

TRADE MARKS ACT 1994

IN THE MATTER OF CONSOLIDATED PROCEEDINGS

AN APPLICATION NUMBER 3260546 BY POPABALL LIMITED
IN CLASSES 2 AND 30:

UNICORN SHIMMER

AND

THE OPPOSITION THERETO UNDER NO. 411318 BY
UNICORN SHIMMER CO LTD & DANIELLE BROMFIELD

AND

APPLICATION NUMBER 3293077 BY UNICORN SHIMMER CO. LTD.
IN CLASSES 30 AND 32:

Unicorn Shimmer

AND THE OPPOSITION THERETO UNDER NO. 412935
BY POPABALL LTD.

Background and pleadings

1. On 2 October 2017, Popaball Limited ('Popaball') applied to register UNICORN SHIMMER in the following classes:¹

Class 2

Colourants for beverages.

Class 30

Confectionery for adding to beverages; flavoured confectionery for adding to beverages; fruit-flavoured confectionery for adding to beverages.

2. The application was published on 20 October 2017, following which Unicorn Shimmer Co. Ltd. and Danielle Broomfield ('Unicorn') filed a notice of opposition against all of the goods in the application.

3. Unicorn bases its opposition on sections 5(4)(a) and 3(6) of the Trade Marks Act 1994 (the Act), relying on the sign UNICORN SHIMMER. The grounds are:

Under ss.5(4)(a) of the Act because the opponent has rights in an earlier unregistered sign which would, under the law of passing off, prevent registration of the applied for mark.

Under s.3(6) of the Act because the application was filed in bad faith.

4. Unicorn claims to have used the sign in respect of shimmer products for addition to alcoholic beverages. Use is claimed throughout the UK since 19 September 2017.²

5. Unicorn states:

¹ International Classification of Goods and Services for the Purposes of the Registration of Marks under the Nice Agreement (15 June 1957, as revised and amended).

² The fax copy of the TM7 is not clear and the date is difficult to read. In any case, Unicorn has not made any claim prior to this date.

“3. Danielle Bromfield began using the trade mark UNICORN SHIMMER in relation to shimmer products for addition to alcoholic beverages on 19th September 2017, then she launched her corporate Facebook and Instagram pages. Danielle Bromfield launched her website www.unicornshimmerco.co.uk on 1 October 2017 under the UNICORN SHIMMER trade mark. On the 27 October 2017, the Unicorn Shimmer Co. Ltd. was incorporated as a company, and Danielle Bromfield has operated her business via that company since that time. Danielle Bromfield is in the process of assigning any goodwill she personally established in the business conducted under the UNICORN SHIMMER trade mark to Unicorn Shimmer Co Ltd.

4...In the short time since 19th September 2017, the UNICORN SHIMMER Facebook page alone has had over one million hits. Although Danielle Bromfield had only traded under the UNICORN SHIMMER trade mark for a relatively short period of time prior to the filing date of United Kingdom Trade Mark Application No. 00003260546, she had established significant goodwill in the business connected under the UNICORN SHIMMER trade mark, which will be shown in the evidence stage of these proceedings...”

6. With regard to its case under section 3(6) of the Act, Unicorn states:

“7. To the best of the Joint Opponent's knowledge the Applicant had never used the trade mark UNICORN SHIMMER as its brand name for a shimmer product, and indeed to the best of the Joint Opponent's knowledge, the Applicant still does not produce any shimmer product to which the UNICORN SHIMMER trade mark has been applied. The Applicant is a direct competitor of the Joint Opponents. The Applicant became aware of the launch of the UNICORN SHIMMER trade mark in relation to shimmer products by Danielle Bromfield In September 2017 and filed United Kingdom Trade Mark Application No. 3260546 on 2 October 2017.

8. The Joint Opponents contend that the filing of United Kingdom Trade Mark [Application No. 3260546] by the Applicant Is an attempt to effectively

'highjack' the use of the trade mark UNICORN SHIMMER to stop the legitimate use of the trade mark to the detriment of the Joint Opponents. The Joint Opponents contend that at the time of the filing of United Kingdom Trade Mark Application No. 3260546 that the Applicant was aware of the Interest of Danielle Bromfield in the UNICORN SHIMMER trade mark in the United Kingdom and accordingly the filing of the application is in bad faith."

7. Popaball filed a counterstatement in which it denies Unicorn's claims. It submits, in particular, that, 'from a review of publicly available material', there is no evidence of Unicorn having used its mark for the relevant goods, before the relevant date. It also submits that Popaball has every intention of using its trade mark as a badge of origin for the goods covered by the application.

8. On 27 February 2018, Unicorn applied to register 'Unicorn Shimmer' for the following goods:

Class 30

Confectionary for adding to beverages; flavoured confectionary for adding to beverages, fruit flavoured confectionary, beverage garnishes and confectionary, confetti confectionary, Shimmer additive confectionary for beverages, Confectionary for Alcoholic and Non Alcoholic Beverages.

Class 32

Syrups for adding to beverages, Shimmering syrups for beverages, Fruit flavoured Juices, Syrup Drops for Beverages, Flavourings.

9. The application was published on 30 March 2018, following which Popaball filed a notice of opposition against all of the goods in the application.

10. Popaball bases its opposition on sections 5(1), 5(2)(a) and 5(2)(b) of the Trade Marks Act 1994 (the Act) which are as follows:

Under s.5(1) of the Act because the application is identical to the opponent's earlier mark for identical goods.

Under s.5(2)(a) of the Act because the application is identical to the opponent's earlier mark for goods which are similar to the opponent's goods.

Under s.5(2)(b) of the Act because the application is similar to the opponent's earlier mark for goods which are similar to the opponent's goods.

11. It submits that the marks are highly similar and the respective goods are at least similar resulting in the application offending section 5(1) of the Act or in the alternative, sections 5(2)(a) and 5(2)(b) as there exists a likelihood of confusion.

12. Both sides filed evidence and written submissions. Unicorn provided a skeleton argument. A hearing subsequently took place before me, by video conference, at which Unicorn was represented by Mr Lee Curtis of HGF Limited and Popaball was represented by Mr Andrew Hall of that company. Both sides seek an award of costs.

Preliminary issues determined at the hearing

13. Prior to the hearing, Popaball sought to file an amended witness statement of Julia Quinn. The reason given for the request was that it was necessary in light of Unicorn's evidence in reply, specifically evidence relating to google searches.

14. The amended witness statement of Julia Quinn includes one sentence in addition to the original statement. It reads as follows:

"For clarity, [Popaball] did not, at the relevant time, have Google Ads (previously Google Adwords) in relation to the UNICORN SHIMMER term."

15. Given that Popaball filed this amendment in response to Unicorn's reply evidence, it would have been appropriate to file an additional witness statement by Ms Quinn, rather than amending the original statement. However, given the nature and size of

the amendment, nothing turns on this. Having considered the factors in *Titanic*,³ I allowed the amended witness statement into these proceedings.

16. A second preliminary point was raised in respect of the witness statement provided by Rachel Platts for Unicorn. Popaball claims that Ms Platts gives evidence which puts her in the position of an expert when it is simply her own opinion. Popaball requested that Ms Platts' evidence be excluded or, in the alternative, if the exhibits were to remain, it invited the hearing officer to have regard to their unqualified nature and draw their own conclusions.

17. No request was made by Unicorn to file expert evidence. There is nothing in the evidence filed by Unicorn to suggest that its witness is providing an expert opinion. At the hearing I confirmed that Ms Platts' evidence would not be excluded and directed that the evidence of Ms Platts which relates to emojis and 'the unicorn trend' is simply the opinion of that individual and I confirmed that I would treat it accordingly.

Other preliminary issues

18. Before continuing with this decision there are several points I need to address.

19. Popaball claims to be the first to use 'Shimmer' for this type of product, something disputed by Unicorn. The marks at issue are UNICORN SHIMMER and not SHIMMER solus, so this is not a point I need to determine. Even if it were, the evidence filed is insufficient to enable the point to be established.

20. Unicorn submits that Popaball's use of SHIMMER is descriptive and that others use SHIMMER for similar products. Two examples are provided in the evidence of Emma Pallister,⁴ both of which are for Prosecco Shimmer and have dates after the claimed first use by Popaball. Evidence is also provided of the use of the word SHIMMER for makeup products. As I have already stated (para. 19), the marks at issue are not simply the word SHIMMER, but UNICORN SHIMMER. In my view,

³ Property Renaissance Ltd v Stanley Dock Hotel & Ors [2016] EWHC 3103 (CH).

⁴ See exhibit EP2.

neither party's mark (both being UNICORN SHIMMER) is descriptive for the goods for which registration is sought and I do not intend to revisit this point.

21. Unicorn filed evidence of what it refers to as the 'unicorn trend'. It concludes that unicorn emojis and references to 'unicorn' made on Popaball's social media pages are not trade mark use. I agree. Use of an emoji and the word 'unicorn' by Popaball's customers, in respect of a product whose name does not contain any reference to unicorns, is clearly not trade mark use.

Evidence filed by Unicorn

Witness statement by Danielle Broomfield and exhibits DB1 – DB17

22. Ms Broomfield is the Company Secretary and sole Director of Unicorn Shimmer Co. Ltd., a position she has held since the company was incorporated on 27 October 2017. Her statement is dated 18 June 2018.

Witness statement by Emma Pallister and exhibits EP1 – EP2

23. Ms Pallister is a trade mark attorney at Unicorn's representative, a position she has held since 1 May 2018. Her statement is dated 18 June 2018.

Second witness statement by Danielle Broomfield and exhibits DB1 – DB12

24. The same Danielle Broomfield referred to above. Her second statement is dated 21 January 2019.

Witness statement by Rachel Platts and exhibits RP1 – RP3

25. Ms Platts is a trade mark attorney at Unicorn's representative, a position she has held since October 2015. Her statement is dated 21 January 2019.

Evidence filed by Popaball

Amended witness statement by Julia Fiona Quinn and exhibits JFQ1-JFQ3

26. Ms Quinn is the sole Director of Popaball. Her statement is dated 14 May 2019.

Seconds witness statement by Julia Fiona Quinn and exhibit JFQ4

27. The same Ms Quinn referred to above. Her second statement is dated 26 November 2018.

28. I have read all of the evidence and was taken to various parts of it during the hearing. I will refer to the evidence as necessary throughout this decision.

THE DECISION

29. I will first consider Unicorn's opposition to Popaball's trade mark application under opposition number 411318. This is based on 5(4)(a) and 3(6) of the Act. I will deal with the 5(4)(a) ground first.

30. Section 5(4) of the Act states:

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

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

(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."

31. In *Discount Outlet v Feel Good UK*,⁵ Her Honour Judge Melissa Clarke, sitting as a deputy Judge of the High Court, conveniently summarised the essential requirements of the law of passing off as follows:

"55. The elements necessary to reach a finding of passing off are the 'classical trinity' of that tort as described by Lord Oliver in the *Jif Lemon* case (*Reckitt & Colman Product v Borden* [1990] 1 WLR 491 HL, [1990]

⁵ [2017] EWHC 1400 IPEC

RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

56. In relation to deception, the court must assess whether "*a substantial number*" of the Claimants' customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21)."

32. Halsbury's Laws of England Vol. 97A (2012 reissue) provides further guidance with regard to establishing the likelihood of deception. In paragraph 309 it is noted (with footnotes omitted) that:

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

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

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

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

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:(a) the nature and extent of the reputation relied upon;

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

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

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

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

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

The relevant date

33. 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*,⁶ Mr Daniel Alexander QC as the Appointed Person considered the relevant date for the purposes of s.5(4)(a) of the Act:

“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:

⁶ BL O-410-11

‘Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made.’”

34. The filing date of the subject trade mark is 2 October 2017. There is no evidence or claim by the applicant that its mark has been used prior to this date. Accordingly, the matter need only be assessed as of 2 October 2017.

Goodwill

35. The first hurdle for the opponent is to show that they had the required goodwill at the relevant date. In *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL), the Court 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.”

36. Unicorn’s evidence of goodwill is provided by Ms Broomfield. In her witness statement, dated 18 June 2018, she states that Unicorn Shimmer Co. Ltd was incorporated on 27 October 2017. Unicorn’s *facebook* and *Instagram* pages were launched on 19 September 2017 and its domain name registered 30 September 2017.⁷

⁷ See exhibit DB9.

37. The first dated Instagram post is from 19 September 2017 and reads, “unicornshimmerco New shimmer company coming soon.”⁸ The following is shown on the page:



38. An *Instagram* post, dated 21 September 2017, reads:

“unicornshimmerco Product testing time New unicorn rose gold Shimmer for Prosecco, Gins, Vodka and non alcoholic mixers! Coming soon from Unicorn Shimmer Co!”

39. Another post from the same date reads:

“unicornshimmerco Gold Goddess Shimmer coming soon at Unicorn Shimmer Co!”

40. *Instagram* posts, dated 28 September 2017, read:

“Product launch and website coming soon”.

41. An unbranded bottle is shown in the image on a background printed with a repeat pattern:



⁸ See exhibit DB3, page 33.

42. The still image provided in evidence appears to have a play button in the centre which suggests it is a video. This is the case with a number of the prints from the social media pages provided by Ms Broomfield, though I note that no videos or links to videos have been provided in evidence.

43. The next post from *Instagram*, also posted on 28 September 2017, reads, “*Website launch coming soon.*”

44. Further posts from the same date show, “*Copper shimmer, Ice White Shimmer, launching soon*” and “*Adding more colours to our range, watch this space.*”

A post from *Instagram*, dated 30 September 2017, reads:

“Latest colour, Black Shimmer, perfect for Halloween, available to pre order tomorrow on our new website.”

45. A post, dated 1 October 2017, shows a picture of bottles, which are blurred in the background, over which are the words, “*Website now open!!!*”. The page has two likes.

46. Another post from the same date has a picture of a bottle as follows. The text reads, “*unicornshimmerco Shimmer now available to order on the website!!!*”. The page has sixteen likes and includes the following image:



47. A further post, dated 1 October 2017, reads, “*unicornshimmerco Fabulous customer video with our rose gold Shimmer.*” The video has not been provided.

48. Ms Broomfield’s evidence also includes *facebook* posts for the same dates as the *Instagram* posts. These show the same messages and images. The page dated 28 September 2017 has the highest number of ‘likes’ at seven, with three ‘shares’.

49. Ms Bloomfield provides what are described as ‘customer messages’ from *facebook*. The page appears to be a screen shot from a mobile phone or tablet. The only two messages before the relevant date read, “Thank you”.⁹

50. Exhibit DB5 is described as *facebook* insight statistics. A ‘Launch Coming Soon’ post (undated) reached 816 people. It has 7 likes and 3 shares. A further post, dated 29 September 2017, referring to ‘Copper Shimmer’ reached 113 people, had 2 likes and 1 share. The ‘Black Shimmer’ post reached 509 people, had 2 likes and 6 shares. There are also 20 comments which are not visible. The ‘Website Now Open!!!’ post reached 1063 people. Of the 1063 people who were reached, 29 ‘reacted’, 14 commented, 9 shared the post. 15 viewed the photograph and no one viewed a 3 second video.

51. Ms Broomfield provides a screenshot from a mobile phone or tablet which shows the following:



⁹ See exhibit DB4.

52. She describes the image as showing the branded products before the relevant date. The date displayed at the top of the screen is 28 September 2017.

53. Ms Broomfield provides evidence of sales which she describes as “product carrying the ‘UNICORN SHIMMER’ trade mark.” The list appears to be printed from a mobile phone or tablet. It shows a list of dates with figures in GBP. There is no indication of who the customers are, where they are based, or which products were purchased. The exhibit is extremely difficult to read, but none of the legible dates appears to be from before 2 October 2017 (the relevant date).

54. Ms Broomfield provides a print of a sale, dated 1 October 2017, which she describes as:

“...a copy of an order for the UNICORN SHIMMER product...This order was placed the same day the Unicorn Shimmer Co website went live. This was the first order received and processed.”

55. The total value of the order is £30.43. The customer details are not shown. The products purchased are described as:¹⁰

3 x Christmas Confetti
3 x Ice White Shimmer

56. In her witness statement Ms Broomfield provides turnover figures which she describes as being:

“...for my company and from trading under my own name since 19 September 2017 in the United Kingdom [...] £86,864.22.”

57. She states that this is made up of 5666 sales of UNICORN SHIMMER branded products. Ms Broomfield states that marketing and advertising expenditure is

¹⁰ See exhibit DB11.

£4845.49, though it is not clear to which period this figure relates and there are no examples of advertising in evidence, beyond the posts on social media.

58. Ms Broomfield says that prior to the launch of the website she 'actively promoted' her company. Evidence of this is said to be the evidence already summarized which relates to *facebook* and *Instagram* posts.

59. The remaining evidence relates to sales made and social media commentary from after the relevant date. Pages showing the products available on Amazon are undated, save for the date on which the page was printed. The only exception is 'Bubblegum Shimmer Syrup', which has a 'date first available' of 17 April 2018, which is later than the relevant date.

60. I do not intend to rehearse the witness statement of Emma Pallister and the second witness statement of Danielle Broomfield, neither of which concerns Unicorn's goodwill. The witnesses give evidence in these statements which relates to the descriptiveness of the word SHIMMER and third party use of the same, which I have dealt with at paragraph 20 above. It is not relevant to the assessment I must make of Unicorn's goodwill.

61. In its skeleton argument Unicorn outlines its position in respect of its goodwill, as follows:

"5. [Unicorn] has traded under the trade marks UNICORN SHIMMER/UNICORN SHIMMER CO. since 19th September 2017 in relation to a beverage flavouring product which makes an alcoholic beverage 'shimmer'. Reference Witness Statements of Danielle Broomfield dated 18th June 2018 and 21st January 2019. [Popaball] admits in paragraphs 3.1.1 and 3.1.2 of the counterstatement to in OPP411318 that [Unicorn] made postings on various social media platforms as of 19th September 2017, prior to the 2nd October 2017. In the counter-statement [Popaball's] knowledge of these postings is referred to as 'publicly accessible material' possibly in a historic context, but Jules Quinn in her Witness Statement of 20th August 2018 (amended 14th May 2019) admits

in paragraph 22 of that Witness Statement that she became aware of those postings (and thus advertising/promotional efforts) in late September 2017, so before 2nd October 2017.

6. [Unicorn] contends that use of the trade marks UNICORN SHIMMER/UNICORN SHIMMER CO. from 19th September 2017 was sufficient to establish protectable goodwill prior to the filing date of 2nd October 2017 of United Kingdom Application Nos. 00003260546 for UNICORN SHIMMER in the name of [Unicorn]...”

62. Unicorn relies on a number of decided cases, the majority of which relate to the assessment of small levels of goodwill, the remaining cases relate to whether or not advertising without significant sales can amount to a protectable goodwill.

63. The first question is whether Unicorn has shown sufficient sales, prior to the relevant date of 2 October 2017, to have created a protectable goodwill in the sign UNICORN SHIMMER.

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

“27. There is one major problem in assessing a passing off 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 than 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.”

65. In *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat) Floyd J. (as he then was) stated that:

“[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.”

66. 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.”

67. It has long been established that 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.”

68. Unicorn draws my attention to *Stannard v Reay*,¹¹ in which protectable goodwill was generated as a result of a three-week period of trading by a single mobile fish and chip van on the Isle of Wight. The case concerned the request for an injunction to prevent another fish and chip business using the same name.

69. The court held that even though the plaintiffs had only been trading for about three weeks, there was evidence of substantial takings by the business which fell when the defendants commenced business; there was evidence that the plaintiffs had acquired goodwill requiring protection, and the injunction was granted.

70. In *W3 v EasyGroup*,¹² which Unicorn also relies on, Arnold J found that the claimant had generated, ‘a modest, but nevertheless sufficiently substantial, goodwill’ as a result of there being 109 registered users of a UK website over a period of less

¹¹ [1967] FSR 140

¹² [2018] EWHC 7 (Ch), p.366

than two months (although with many more visitors) and without the website having generated any revenue at all.

71. In any case, the matter before Arnold J concerned a trade mark with two relevant dates and he concluded that goodwill was clearly sufficient by the second date. The relevant paragraph is as follows:

“367. Counsel for easyGroup submitted that W3 had not established that substantial goodwill subsisted at the relevant dates. In my judgment there was a modest, but nevertheless just sufficiently substantial, goodwill by 21 September 2000. By that date there were 109 registered users of the UK website, and there would have been many more visitors to it than that. Although there had been no UK advertising or promotion by then, I do not consider that fatal. Even if the goodwill was insufficient by 21 September 2000, I have no hesitation in concluding there was a sufficient goodwill by 9 November 2001, by which time the site had considerably more registered users and was generating revenue.”

72. With regard to the cases relied upon by Unicorn with regard to a small but protectable goodwill, *Stannard v Reay* can be easily distinguished from the situation here as there is no evidence of Unicorn having ‘substantial takings’ prior to the relevant date. *W3 v Easygroup* is also distinguishable on its facts as I have no evidence of registered users or customer lists for Unicorn’s website prior to the relevant date. In the absence of any evidence, I cannot find that ‘liking’ a post on social media is equivalent to setting up a customer account or registering to use a website in order to purchase that business’s particular goods or services.

73. The evidence in its totality shows one sale made by Unicorn before the relevant date. The sale amount is £30.43, the goods being described as Christmas confetti and Ice White Shimmer. The evidence does not show the location of the customer, no customer details have been provided and it does not show any trade marks which may have been used on the products sold. Ms Broomfield does state that the sale was made through the website which is ‘unicornshimmerco’. I have considered the evidence in detail and it is clear that Unicorn made considerably more sales shortly after the relevant

date, than the one sale made before it. However, the test I must apply and the relevant case law is clear, I must consider the position at the relevant date. I cannot find that at that date Unicorn had a protectable goodwill in the relevant market.

74. Having concluded that Unicorn's sales prior to the relevant date are not sufficient, I will now consider the second point made by Unicorn which is that by the relevant date it had created protectable goodwill in the sign UNICORN SHIMMER as a result of its pre-launch promotion and advertising.

75. The evidence shows that Unicorn first used UNICORN SHIMMER on 19 September 2017, on social media, that is, thirteen days before the relevant date. The promotional activity takes the form of posts on *facebook* and *Instagram* which promote Unicorn's upcoming website and posts which highlight some of Unicorn's upcoming products. There are no details in evidence of the extent of reach by the Instagram posts. The number of views for each post is between 100 and 200, though this is likely to be the figure at the date on which the post was printed for evidence in this case, rather than the number of views at the relevant date.¹³ Customer insights are provided for the *facebook* pages. The highest reach figure is 1063, though I note that the number of users engaging with the post is 29 'reactions', 14 comments and 9 shares. Again, it is not clear when the insight data was provided and whether it is in relation to the position at the relevant date. There is no evidence of the location of anyone interacting with Unicorn's social media pages, nor that any of the people who 'liked' the posts were actual or potential customers.

76. It is not clear whether an advertising campaign featuring a mark can create a protectable goodwill without any actual sales to UK customers. In *Starbucks (HK) Limited and Another v British Sky Broadcasting Group Plc & Others*, [2015] UKSC 31, Lord Neuberger (with whom the rest of Supreme Court agreed) stated (at paragraph 66 of the judgment) that:

¹³ The prints have been taken directly from Instagram and Facebook rather than via an internet digital archive which would have shown the position at a specified earlier date.

“Finally, a point which I would leave open is that discussed in the judgment of Sundaresh Menon CJ in *Staywell* ..., namely whether a passing off claim can be brought by a claimant who has not yet attracted goodwill in the UK, but has launched a substantial advertising campaign within the UK making it clear that it will imminently be marketing its goods or services in the UK under the mark in question. It may be that such a conclusion would not so much be an exception, as an extension, to the ‘hard line’, in that public advertising with an actual and publicised imminent intention to market, coupled with a reputation thereby established may be sufficient to generate a protectable goodwill. On any view, the conclusion would involve overruling *Maxwell v Hogg*, and, if it would be an exception rather than an extension to the ‘hard line’, it would have to be justified by commercial fairness rather than principle. However, it is unnecessary to rule on the point, which...has some limited support in this jurisdiction and clear support in Singapore. Modern developments might seem to argue against such an exception ..., but it may be said that it would be cheap and easy, particularly for a large competitor, to ‘spike’ a pre-marketing advertising campaign in the age of the internet. It would, I think, be better to decide the point in a case where it arises. Assuming that such an exception exists, I do not consider that the existence of such a limited, pragmatic exception to the ‘hard line’ could begin to justify the major and fundamental departure from the clear, well-established and realistic principles which PCCM's case would involve. In this case, PCCM's plans for extending its service into the UK under the NOW TV mark were apparently pretty well advanced when Sky launched their NOW TV service, but the plans were still not in the public domain, and therefore, even if the exception to the ‘hard line’ is accepted, it would not assist PCCM.”

77. Pre-launch publicity appears to have been accepted as sufficient to create an actionable goodwill in two of the cases relied on by Unicorn, namely *Allen v Brown Watson*¹⁴ and *BBC v Talbot*¹⁵, but as explained in paragraph 3-071 of Wadlow’s ‘The

¹⁴ [1965] RPC 191

¹⁵ [1981] FSR 228

Law of Passing Off 5th Ed', the plaintiffs in these cases had long established businesses and goodwill in the UK. The real issue was whether their new marks had become distinctive of those businesses to their UK customers through advertising alone. That is not the case here.

78. Unicorn relies on thirteen days use on Instagram and facebook and one day's use of its website (for which no evidence is provided other than the fact that the website was launched on 1 October 2017). I have given careful thought to the fact that Unicorn's business did subsequently expand (after 2 October 2017) but the evidence is not sufficient to show that this was as a result of its promotional activity prior to the relevant date. I have no indication of any potential customers being targeted beyond the social media posts and the number of individuals interacting with those posts is small. I cannot conclude, from the evidence, whether any of the public who did engage with the social media posts were likely customers and there is no evidence to show that those particular individuals went on to make a purchase of Unicorn's goods. Unless and until the law is clarified, it is doubtful whether a business with no sales to UK customers can establish a passing off right based solely on advertising. Even if it could, I do not find that the level of advertising in evidence is sufficient to have created a market, i.e. protectable goodwill, in Unicorn's goods by the relevant date.

79. Unicorn's opposition under section 5(4)(a) of the Act fails.

Unicorn's bad faith claim

80. I turn now to consider Unicorn's opposition under section 3(6) of the Act which states:

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

81. The law relevant to a finding of bad faith was summarised by Arnold J. in *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited*¹⁶ (“Red Bull”) in the following terms:

“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*

¹⁶ [2012] EWHC 1929 (Ch)

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).”

82. Unicorn’s claim under this ground is most succinctly put in its skeleton argument. I reproduce the relevant paragraphs, which are as follows:

“8...Paragraph 22 of the Witness Statement of Jules Quinn of 20th August 2018 (amended 14th May 2019) admits that she was aware of Party A's use of the UNICORN SHIMMER/UNICORN SHIMMER CO. trade marks in late September 2017 and thus before 2nd October 2017 and that in essence that the filing of the application at issue was filed as a direct result of that knowledge. The filing of the application was prompted by Party B's knowledge of Party A's use of UNICORN SHIMMER/UNICORN SHIMMER CO.

9. There is a claim that searches were conducted on 23rd May 2017 by Party B for the term UNICORN (paragraph 14 of Jules Quinn Witness Statement of 20th August 2018 (amended 14th May 2019)). No trade mark application was however filed at that time (5 months passed from the search date to the application date (the relevant date)). There seems to be an attempt by Party B to explain the delay in filing between 23rd May 2017 to 2nd October 2017 being down to issues with sourcing packaging. However, Party B makes the comment in paragraph 17 of the Jules Quinn Witness Statement of 20th August 2018 (amended 14th May 2019) stating that the policy of Party B is to file applications before the commencement of use. Issues with sourcing does [sic] not prevent the filing of an application, the delay in filing this application seems to be contrary to Party B's own standard policy and, as referenced in paragraph 8 above, Party B effectively admits the filing of this application was prompted by knowledge of the use of Party A of UNICORN SHIMMER/UNICORN SHIMMER CO. Party B still has never applied UNICORN, UNICORN SHIMMER or UNICORN SHIMMER CO. to actual product to this date.

10. *Chocoladefabriken Lindt & Sprungli AG vs Franz Hauswirth GmbH* {C-529/07} held that an 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. We contend that is what happened in this case. [Popaball] may or may not have conducted searches in May 2017 for the term UNICORN but did not launch a product under the trade marks at issue in May 2017 and indeed did not file a trade mark application themselves in May 2017. [Popaball] then became aware of [Unicorn's] use of the UNICORN SHIMMER/UNICORN SHIMMER CO. trade marks in late September 2017. [Unicorn] and [Popaball] are direct competitors. [Popaball] then filed the application as an attempt to prevent the use of UNICORN SHIMMER or similar trade marks by [Unicorn]. The relevant date for considering bad faith is 2nd October 2017, not May 2017. The fact that [Popaball] may have conducted searches for UNICORN is largely irrelevant because the relevant date is 2nd October 2017 five months had passed and the circumstances/knowledge of use had changed.

11. 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’: *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)*. We contend that [Popaball’s] action in filing their application does fall short of standards of acceptable commercial behaviour. Such actions include knowledge of an intention of [Unicorn’s] to enter the market and to use a sign in the UK market and a desire by [Popaball] to pre-empt this. Indeed, [Unicorn] did not simply have an intention to enter the market at issue on 2nd October 2017, they were already in the market selling a competing product to [Popaball].”

83. In essence, the claim is that Popaball knew of Unicorn’s use of the trade mark and sought to prevent Unicorn from entering the market; a so called ‘fettering’ argument.

84. Popaball’s evidence relating to this ground is found in the witness statement of Julia Quinn and attached exhibits. She submits that Popaball launched its rose gold drink addition (which it referred to as SHIMMER) on or around 31 March 2017. Popaball’s rose gold drink addition sold 10,000 units by 19 May 2017 (in the 49 days following its launch).¹⁷

85. Ms Quinn states that Popaball’s rose gold drink addition was featured online and in print in publications such as Metro, Good Housekeeping, Evening Standard, Marie Claire and Harpers Bazaar. Not all of the examples in evidence are dated, but those that are appear to be from April and May 2017.

86. At paragraph 11 of her statement, Ms Quinn submits:

“The term UNICORN was fruitfully used by [Popaball] in connection with advertisement of [Popaball’s] rose gold drink addition.”

¹⁷ See paragraph 10 of Julia Quinn’s witness statement and page 12 of exhibit JFQ1.

87. A print of a facebook post (dated 6 May 2017) shows a photograph of two glasses underneath which is the following:

*“PINK UNICORN PROSECCO! (unicorn emoji)
If you thought prosecco couldn’t get more glam!”¹⁸*

88. The page shows that the post has reached 6,413,417 people. It has had 3.3 million views, 45 thousand comments and 30,497 shares, though I bear in mind that this is likely to be the position at the date of print rather than at the relevant date.

89. Ms Quinn submits that Popaball’s rose gold drink addition was associated with the term UNICORN by third parties from the outset. Seven examples are provided, the first four appear to be from Instagram, the last three from facebook. Each comment appears below pictures of glasses and in some cases includes an image of Popaball’s packaging.

90. The comments and the dates they were made are as follows:

#proseccoshimmer #unicornjuice	29 April 2017
#shimmerforprosecco #unicornprosecco	11 May 2017
unicorn emoji #unicorndrink	13 May 2017
#unicornshimmer	22 May 2017
Angie x, Emma x and Linda x ordered some of this unicorn shimmer...	10 May
X, you need some of this unicorn shimmer. Lol.	13 May
X shall I buy some unicorn shimmer for our prosecco.	14 May

91. Ms Broomfield (of Unicorn) ordered Popaball’s product on two occasions (6 and 13 May 2017). On 13 May 2017, under the name of her then business ‘boutiquejutes’, Ms Broomfield posted the following on Instagram:

¹⁸ See page 13 of JFQ1.

“Busy day today making loads of orders! Now it’s time to chill out with this fabulous Unicorn Prosecco.”

92. The post is followed by four emojis, including a unicorn, and the tag @popaball. The popaball packaging can be seen to the left of the glass in the accompanying photograph.

93. Ms Quinn submits that the association between Popaball’s rose gold drink addition and the word UNICORN, *“and the potential to harness this by way of an appropriate trade mark incorporating the word UNICORN, quickly became apparent to [Popaball].”*¹⁹

94. She submits that Popaball undertook preliminary prior rights searches on 23 May 2017. Copies of those searches are provided in evidence. Each of the trade marks which Popaball thought to be relevant was printed on 23 May 2017. The first is a trade mark registration for the word ‘Unicorn’ in classes 29 and 30. A handwritten notation on that print reads: *‘Appear to be distributors’*. The second print is for ‘Unicorn Pop’, registered for candy in class 30. The first handwritten notation reads: *‘Doesn’t appear to be in use’*. This is crossed through and written below it is: *‘see Candy Hero site’*. Copies of screen shots are provided which show ‘unicorn pop’ lollies for sale on Amazon UK and Candy Hero websites. Ms Quinn states that they were accessed on the same date as the trade mark searches. Three other searches have been printed (also on 23 May 2017). These are ‘Red Unicorn’ and a device which appears to be a Chinese animal for rice in class 30; ‘Unicorn Crepe’ in class 30 for ‘crepes with frozen yoghurt or edible ices’ in class 30 and ‘Bag of Unicorn Farts’ for a range of confectionery goods in class 30.

95. Ms Quinn submits that following these searches Popaball decided to apply for UNICORN with another word, to ensure acceptability of the mark and to distance it from ‘Unicorn Pop’, which it considered the closest mark in the searches that were conducted on 23 May 2017. Ms Quinn says that the word SHIMMER was chosen for three reasons. The first was that Popaball was already using it to refer to its rose gold

¹⁹ See paragraph 14 of Ms Quinn’s statement.

drink addition. The second, was that it had generated considerable publicity and custom and the third reason was that Popaball was aware that the rose gold drink addition had already been referred to as UNICORN SHIMMER by some customers.²⁰

96. Ms Quinn further submits that it is Popaball's policy to file for new trade marks before the launch of any products. By way of example, she draws my attention to the Popaball logo mark filed, in her name, on 12 December 2013 with products launched in November 2014. At paragraph 17 of her statement Ms Quinn says that normally the products would have been launched earlier but the applicant encountered issues with sourcing packaging.²¹

97. With regard to the delay between the searches for 'unicorn' trade marks and Popaball's application, Ms Quinn submits that following the trade mark searches an internal discussion was held at Popaball at which two options were considered. The first was to rebrand the existing product as UNICORN SHIMMER and the second was to create a separate offering under the UNICORN SHIMMER mark. The second option was chosen. At paragraph 19 of her witness statement she says:

“Due to the seasonal nature in which large retailers work, with sign off for Autumn/Winter for large retailers often occurring very early in the year (and before the internal discussions [at Popaball] had taken place), the Applicant did not anticipate any discussions regarding an offering under the Trade Mark in the near future. [Popaball] resolved to make the Application at an appropriate later date.”

98. Ms Quinn submits that following the searches and before the application was made, Popaball's product was still referred to by the term UNICORN SHIMMER. The evidence shows use of the words 'unicorn' and 'shimmer' separately, and regular use of unicorn emojis. The closest to a direct reference to the mark are two posts on what appears to be Instagram which use the hashtags: #unicorn #shimmer. They are dated 8 July 2017 and 13 July 2017.²²

²⁰ See paragraphs 15 and 16 of Ms Quinn's statement.

²¹ See JFQ1 for letters relating to problems with packaging during Popaball's launch of products under its Popaball trade mark.

²² See page 29 of exhibit JFQ1.

99. Also, during the period following the searches, Ms Quinn submits that Popaball continued to monitor use of the potential trade mark:

“17. [Popaball] also monitors publicly available resources to see if any third party seeks to associate any products similar to its products with trade marks it is interested in, particularly in anticipation of trade mark application.”

100. Ms Quinn concludes:

“22. The Applicant became aware that the Joint Opponents had made posts on the Facebook Page and the Instagram Page regarding competing products to the Applicant's at or around the end of September 2017 as part of its monitoring referred to above. After undertaking due diligence to determine if the Joint Opponents had any pending trade mark applications and establishing they had not and judging there to be no other basis on which the Joint Opponents could oppose the Application based on available information, the Application was made on 2 October 2017 to protect the Applicant's existing commercial interests in anticipation of use of the Trade Mark as referred to previously.”

101. Before considering the bad faith claim I will briefly clear up a misunderstanding on the part of Unicorn. From its skeleton argument, it seems to conclude that Popaball is relying on difficulty sourcing packaging as a reason for the delay in applying for the UNICORN SHIMMER trade mark. It is clear to me that Ms Quinn referred to packaging difficulties by way of explaining the delay between registering the Popaball mark and the launch of the products some 11 months later. Nothing turns on this and I will say no more about it.

102. Both parties have filed evidence relating to the other's conduct, for example, blocking each other from their sites and social media pages. I do not intend to summarise this evidence as it is irrelevant. Similarly, both refer to a letter from Unicorn's representative in which Unicorn acknowledges that Popaball has used the

term Unicorn Prosecco.²³ As I have already stated, the marks at issue are UNICORN SHIMMER marks and this is not relevant. I will say no more about it.

103. In accordance with the comments of Arnold J. at paragraph 131 of *Red Bull*, the position must be judged at the date on which the application for registration was made, which in this case is 2 October 2017.

104. The tests I must apply in making an assessment under section 3(6) are well established. I must firstly determine what Popaball's knowledge was at the relevant date. Having made such a finding, I must determine whether, in light of that knowledge, its application for UNICORN SHIMMER was made in bad faith.

105. Unicorn seeks to rely on the fact that Popaball has not yet used or promoted the mark UNICORN SHIMMER. Should the applied for mark become registered, Popaball has five years from that date in which to use the mark in respect of the goods for which it is registered. Consequently, not having used the mark to date is not a relevant factor in these proceedings and is not a relevant factor in making a finding under section 3(6) of the Act.

106. Popaball's knowledge at the relevant date was that its 'rose gold shimmer' product was successful and was often referred to and commented on, by its customers, with reference to either the word 'unicorn' or with a unicorn emoji. It had carried out searches for 'unicorn' trademarks five months before the relevant date and had decided to offer a new product in its range under the trade mark UNICORN SHIMMER. Having concluded that it was not the right time of year to launch, Popaball decided to wait, but carried out monitoring exercises, prior to the relevant date.

107. I pause here to note that Unicorn submits that 'searches may or may not have been carried out' by Popaball but concludes that they are irrelevant as they occurred before the relevant date. No request has been made to cross examine Ms Quinn. Her statement is signed and dated with a statement of truth and the pages which make up the relevant exhibit are also clearly dated. I have no reason to doubt their validity. With

²³ JFQ1, page 14.

regard to the relevance of the searches, it would be impossible to determine Popaball's knowledge at the date of application of its UNICORN SHIMMER trade mark without having regard to the events leading up to that date.

108. I find Popaball's explanation of the rationale for filing the trade mark UNICORN SHIMMER entirely in keeping with the development of its business. Customers used unicorn references when referring to Popaball's product and I have no reason to disbelieve Ms Quinn's statement that this gave Popaball the idea to launch a product which included 'unicorn' in the name. The word 'SHIMMER' was already being used by Popaball, and I find it plausible that many references to unicorns by Popaball's customers may have led to its wishing to capitalise on the association.

109. The only outstanding question is whether Popaball's knowledge of Unicorn at the end of September 2017 led to Popaball's filing in an attempt to fetter Unicorn's business and prevent it from entering the market. By the end of September, Unicorn had made a number of social media posts announcing that it would be launching products under the Unicorn Shimmer Co. There are no dates of launch shown on any of the posts in evidence. The posts show both products and the website as 'coming soon'.

110. Given the evidence filed by Popaball, I have no doubt that Unicorn's social media activity at the end of September 2017 was the catalyst that led to it filing its trade mark. However, having carried out the necessary searches to ensure that the mark was not registered, the evidence points to this being simply an action taken in order to protect Popaball's own interests and to further its own business in a market in which it was already operating. I find this to be a far more likely motivation than the one suggested by Unicorn.

111. It may be that the opponent's behaviour could be considered distasteful or sharp business practice, but that in itself is not sufficient for a finding that the opponent has acted in bad faith. Bad faith is a serious allegation and one which must be distinctly proven. In *Red Bull GmbH v Sun Mark Ltd*, Amanda Michaels, sitting as the Appointed Person, held that:

“47. Where an allegation of bad faith is made, it should be properly and specifically pleaded, and before a finding of bad faith will be made the allegation must also be supported by the evidence.”

112. In this case the evidence provided by Unicorn does not support such a claim.

113. I find that the opposition in respect of section 3(6) fails.

Popaball’s opposition

114. I now turn to consider Popaball’s opposition based on its UNICORN SHIMMER trade mark application.

115. On 27 February 2019 Unicorn applied to register trade mark 3293077, Unicorn Shimmer, for the following goods:

Class 30

Confectionary for adding to beverages; flavoured confectionary for adding to beverages, fruit flavoured confectionary, beverage garnishes and confectionary, confetti confectionary, Shimmer additive confectionary for beverages, Confectionary for Alcoholic and Non Alcoholic Beverages.

Class 32

Syrups for adding to beverages, Shimmering syrups for beverages, Fruit flavoured Juices, Syrup Drops for Beverages, Flavourings.

116. The application was opposed by Popaball relying on its UNICORN SHIMMER trade mark 3260546, which was applied for on 2 October 2017, for the following goods:

Class 2

Colourants for beverages.

Class 30

Confectionery for adding to beverages; flavoured confectionery for adding to beverages; fruit-flavoured confectionery for adding to beverages.

117. Popaball relies on grounds under sections 5(1), 5(2)(a) and 5(2)(b) of the Act.

118. I will begin with section 5(2)(a) which reads as follows:

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

(a) it is identical with an earlier trade mark and is to be registered for goods or services similar to those for which the 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.”

1119. An earlier trade mark is defined in section 6 of the Act, the relevant parts of which state:

“6.-(1) In this Act an ‘earlier trade mark’ means -

(a) a registered trade mark, international trade mark (UK) or Community trade mark or international trade mark (EC) which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks.

(2) References in this Act to an earlier trade mark include a trade mark in respect of which an application for registration has been made and which, if registered, would be an earlier trade mark by virtue of subsection (1)(a) or (b), subject to its being so registered.”

120. The opponent’s mark is an earlier mark which has not yet been registered. Consequently, the proof of use requirements set out in section 6A of the Act do not apply.

121. Accordingly, in these proceedings, the opponent is entitled to rely on its earlier mark for the full specification in its application.

122. Unicorn has applied for the words 'Unicorn Shimmer', with no additional stylisation. Popaball's earlier application is for the words UNICORN SHIMMER, with no additional stylisation. In *S.A. Société LTJ Diffusion v. Sadas Vertbaudet SA*²⁴, the CJEU stated:

"54. ...Art.5(1)(a) of the Directive must be interpreted as meaning that a sign is identical with the trade mark where it reproduces, without any modification or addition, all the elements constituting the trade mark or where, viewed as a whole, it contains differences so insignificant that they may go unnoticed by an average consumer."

123. The difference between upper case and title case is an insignificant difference which will go unnoticed by the average consumer. These are identical marks.

Comparison of goods

124. The goods to be compared are as follows:

Popaball's goods	Unicorn's goods
<p>Class 2 Colourants for beverages.</p> <p>Class 30 Confectionery for adding to beverages; flavoured confectionery for adding to beverages; fruit-flavoured confectionery for adding to beverages.</p>	<p>Class 30 Confectionary for adding to beverages; flavoured confectionary for adding to beverages, fruit flavoured confectionary, beverage garnishes and confectionary, confetti confectionary, Shimmer additive confectionary for beverages, Confectionary for Alcoholic and Non Alcoholic Beverages.</p> <p>Class 32</p>

²⁴[2003] FSR 34

	Syrups for adding to beverages, Shimmering syrups for beverages, Fruit flavoured Juices, Syrup Drops for Beverages, Flavourings.
--	--

125. In comparing the goods, I bear in mind the following guidance provided by the General Court (GC) in *Gérard Meric v OHIM*, Case T-133/05:

“29. ...goods can be considered identical when the goods designated by the earlier mark are included in a more general category, designated by the trade mark application or when the goods designated by the trade mark application are included in a more general category designated by the earlier mark.”

126. Factors which may be considered include the criteria identified in *British Sugar Plc v James Robertson & Sons Limited (Treat)* ²⁵(hereafter *Treat*) for assessing similarity between goods and services:

- (a) the respective *uses* of the respective goods or services;
- (b) the respective *users* of the respective goods or services;
- (c) the physical nature of the goods or acts of service;
- (d) the respective trade channels through which the goods or services reach the market;
- (e) in the case of self-serve consumer items, where in practice they are 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;
- (f) the extent to which the respective goods or services are competitive, taking into account how goods/services are classified in trade.

²⁵[1996] R.P.C. 281

127. Where appropriate I will, for the purposes of comparison, group related goods together in accordance with the decision in *Separode Trade Mark*²⁶:

“5. The determination must be made with reference to each of the different species of goods listed in the opposed application for registration; if and to the extent that the list includes goods which are sufficiently comparable to be assessable for registration in essentially the same way for essentially the same reasons, the decision taker may address them collectively in his or her decision.”

128. With regard to interpreting terms in specifications, I will bear in mind the guidance provided in *Treat*:

“In construing a word used in a trade mark specification, one is concerned with how the product is, as a practical matter, regarded for the purposes of trade. Words should be given their natural meaning within the context in which they are used; they cannot be given an unnaturally narrow meaning.”

129. I will also bear in mind Floyd, J's statement in *YouView TV Ltd v Total Ltd*:²⁷

"...Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the observations of the CJEU in Case C-307/10 *The Chartered Institute of Patent Attorneys (Trademarks) (IP TRANSLATOR)* [2012] ETMR 42 at [47]-[49]. Nevertheless the principle should not be taken too far. *Treat* was decided the way it was because the ordinary and natural, or core, meaning of 'dessert sauce' did not include jam, or because the ordinary and natural description of jam was not 'a dessert sauce'. Each involved a straining of the relevant language, which is incorrect. Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question." 131. In *Boston Scientific Ltd v Office for Harmonization*

²⁶ BL O-399-10

²⁷ [2012] EWHC 3158 (Ch) at [12]

in the Internal Market (Trade Marks and Designs) (OHIM) Case T- 325/06 the General Court (GC) explained when goods were complementary:

“82. It is true that goods are complementary if 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.”

130. Daniel Alexander, sitting as the Appointed Person, in *LOVE*²⁸, at paragraph 20 warned against applying too rigid a test:

“20. In my judgment, the reference to ‘legal definition’ suggests almost that the guidance in *Boston* is providing an alternative quasi-statutory approach to evaluating similarity, which I do not consider to be warranted. It is undoubtedly right to stress the importance of the fact that customers may think that responsibility for the goods lies with the same undertaking. However, it is neither necessary nor sufficient for a finding of similarity that the goods in question must be used together or that they are sold together. I therefore think that in this respect, the Hearing Officer was taking too rigid an approach to *Boston*.”

The average consumer and the nature of the purchasing act

131. 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*²⁹, 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

²⁸ BL O/255/13

²⁹ [2014] EWHC 439 (Ch)

objectively by the court from the point of view of that constructed person. The word ‘average’ denotes that the person is typical. The term ‘average’ does not denote some form of numerical mean, mode or median.”

132. The average consumer for all of the goods is a member of the general public.³⁰ The respective goods are made available through a variety of trade channels. They may be bought in a store or online or from catalogues. The purchase of such goods is primarily visual, though I do not discount an aural element.

133. The level of attention paid to the purchase will vary depending on the nature of the goods. As a general rule, most of the respective goods are fairly low-value, reasonably frequent purchases. The level of attention paid will be that necessary to achieve, inter alia, the correct flavour, strength and/or effect. Accordingly, the average consumer will pay at least a reasonable level of attention to the purchase of the goods.

Unicorn’s goods in class 30

134. With the exception of ‘confetti confectionery’ and ‘beverage garnishes’, the goods in this class are all confectionery for adding to beverages which are included within the broad term, ‘confectionery for adding to beverages’ in Popaball’s earlier application. They are identical in accordance with *Meric*.

135. ‘Confetti confectionery’ may also be added to beverages and to that extent will be identical to the goods in Popaball’s specification. Where the goods are not for adding to beverages, they are decorative confectionery and are likely to have the same users and considerable overlap, in terms of use, with all of the goods being confectionery goods used to decorate something. The trade channels are likely to be the same or similar and the goods are likely to be in close proximity on websites and in stores. They may be in competition and may also be complementary in the sense that a consumer familiar with one decorative confectionery for adding to beverages may expect decorative confetti confectionery to be provided by the same undertaking. I find these goods to be similar to at least a medium degree. ‘Beverage garnishes’ are

³⁰ For goods where the alcohol content exceeds 0.5% ABV the average consumer will be over 18 years of age.

primarily for decoration, but may add a flavor element and, may include confectionery. To that extent they will be identical, for all of the reasons given above. Where they are simply decorative and are not confectionery, I find the goods to have a low degree of similarity.

Unicorn's goods in class 32

136. Syrups for adding to beverages, Shimmering syrups for beverages, Syrup Drops for Beverages and Flavourings are all goods for adding to beverages. In class 32 the nature of these goods is likely to be in liquid form rather than confectionery goods in class 30. However, the users and uses of both goods are people who want to add decoration or change the flavour of a beverage and will use the goods to achieve that end. There may be some overlap in trade channels and both types of goods are likely to be available from drink accessory areas of websites and stores. The goods may be in competition, for example where a flavoured syrup or flavoured confection could be added to a beverage to achieve the same final flavour, or, they may be complementary where one is used to change the appearance and the other changes the flavour. Taking all of these factors into account, I find these goods to have a medium degree of similarity.

137. The remaining term in Unicorn's specification is 'Fruit flavoured Juices' which are clearly finished beverages which can be consumed in their own right or can be mixed with other drinks. The closest goods in Popaball's specification are 'fruit-flavoured confectionery for adding to beverages'. To the extent that both ultimately provide a fruit flavoured beverage to the consumer, there is a very low degree of similarity. The trade channels are likely to be different and the goods are unlikely to be in close proximity in store or online. There may be a little competition, to the extent that a consumer wishing to have a fruit flavoured beverage could opt for Unicorn's fruit juice or could add Popaball's fruit confectionery to another beverage. However, taking all of these factors into account, there is a very low degree of similarity.

138. I do not intend to compare Popaball's goods in class 2 to Unicorn's goods, as they do not advance Popaball's position beyond the findings I have already made.

Distinctive character of the earlier mark

139. In determining the distinctive character of a trade mark and, accordingly, in assessing whether it is highly distinctive, it is necessary to make an overall assessment of the greater or lesser capacity of the trade mark to identify the goods for which it has been registered as coming from a particular undertaking and thus to distinguish those goods from those of other undertakings - *Windsurfing Chiemsee v Huber and Attenberger*.³¹

140. Popaball has not claimed to have used the trade mark UNICORN SHIMMER so I have only the inherent distinctiveness of the earlier mark to consider. The mark is made up of two ordinary English words which will be easily understood by the average consumer. I refer to my earlier point in paragraph 20 above, regarding the SHIMMER element of the mark, which Unicorn submits is descriptive of the goods. For the purpose of making an assessment under 5(2)(a), I must consider Popaball's mark, in its totality, in relation to its specification as applied for, which is for confectionery goods for adding to beverages. In its totality the mark does not allude to nor does it describe the goods. I find the earlier mark to be a trade mark of average distinctive character.

Likelihood of confusion

141. I have found the parties' marks to be identical. Clearly, where I have found the goods to be identical then there will be a likelihood of confusion. The remaining goods are either similar to a medium degree or possess a very low degree of similarity. Given the fact that these marks are identical and having paid careful attention to the average consumer, the nature of the purchase and the goods, I find that where there is any similarity between the goods, even at a very low level, the consumer will directly confuse the trade marks, resulting in a likelihood of confusion.

Popaball's opposition under 5(2)(a) of the Act succeeds.

³¹ Joined Cases C-108/97 and C-109/97 [1999] ETMR 585.

142. This ground is not strictly needed as Popaball has succeeded under section 5(2)(a). However, it follows that Popaball would also have succeeded under section 5(1) in so far as identical goods are concerned. For the goods which are not identical, the opposition succeeds under section 5(2)(a).

COSTS

143. Unicorn's opposition having failed and Popaball's opposition having succeeded, Popaball is entitled to a contribution towards its costs. Popaball is unrepresented and has submitted a costs proforma outlining the number of hours spent on these proceedings.

144. Popaball has claimed 8.5 hours for completing its Notice of Opposition, completing its Notice of Defence and for considering the forms filed by Unicorn. It claims 25.5 hours for preparing evidence and submissions and for considering the other side's evidence and submissions. This is broken down as follows:

Considering witness statement of Danielle Bromfield dated 18/6/18 (including exhibits) [running to 152 pages in total].	3h
Considering witness statement of Emma Pallister dated 18/6/18 (including exhibits) [running to 6 pages in total].	30m
Preparing witness statement of Julia Fiona Quinn dated 20/8/18 (including exhibits and redacted versions of witness statement and exhibits) and submitting (including confidentiality request and necessary research).	15h
Preparing amended redacted witness statement of Julia Fiona Quinn dated 20/8/18 and amended redacted exhibit JFQ3 and submitting.	1h

Preparing second witness statement of Julia Fiona Quinn dated 26/11/18 (including exhibit) and submitting. 1h30m

Considering witness statement of Danielle Bromfield (including exhibits) dated 21/1/19 [running to 157 pages in total]. 2h30m

Considering witness statement of Rachel Platts dated 21/1/19 [running to 30 pages] and commenting to IPO on it (including necessary research). 2h

145. With regard to the hearing, Popaball has claimed 2 hours for preparation of the bundle, 6 hours for preparing oral submissions and the time for the hearing (which lasted approximately 2.5 hours).

146. This amounts to a claim for 44.5 hours, which I consider to be reasonable.

147. Popaball has not requested an hourly rate. The Litigants in Person (Costs and Expenses) Act 1975 (as amended) sets the minimum level of compensation for litigants in person in Court proceedings at £19.00 per hour. I see no reason to award anything other than this. I award the opponent the sum of £845.50 (44.5 hours at £19 per hour) plus the official fee of £100, totaling £945.50.

148. I order Unicorn Shimmer Co. Ltd. and Danielle Broomfield to pay Popaball Ltd. the sum of £945.50. This sum is to be paid within 21 days of the expiry of the appeal period or within 21 days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 29th day of November 2019

**Al Skilton
For the Registrar,
The Comptroller-General**