article 52(1)(b) of the Regulation are intended to prevent abuse of the trade mark system: see *Melly's Trade Mark Application* [2008] RPC 20 at [51] and *CHOOSI Trade Mark* (Case R 633/2007-2, OHIM Second Board of Appeal, 29 February 2008) at [21]. As the case law makes clear, there are two main classes of abuse. The first concerns abuse vis-à-vis the relevant office, for example where the applicant knowingly supplies untrue or misleading information in support of his application; and the second concerns abuse vis-à-vis third parties: see *Cipriani* at [185].

136. Sixthly, in order to determine whether the applicant acted in bad faith, the tribunal must make an overall assessment, taking into account all the factors relevant to the particular case: see *Lindt v Hauswirth* at [37].

137. Seventhly, the tribunal must first ascertain what the defendant knew about the matters in question and then decide whether, in the light of that knowledge, the defendant's conduct is dishonest (or otherwise falls short of the standards of acceptable commercial behaviour) judged by ordinary standards of honest people. The applicant's own standards of honesty (or acceptable commercial behaviour) are irrelevant to the enquiry: see *AJIT WEEKLY Trade Mark* [2006] RPC 25 at [35]-[41], *GERSON Trade Mark*

(Case R 916/2004-1, OHIM First Board of Appeal, 4 June 2009) at [53] and *Campbell v Hughes* [2011] RPC 21 at [36].

138. Eighthly, consideration must be given to the applicant's intention. As the CJEU stated in *Lindt v Hauswirth*:

"41. ... in order to determine whether there was bad faith, consideration must also be given to the applicant's intention at the time when he files the application for registration.

42. It must be observed in that regard that, as the Advocate General states in point 58 of her Opinion, the applicant's intention at the relevant time is a subjective factor which must be determined by reference to the objective circumstances of the particular case.

43. Accordingly, the intention to prevent a third party from marketing a product may, in certain circumstances, be an element of bad faith on the part of the applicant.

44. That is in particular the case when it becomes apparent, subsequently, that the applicant applied for registration of a sign as a Community trade mark without intending to use it, his sole objective being to prevent a third party from entering the market.

45. In such a case, the mark does not fulfil its essential function, namely that of ensuring that the consumer or end-user can identify the origin of the product or service concerned by allowing him to distinguish that product or service from those of different origin, without any confusion (see, inter alia, Joined Cases C-456/01 P and C-457/01 P *Henkel v OHIM* [2004] ECR I-5089, paragraph 48)."

42) Mr Bartlett submitted that MF clearly has no intention to trade under the mark in respect of all the goods listed. He further submitted that MF have failed to address the claim by way of any evidence other than a bare statement from Mr Sangmanee

that it does intend to trade across the whole range of goods claimed. Mr Bartlett contended that such a lack of evidence is insufficient, as per paragraph 9 of the decision of Mr David Kitchen Q.C. sitting as the Appointed Person in *Ferrero Spa's Trade Mark* [2004] RPC 29 where he held that:

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

43) In the circumstances, Mr Bartlett submitted that Mr Sangmanee's unsupported statement of an intention to use is not sustainable. Mr Bartlett also referred me to *Demon Ale Trade Mark* [2000] RPC 345, where Mr Geoffrey Hobbs Q.C., sitting as the Appointed Person held that:

“In the present case the objection under section 3(6) related to the applicant's breach of a statutory requirement. Section 32(3) of the Act required him to be a person who could truthfully claim to have a bona fide intention that DEMON ALE should be used (by him or with his consent) as a trade mark for beer. His application for registration included a claim to that effect. However he had no such intention and could not truthfully claim that he did. That was enough, in my view, to justify rejection of his application under section 3(6).”

44) I also keep in mind the following comments of Iain Purvis, sitting as the Appointed Person in *CEM 11 plus trade mark*, BL O-464-16

35. As Jacob J put it in *Laboratoire de la Mer* [2002] FSR 51 at 19 (though it was not directly in issue in that case):

'If that statement is untrue then it seems fairly plain that the registration is vulnerable to an attack as one made in bad faith...'

36. There has been discussion both in case law and academically as to whether the requirement of s32(3) and the consequent indirect introduction of a 'lack of intention to use' objection to trade mark applications is consistent with the Trade Marks Directive. No such requirement explicitly exists under the Directive, and none has been incorporated into the Trade Marks Regulation governing applications for Community Trade Marks. It is possible that s32(3) may ultimately be found incompatible with the Directive, if a reference were to be made on this issue to the Court of Justice. It is also possible, as Arnold J pointed out in his thorough account of this area in *Red Bull GmbH v Sun Mark Limited* [2012] EWHC 1929 (the whole section between paras 139 and 160 should be read) that the Directive must or can itself be read as requiring some form of intention to use.

37. For the purpose of this appeal it is not necessary to delve any further into these complex issues. It is necessary simply to identify three well established principles of UK law as it has developed in this area, in relation to the objection of bad faith generally and in relation to the specific question of 'intention to use':

(i) Bad faith requires dishonesty or at least dealings falling short of the standards of acceptable commercial behavior observed by reasonable and experienced men in the particular area being examined [*Gromax v Don & Low* [1999] RPC 367 at 379, approved many times in the UK, and generally considered consistent with the approach to bad faith taken by the Court of Justice]

(ii) A person is presumed to have acted in good faith unless the contrary is proved. An application of bad faith is a serious allegation which must be distinctly proved by cogent evidence. It is not enough to prove facts which are also consistent with good faith. [*Red Bull* para 133 and the cases there cited].

(iii) Intention to use, so far as s32(3) (and the law of bad faith) is concerned, may include a '*possible or contingent use at some future date*' (depending on all the circumstances). [Red Bull para 163, citing Neuberger J in Knoll AG's Trade Mark [2003] RPC 10 and the Court of Appeal in 32Red [2012] EWCA Civ 19.]

38. In the present case, it is not suggested by Mr Matalia that the University did not intend to use the trade mark at all. Indeed, it is common ground that they had been using it on a substantial scale in relation to various educational services provided by the University through the Centre for Evaluation and Monitoring including the provision of 11+ papers since long before the application was made. Rather Mr Matalia simply asserts that the scope of the services for which the CEM mark was applied extends beyond those for which the University had used the mark or intended to use it in the future.

39. Before me Mr Bragiel primarily relied on the fact that the CEM mark had been applied for in relation to services which had not yet been provided by the University and yet the University had chosen to put in no evidence as to its intention to use the mark in respect of those services.

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

41. It is of course possible for the burden to be shifted if an applicant for revocation can point to particular facts or circumstances which are plainly

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

45) TWG has raised a compelling *prima facie* case that MF does not have an intention to use its mark across the full range of goods claimed citing the incompatibility of a sign indicating a type of tea being used in respect of goods unrelated to tea. As Mr Kitchen Q.C. identified in *Ferrero Spa*, in these circumstances it is for MF to provide substantiating evidence or an explanation to counter the *prima facie* case established by TWG. Mr St Quintin submitted that the *Ferrero Spa* and *Demon Ale* cases are not persuasive because of the factual issues they were considering were different to the current case. Whilst I accept that the factual backgrounds are different, there are still points that can be taken away and applied to the facts of the current case. In particular, the need for an evidential response to TWG's *prima facie* case. Mr Sangmanee's statement that MF does have an intention to use its mark on the goods is not supported by any evidence or even any explanation as to why this would be so. Consequently, MF's response suffers from the failing highlighted in *Ferrero Spa*. Mr St Quintin attempted to defend MF's position by claiming that the mark could be used in the situation where MF could promote a coffee by way of stating that it originates "from the makers of Lucky Tea". I dismiss this argument for two reasons. Firstly, an explanation of how the mark MAY be used in respect of, for example, coffee does not displace the onus placed upon MF to substantiate its claim to an intention to use the mark in respect of all the goods. Secondly, the example used by Mr St Quintin is not trade mark use in respect of coffee, but merely a reference to a sign used in respect of tea.

46) Mr St Quintin also submitted all goods can be sold in a tea room and can be co-branded. I do not find it credible that a tea room branded LUCKY TEA would also

sell a brand of coffee under the same mark because of the obvious potential to deceive the public if it did so. I dismiss this argument.

47) Mr St Quintin also relied upon the fact that there is evidence of lots of other registrations, including some belonging to TWG, where equally broad specifications have been used in respect of marks incorporating the word tea. As Mr Bartlett submitted, this is not a defence. It does not address the claim against MF and I dismiss this.

48) In light of all of the above, I find that MF acted in bad faith when it claimed to have an intention to use the mark LUCKY TEA in respect of all the goods listed in the Class 30 specification of the application that are not tea or tea based. TWG make no case against *tea or tea-based beverages*. In respect of the other goods listed, I find that the grounds are not successful in respect of *non medical infusions, dried plants and flavourings and mixtures of the aforesaid goods, for preparing non-medicinal beverages*. This is because these terms include tea in the form of an infusion, flavourings and/or dried leaves (covered by the term *dried plants*) that, alone or as a mixture with other goods, can be used for preparing beverages.

49) In light of the above, I find that TWG's ground based upon bad faith is successful in respect of the following list of Class 30 goods:

Coffee, ... cocoa ; cocoa-, coffee-, [or] chocolate- ...-based beverages; ...; sugar, rice, bread, pastry and confectionary, pancakes (foodstuffs); cookies; cakes; rusks; confectionary; chocolate; edible ices; honey, salt, mustard; vinegar, sauces (condiments); condiments; spices; ... seeds, flavourings, other than essential oils, and mixtures of the aforesaid goods, for preparing non-medicinal beverages.

50) In respect of MF's Class 21 goods, Mr Bartlett's arguments were less forceful. He submitted that the situation regarding these goods is more complicated, submitting that it is quite possible "LUCKY TEA" could be used on a canister in a decorative way, but there is also scope for it to be deceptive i.e. where it creates an expectation that the canister contains tea. I am not persuaded by this. As Mr Bartlett

recognised there is legitimate use in the form of decorative or promotional use on the canister. Having concluded this, it is difficult for TWG to have a compelling *prima facie* case. TWG's submissions do not cast sufficient doubt as to MF's intentions. I dismiss TWG claim of bad faith in respect of all of MF's Class 21 goods.

Section 3(3)(b)

51) Section 3(3)(b) reads as follows:

“3. - (3) A trade mark shall not be registered if it is-

- (a) ...
- (b) of such a nature as to deceive the public (for instance as to the nature, quality or geographical origin of the goods or service).”

52) Section 3(3)(b) of the Act derives directly from article 3(1)(g) of the Directive. In *Elizabeth Florence Emanuel v Continental Shelf 128 Ltd* Case C-259/04 the European Court of Justice (ECJ) held:

“47. Nevertheless, the circumstances for refusing registration referred to in Article 3(1)(g) of Directive 89/104 presuppose the existence of actual deceit or a sufficiently serious risk that the consumer will be deceived (Case C-87/97 *Consorzio per la tutela del formaggio Gorgonzola* [1999] ECR I-1301, paragraph 41).”

53) An objection under Section 3(3)(b) should therefore only be raised if there is a real, as opposed to a purely theoretical potential for deception of the public. In the *Consorzio per la tutela del formaggio Gorgonzola* case referred to, the ECJ stated:

“41. As to that, the circumstances contemplated in Article 3(1)(c) of the First Directive 89/104 do not apply to the present case. The circumstances envisaged in the other two relevant provisions of that directive - refusal of registration, invalidity of the trade mark, or revocation of the proprietor's rights, which preclude its use being continued under Article 14(2) of Regulation No 2081/92 presuppose the existence of actual deceit or a sufficiently serious risk

that the consumer will be deceived (see, on that subject, *Clinique*, cited above, Case C- 470/93 *Mars* [1995] ECR I-1923, and Case C-313/94 *Graffione* [1996] ECR I-6039, paragraph 24).”

54) Mr Bartlett submitted that if the mark LUCKY TEA were to be used on any Class 30 goods not being “tea”, such as coffee, cocoa, or rice, it is obvious that that this would result in real consumer deception. In support of this submission, he directed me to my colleague Allan James’ decision in *BRAMLEY OLD SPOT PORK trade mark*, BL O-316-09. In this case, Mr James was considering whether the mark created was “sufficiently different to the breed name [Gloucester Old Spots] so as to avoid raising the same expectations amongst the relevant consumer group with regard to the breed of pig” (paragraph 33). He concluded, at paragraph 36, that “the mark is of such a nature as to present a serious risk of deception amongst the relevant consumer group.”

55) Mr Kapur, in his evidence, relied upon a “brand extension” argument, contending that the way brands are applied to products nowadays will result in consumers not being deceived if they see a mark containing the word TEA applied to non-tea products. In respect of the mark and goods at issue, I do not find this argument credible. It is clear to me that where the beverages or goods for making beverages are not tea or tea based, consumer deception will result. I dismiss Mr Kapur’s argument.

56) Mr St Quintin relied on the example of “Hartley’s Strawberry Jam” that is used in the Registry’s Work Manual as an example of the application of section 3(3)(b). The manual states that the mark would not attract an objection if the goods claimed were “jams” because it will be assumed that the mark will only be used on strawberry jam. For the same reason, in the current case, MF’s mark insofar as it relates to *teas* or *tea based beverages* would not be caught by the provisions in section 3(3)(b). Sensibly, TWG has not challenged these goods under this ground of opposition.

57) In respect of some of the other goods included in MF’s application, I consider that a similar risk exists as identified by Mr James in *BRAMLEY OLD SPOT PORK trade mark*. As it was put by Mr Bartlett, were the consumer to purchase a

canister/packet bearing the sign LUCKY TEA only to find that it contained coffee, then (s)he would have been deceived. This example illustrates to me that the mark “is of such a nature as to present a serious risk of deception amongst the relevant consumer group” (to borrow the language used by Mr James). The scope of success of this ground is somewhat more limited than that of the section 3(6) ground because I accept the possibility that goods such as confectionary and cakes may be flavoured with tea and, in such circumstances, the sign may be used in a non-deceptive way. The same applies to all of MF’s Class 21 goods. Therefore, the scope of success is less than achieved under section 3(6) and does not improve TWG’s case.

Summary

58) TWG’s grounds based upon section 5(4)(a) fails in its entirety.

59) Its grounds based upon section 3(6) are successful in respect of the following list of Class 30 goods:

Coffee, ... cocoa ; cocoa-, coffee-, [or] chocolate- ...-based beverages; ...; sugar, rice, bread, pastry and confectionary, pancakes (foodstuffs); cookies; cakes; rusks; confectionary; chocolate; edible ices; honey, salt, mustard; vinegar, sauces (condiments); condiments; spices; ... seeds, flavourings, other than essential oils, and mixtures of the aforesaid goods, for preparing non-medicinal beverages.

60) TWG has achieved a measure of success under its ground based upon section 3(3)(b), but the level of success is less than that achieved under the section 3(6) ground.

61) MF’s application can, therefore, proceed to registration in respect of the following goods:

Class 21: *Household or kitchen utensils and containers; teapots; tea services; tea balls, strainers, tea measures, infusers, tea filters, tea cosy of metal; tableware of glass, porcelain, earthenware, synthetic resin, terracotta;*

tableware of precious metal or coated therewith (except cutlery); tea canisters, caddies and urns; candlesticks and candelabra (candlesticks) of precious metal or coated therewith; trays and boxes for household use of precious metal or coated therewith.

Class 30: *Tea, tea-based beverages; non medical infusions; dried plants and flavourings, and mixtures of the aforesaid goods, for preparing non-medicinal beverages*

MF's Opposition to TWG's application 3019785

62) Both Mr St Quintin and Mr Bartlett acknowledged that the outcome of this opposition will depend upon the outcome of TWG's opposition against the application relied upon by MF as its earlier mark that it bases its section 5(1) and section 5(2). However, as TWG only partially succeeded in its attack on the earlier mark, it is necessary that I undertake a considered approach to this opposition.

Section 5(1)

62) Section 5(1) of the Act is as follows:

5. - (1)* A trade mark shall not be registered if it is identical with an earlier trade mark and the goods or services for which the trade mark is applied for are identical with the goods or services for which the earlier trade mark is protected.

63) The respective marks are self-evidently not identical because the fan-like device elements, the shape of the canister, the six sided label shape and the "TWG" sign present in TWG's mark are all absent in MF's mark. In light of this, MF's opposition has no prospect of success under section 5(1) of the Act.

Section 5(2)(a)

64) This ground was not pursued at the hearing.

Section 5(2)(b)

65) Sections 5(2)(b) of the Act is as follows:

“5(2) A trade mark shall not be registered if because-

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark”.

Comparison of goods and services

66) In the judgment of the Court of Justice of the European Union in *Canon*, Case C-39/97, the court stated at paragraph 23 of its judgment that:

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary”.

67) The relevant factors identified by Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, for assessing similarity were:

- a) The respective users of the respective goods or services;
- b) The physical nature of the goods or acts of services
- c) The respective trade channels through which the goods or services reach the market

- d) In the case of self serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
- e) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

68) I also keep in mind the guidance of the General Court (“the GC”) in *Gérard Meric v OHIM*, T-133/05 (“MERIC”):

“29 In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by the trade mark application (Case T-388/00 Institut für Lernsysteme v OHIM – Educational Services (ELS) [2002] ECR II-4301, paragraph 53) or when the goods designated by the trade mark application are included in a more general category designated by the earlier mark (Case T-104/01 Oberhauser v OHIM – Petit Liberto (Fifties) [2002] ECR II-4359, paragraphs 32 and 33; Case T-110/01 Vedial v OHIM – France Distribution (HUBERT) [2002] ECR II-5275, paragraphs 43 and 44; and Case T- 10/03 Koubi v OHIM – Flabesa (CONFORFLEX) [2004] ECR II-719, paragraphs 41 and 42).”

69) I begin by considering the level of similarity between the parties’ Class 21 goods, which are:

Goods of MF’s earlier mark	Goods of TWG’s mark
Class 21: <i>Household or kitchen utensils and containers; teapots; tea services; tea balls, strainers, tea measures, infusers, tea filters, tea cosy’s of metal; tableware of glass, porcelain,</i>	Class 21: <i>Tea pots, tea cups and saucers, milk jugs, sugar bowls and basins, plates, containers for foodstuffs; tea balls, tea caddies, tea canisters, tea infusers, tea strainers, bone china</i>

<p><i>earthenware, synthetic resin, terracotta; tableware of precious metal or coated therewith (except cutlery); tea canisters, caddies and urns; candlesticks and candelabra (candlesticks) of precious metal or coated therewith; trays and boxes for household use of precious metal or coated therewith.</i></p>	<p><i>tableware (other than cutlery), porcelain ware; earthenware; mugs; crockery; drinking glasses; and tumblers.</i></p>
---	--

70) The following of TWG's terms also appear in MF's specification and consequently the goods are self-evidently identical:

Tea pots, ...; tea balls, tea caddies, tea canisters, tea infusers, ...; earthenware;

71) In respect of TWG's *tea cups and saucers*, these are covered by MF's *tea services* and applying the principal identified in *MERIC*, I conclude that the respective goods are identical.

72) TWG's *tea strainers* are the same as MF's *tea filters*, or if tea filters is seen as a broader term, TWG's goods are covered by the term when applying the guidance in *MERIC*. I conclude that the respective goods are identical.

73) TWG's *bone china tableware (other than cutlery)* is covered by MF's *tableware of ..., porcelain [or] earthenware*, or if not covered, it includes goods that are so similar as to be virtually identical, differing only in the perceived quality of the base material.

74) TWG's *porcelain ware* is a broad term that includes *tableware of ..., porcelain* listed in MF's specification, therefore, applying the guidance in *MERIC*, the respective goods are identical.

75) TWG's *milk jugs, sugar bowls., plates,; ...; mugs; crockery; drinking glasses; and tumblers* can all be described as tableware and consequently identical to MF's term *tableware of glass, porcelain, earthenware, synthetic resin, terracotta*.

76) Finally, TWG's *basins and containers for foodstuffs* are both covered by MF's *Household or kitchen ... containers*. Therefore, they are identical.

77) The respective Class 30 goods are set out below:

Goods of MF's earlier mark	Goods of TWG's mark
<p>Class 30: <i>Tea, tea-based beverages; non medical infusions; dried plants and flavourings, and mixtures of the aforesaid goods, for preparing non-medicinal beverages</i></p>	<p>Class 30: <i>Coffee, coffee-based beverages; tea, black tea [English tea], flavorings of tea, tea-based beverages, fruit flavoured tea (other than medicinal), fruit tea (other than for medical purposes), beverages with tea base, Rooibos tea, herbal tea (other than for medicinal use), Chai tea, green tea, Japanese green tea, Oolong tea (Chinese tea), aromatic teas (other than for medicinal use), beverages made of tea, iced tea, tea bags (other than for medicinal use), tea extracts, tea essence; tea for infusions (other than for medicinal use), spices; sugar, chocolates, chocolate bars, pralines, edible ices, ice cream, sorbets (ices), ice desserts, confectionery, cakes, pastry, macarons (pastry), pastries, biscuits, cookies, aromatic preparations for pastries; food dressings (sauces), sauces (condiments); frozen yoghurt</i></p>

	<i>[confectionery ices], marzipan, quiches, puddings, bread, bread rolls.</i>
--	---

78) TWG's tea, black tea [English tea], flavorings of tea, tea-based beverages, fruit flavoured tea (other than medicinal), fruit tea (other than for medical purposes), beverages with tea base, Rooibos tea, herbal tea (other than for medicinal use), Chai tea, green tea, Japanese green tea, Oolong tea (Chinese tea), aromatic teas (other than for medicinal use), beverages made of tea, iced tea, tea bags (other than for medicinal use), tea extracts, tea essence; tea for infusions (other than for medicinal use) are all included in, or covered by the terms listed in MF's specification and are self-evidently identical.

79) In respect of TWG's coffee, coffee-based beverages, Mr St Quintin submitted that they share identical uses and physical nature, both being hot, caffeinated beverages. He also submitted that there is substantial overlap of the respective users with many tea drinkers also being coffee drinkers and vice-versa. They appear on the same or closely adjacent shelves in shops and, therefore, share the same trade channels. Mr St Quintin concluded by submitting that the respective goods are very highly similar. Mr Bartlett conceded that these goods are "pretty close" to the tea based beverages contained in MF's specification. I agree with Mr St Quintin and I find that the respective goods are very highly similar.

80) At the hearing, Mr Bartlett submitted that in keeping with his submissions made in respect of TWG's attack on MF's earlier mark in respect of sections 3(3)(b) and 3(6), TWG's mark should survive at least for the following goods:

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

81) Whilst the analysis I must undertake is not related to considerations required under section 3(3)(b) and section 3(6), I agree with Mr Bartlett's conclusions. All the goods listed in the above paragraph are foodstuffs and consequently different in nature, intended purpose and method of use to MF's goods that are beverages or goods for making beverages. The respective goods are not in competition, nor are they complimentary in the sense that "there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking" (*Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-325/06). I conclude that the goods listed in the above paragraph are not similar to MF's goods.

Comparison of marks

82) It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The Court of Justice of the European Union stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

".....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion."

83) It would be wrong, therefore, to artificially dissect the trade marks, although, it is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.

84) The marks to be compared with TWG's mark LUCKY TEA are shown below:



85) The two marks that comprise the series differ only in colour. Colour will not affect the outcome of these proceedings and consequently I intend to consider the similarity of the marks by reference only to MF's black and white mark.

86) TWG's mark consists of a number of elements, namely the shape of a canister with a plain and undecorated lid, the outside surface of the canister decorated with, what appears to be fans, a six-sided label superimposed over the fan devices that includes a TWG sign, the words "Limited Edition", the prominent words LUCKY TEA, and much smaller, the words "Black tea & Green tea, gold, fruits and flowers". The LUCKY TEA words are the dominant element because of their large size and position in the middle of the label. The TWG sign is also a distinctive element that must also be kept in mind. The device of fans may also play some distinctive role and I do not ignore this.

87) MF's mark consists of the two words LUCKY TEA. The second word has a descriptive meaning relevant to the goods covered by the application, but whilst this may lower the level of distinctive character of that word, the mark's distinctiveness lies

in the combination of the two words because the word LUCKY is an adjective applying to the word TEA, turning the combination into a complete and understandable phrase.

88) Visually, because of the complex nature of TWG's mark and the fact that MF's mark consists of only two words without any embellishments, this creates unmissable visual differences. However, the otherwise very low level of similarity is raised somewhat by the words LUCKY TEA appearing dominantly in TWG's mark. Consequently, the similarity to MF's mark will be immediate in the minds of the consumer. I conclude that the respective marks share something approaching a medium level of visual similarity.

89) Aurally, TWG's mark will be referred to as LUCKY TEA or possibly TWG LUCKY TEA. Therefore, the respective marks are either aurally identical or, if the TWG element comes into play, share a high level of similarity.

90) The conceptual identity of TWG's mark is likely to be dominated by the LUCKY TEA element because it is this that identifies the specific product to the consumer. However, I don't ignore that other elements within the mark may also impart a conceptual message such as the fan devices. However, considering the marks as a whole I conclude that they share a good deal of conceptual similarity.

Average consumer and the purchasing act

91) The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer, Case C-342/97*.

92) In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

“60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median.”

93) All the Class 30 goods of both parties can be described as ordinary grocery products that are normally self-selected from a shop shelf or the online equivalent. The purchasing process is, therefore, normally visual, but I do not ignore that on occasions aural considerations may play a part. These products are bought regularly by ordinary members of the public and are normally inexpensive. Mr Bartlett submitted that there is a stronger level of attention involved in the purchasing process for teas than for the other goods. I do not agree. The fact that both sides current market their products as high-end luxury goods does not disturb my finding based upon a notional consideration of the goods listed in the respective applications. Under notional considerations, the level of attention paid in respect of the purchase of teas is no different that for many other grocery goods and does not involve an enhanced level of attention.

94) In respect of the parties' Class 21 goods, these are ordinary household or kitchen goods and whilst they may not be purchased as regularly as the Class 30 goods discussed above, they are, nonetheless, not uncommon purchases. Neither are they normally expensive purchases. Once again, the purchasing process is normally visual in nature, especially as the aesthetics of the goods may play a part in selection.

Distinctive character of the earlier trade mark

95) In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

96) MF’s mark consists of the two words LUCKY TEA and at least insofar as its goods coincide with those of TWG’s application, they are teas or tea-related goods. In respect of these goods, the word TEA serves in a descriptive manner, however, as I noted earlier, the distinctiveness of the mark resides in the mark as a whole that consists of an understandable phrase. Whilst not of the lowest or highest level of distinctive character, I would consider it to be lower rather than higher.

97) I must also consider if the mark’s distinctive character has been enhanced because of the use made of it. Whilst there is evidence of some use, it can be interpreted as no more than very, very small use when placed in the context of tea and tea related product sales in the UK. Therefore, I conclude that this use is insufficient to result in any enhancement to the mark’s distinctive character.

GLOBAL ASSESSMENT – Conclusions on Likelihood of Confusion

98) The following principles are gleaned from the decisions of the CJEU in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P:

(a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors;

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;

(f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive

role in a composite mark, without necessarily constituting a dominant element of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

(i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;

(j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

(k) if the association between the marks creates a risk that the public might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

99) I have found that all of TWG's Class 21 goods are identical or virtually identical to MF's goods. In respect of its Class 30 goods, I found that with the exception of the following goods (that I have found are not similar), they are similar or identical to MF's goods:

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

100) I have also found that the average consumer of the parties' goods is the general public and that the purchasing process is predominantly visual in nature.

101) In addition, I have found that the dominant, distinctive element of TWG's mark is the LUCKY TEA element, being the same words that MF's mark consists. I have found that the respective marks share what is approaching a medium level of visual similarity, and that they share aural identity or, at least, a high level of similarity. The good deal of conceptual similarity I found is sufficient to offset the less-than-medium level of visual similarity because the LUCKY TEA words plays such a significant role in TWG's mark. Whilst the consumer is likely to identify the obvious visual differences between the marks (and therefore, direct confusion is unlikely), the dominant presence of the words LUCKY TEA is likely to lead them to believe that the goods provided under the respective marks originate from the same or linked undertaking when used in respect of goods that are similar or identical.

102) In light of this, I find that there is a likelihood of indirect confusion in respect of the following goods and services:

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

Class 30: *Coffee, coffee-based beverages; tea, black tea [English tea], flavorings of tea, tea-based beverages, fruit flavoured tea (other than medicinal), fruit tea (other than for medical purposes), beverages with tea base, Rooibos tea, herbal tea (other than for medicinal use), Chai tea, green tea, Japanese green tea, Oolong tea (Chinese tea), aromatic teas (other than for medicinal use), beverages made of tea, iced tea, tea bags (other than for medicinal use), tea extracts, tea essence; tea for infusions (other than for medicinal use)*

103) There is no likelihood of confusion in respect of goods that I found to be not similar to those of MF, namely:

Class 30: *spices; sugar, chocolates, chocolate bars, pralines, edible ices, ice cream, sorbets (ices), ice desserts, confectionery, cakes, pastry, macaroons*

(pastry), pastries, biscuits, cookies, aromatic preparations for pastries; food dressings (sauces), sauces (condiments); frozen yoghurt [confectionery ices], marzipan, quiches, puddings, bread, bread rolls.

Section 5(4)(a)

104) The relevant legislation and case law is set out in paragraphs 26 to 29, above.

105) The first requirement is that MF must demonstrate that it has the requisite goodwill in the signs that it relies upon. The evidence regarding this respect is provided by Mr Sangmanee. He states that MF has been using LUCKY NUMBER TEA in the UK since November 2006, LUCKY since 2007 in respect of tea cups and LUCKY STAR since December 2007 in respect of tea pots. MF's opposition based upon section 5(2) has been wholly successful in respect of the goods included in TWG's Class 21 specification, and the use claimed by Mr Sangmanee in respect of the signs LUCKY and LUCKY STAR in use, in respect of Class 21 goods, cannot lead to a better outcome than already achieved under section 5(2). Consequently, I will not consider further the claim to goodwill in respect of these two signs.

106) In respect of the claimed goodwill identified by the sign LUCKY TEA since November 2006, Mr Sangmanee fails to provide any corroboratory evidence. The invoices provided at Exhibit KS13 relate to the sign LUCKY TEA in respect of tea pots and not LUCKY TEA in respect of any beverages or foodstuffs. Mr Sangmanee does state that MF has been selling its branded teas for a number of years and refers to sales from both *Harrods* and *Selfridges*, but there is no claim that this relates either to LUCKY TEA or to use that predates the date of application of TWG's mark.

107) In light of the above, I find that MF has failed to demonstrate that it has the requisite goodwill at the relevant date. I should add that, it appears that the parties trading practices in the UK appear similar with any sales being from a single (or in the case of MF, possibly two) outlet(s), where several hundred tea varieties are sold, predominantly under the parties primary marks TWG and Mariage Frères respectively. Sales of any individual tea appears to be small. In light of this, even if I

am wrong and there is some use shown of MF's LUCKY TEA, it is very unlikely that it would be such as to demonstrate the necessary goodwill.

108) In summary, MF has failed to demonstrate the requisite goodwill and its case based upon section 5(4)(a) of the Act fails.

Summary

109) TWG's opposition to MF's application 3010419 LUCKY TEA is successful in respect of the following goods:

Class 30: *Coffee, ... cocoa ; cocoa-, coffee-, [or] chocolate- ...-based beverages; ...; sugar, rice, bread, pastry and confectionary, pancakes (foodstuffs); cookies; cakes; rusks; confectionary; chocolate; edible ices; honey, salt, mustard; vinegar, sauces (condiments); condiments; spices; ... seeds, flavourings, other than essential oils, and mixtures of the aforesaid goods, for preparing non-medicinal beverages.*

110) TWG's opposition fails against the remainder of MF's goods and its application can proceed to registration in respect of the following goods:

Class 21: *Household or kitchen utensils and containers; teapots; tea services; tea balls, strainers, tea measures, infusers, tea filters, tea cosy's of metal; tableware of glass, porcelain, earthenware, synthetic resin, terracotta; tableware of precious metal or coated therewith (except cutlery); tea canisters, caddies and urns; candlesticks and candelabra (candlesticks) of precious metal or coated therewith; trays and boxes for household use of precious metal or coated therewith.*

Class 30: *Tea, tea-based beverages; non medical infusions; dried plants and flavourings, and mixtures of the aforesaid goods, for preparing non-medicinal beverages*

111) Subject to MF's application proceeding to registration, its opposition to TWG's application 3019785 TWG LUCKY TEA & device is successful in respect of the following of TWG's goods:

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

Class 30: *Coffee, coffee-based beverages; tea, black tea [English tea], flavorings of tea, tea-based beverages, fruit flavoured tea (other than medicinal), fruit tea (other than for medical purposes), beverages with tea base, Rooibos tea, herbal tea (other than for medicinal use), Chai tea, green tea, Japanese green tea, Oolong tea (Chinese tea), aromatic teas (other than for medicinal use), beverages made of tea, iced tea, tea bags (other than for medicinal use), tea extracts, tea essence; tea for infusions (other than for medicinal use)*

112) It fails in respect of the following of TWG's goods:

Class 30: *spices; sugar, chocolates, chocolate bars, pralines, edible ices, ice cream, sorbets (ices), ice desserts, confectionery, cakes, pastry, macaroons (pastry), pastries, biscuits, cookies, aromatic preparations for pastries; food dressings (sauces), sauces (condiments); frozen yoghurt [confectionery ices], marzipan, quiches, puddings, bread, bread rolls.*

COSTS

113) TWG has achieved a measure of success but has failed in respect of the goods that are materially important to the business of both sides. Consequently, I take the view that in respect of the substantive issues the outcome is reasonably evenly balanced and that in this respect, each party should bear its own costs. Similarly, MF has achieved a measure of success in its opposition to TWG's mark and I find each party should bear its own costs in respect of these proceedings also.

114) Mr Bartlett submitted that whilst TWG is content for any costs award to be made on-scale, it should receive an award of costs in its favour in respect of several aspects of how MF ran its case. He submitted that MF's defence raised allegations of bad faith that had to be responded to by TWG in its evidence. At a case management conferences (CMC), I directed that this defence should be disregarded however, this was not before TWG had filed its evidence-in-reply that included its response to the claim. Mr St Quintin submitted that the same bad faith arguments were ran in the earlier SAKURA! SAKURA! case between the parties and that the evidence from both sides was essentially cut and pasted from their evidence in this earlier case. Therefore, he submitted, any additional costs were already considered in the earlier case. I concur with Mr St Quintin and I decline to make an award of costs in respect to this issue.

115) Mr Bartlett also requested a contribution towards TWG's costs in respect of his attendance at the CMC insofar as it resulted from MF's challenge to its request for a confidentiality order relating to its turnover figures in the UK. Mr St Quintin submitted that because the CMC discussed other issues, the costs of the CMC arose anyway and not as the result of the challenge to the confidentiality request. The CMC also covered MF's defence relying upon bad faith (where I directed that it be disregarded) and also a discussion on the consolidation groupings of the numerous proceedings (that was instigated by myself). Therefore, two of the issues went against MF and a third was an issue raised by me and not an issue between the parties. As such, I concur with Mr Bartlett that TWG is entitled to a contribution towards its costs. However, I have made the award in respect of my decision in TWG's sister proceedings against MF's mark PARIS BREAKFAST TEA. To do so again here would be a duplication of the award.

Dated this 20th day of December 2016



p.p. Mark Bryant
For the Registrar,