

O-751-18

TRADE MARKS ACT 1994

IN THE MATTER OF THE APPLICATION UNDER NO. 3227884

BY CITY HARVEST

TO REGISTER THE TRADE MARK

CITY HARVEST

IN CLASSES 36, 39 AND 43

AND

IN THE MATTER OF THE OPPOSITION THERETO

UNDER NO. 410016, BY CITY HARVEST, INC

BACKGROUND AND PLEADINGS

1. The parties are charitable organisations both known as City Harvest – one based in London the other in New York City. Their work involves the collection of surplus food from suppliers and retailers and its distribution to vulnerable people via soup kitchens, homeless shelters and so on, thereby reducing food waste and helping to feed those in need.
2. **The Applicant** is City Harvest¹ and it redistributes surplus food in the Greater London area. Its work started in April 2014, since when it has provided over 2 million meals to London's hungry. On 28 April 2017, the Applicant filed a United Kingdom trade mark application ("**the Application**") for the word mark CITY HARVEST ("**the Mark**") for the following services:
 - Class 36:** Fund raising for charity; Charitable fundraising; Charitable fundraising services; Charitable collections; Organising of charitable collections; Organisation of charitable collections; Arranging charitable collections [for others]; Charitable fund raising services; Fund raising for charitable purposes; Organising collections.
 - Class 39:** Transportation logistics; Food transportation services; Transportation of food; Arrangement of transportation; Transportation of fruit; Transportation of waste; Transportation of goods; Arranging transportation of goods; Collection of goods; Delivery by road; Delivery of goods; Arranging the delivery of goods; Transportation and delivery of goods; Transport and delivery of goods; Collection, transport and delivery of goods.
 - Class 43:** Providing food to needy persons [charitable services]; Charitable services, namely, providing food to needy persons.
3. The Application was published for opposition purposes on 12 May 2017. **The Opponent** is City Harvest, Inc. domiciled in the State of New York, with a 35-year history and a mission to "end hunger in communities throughout New York City". The Opposition² is directed against the Application in its entirety and is based on two grounds under the Trade Marks Act 1994 ("the Act"), namely: **section 5(4)(a)** and **section 3(6)**. The claims were set out in detail in a statement of grounds running to ten or so pages.

¹ City Harvest is exempt from using the word "Limited" as part of its name under s60 Companies Act 2006

² The early stage of these proceedings gave rise to two procedural hearings: one concerning the admission of the Form TM7 notice of opposition (see decision BL-O-475-17); the other dealing with an extension of the time period for the Opponent to file its evidence in chief.

The section 5(4)(a) claim

4. Section 5(4)(a) of the Act provides that: "... a trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented 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."
5. The Opponent refers to itself in its work as "City Harvest". It has no registered trade mark protection in the UK, but it claims to have unregistered rights, relying on the word sign "City Harvest" for its claim under section 5(4)(a) and on its logo below:



6. The Opponent claims that both its signs have been used throughout the UK since at least 1997 in relation to the following services:

"Financial affairs; monetary affairs; financial services; charitable collections; organisations of collections; organisation of financial collections; organisation of charitable collections; arranging charitable collections for others; Arranging of financing for humanitarian projects; charitable fund raising; charitable fund raising services; fund raising; fund raising for charitable purposes; fund raising services; providing information relating to charitable fundraising; information, advisory and consultancy services relating to the aforesaid services.

Transport; packaging and storage of goods; travel arrangement; arranging the collection of goods; arranging the delivery of goods; arranging the shipping of goods; carting of goods; collection of goods; collection, transport and delivery of goods; delivery and storage of goods; delivery by road; delivery of food and drink prepared for consumption; delivery of goods; delivery of groceries; delivery of hampers containing food and drink; food delivery; food delivery services; food transportation services; transportation of food; transportation of fruit; transportation logistics; information, advisory and consultancy services relating to the aforesaid services.

Education; providing of training, entertainment, sporting and cultural activities; education and instruction; coaching; practical training services; teaching services; tuition; vocational guidance [education or training advice]; Arranging of training courses; computer assisted education services; Developments of educational materials; educational research; provision of educational examination facilities; setting of educational standards; provision of distance learning programmes; Arranging and conducting of colloquiums, workshops, congresses, conferences, seminars and symposiums; correspondence courses; distance learning courses; legal education services; organisation of exhibitions for cultural or educational purposes; electronic desktop publishing; publishing consultancy services; publishing services; Publishing of educational materials; electronic publishing services; providing electronic publications; publication of printed matter and printed publications; providing online electronic publications; not downloadable; publication of texts; other than publicity texts; publication of books, reference books, directories, manuals, reports, magazines, journals, periodicals, dictionaries, lecture notes, worksheets, pamphlets, booklets and educational material including online publication; publishing; writing of texts; other than publicity texts; providing online videos; providing online videos for educational purposes; organisation of entertainment events; organisation of educational events; organisation of cultural events; organisation of events for cultural, entertainment and sporting purposes; charitable services, namely organisation of events featuring culture, entertainment and/or sport for charitable purposes; charitable services, namely organisation of events featuring culture, entertainment and/or sport for charitable purposes; charitable services, namely, providing education in the field of nutrition; information, advisory and consultancy services relating to the aforesaid services.

Services for providing food and drink; food preparation services; preparation of food and drink; food and drink catering; providing food and beverages; Serving food and drinks; charitable services, namely, providing food and drink to needy persons; information, advisory and consultancy services relating to the aforesaid services, "

7. The Opponent claims that the Application is contrary to the law of passing off, whose components involve goodwill, misrepresentation and damage:
- (i) **Goodwill** - the Opponent claims to have goodwill in its signs in the UK in relation to the Opponent's services - see further particulars at paragraph 8 below;
 - (ii) **Misrepresentation** – the Opponent claims that the Applicant's use of the Mark³ creates the misrepresentation that the services of the Applicant are those of the Opponent, and/or

³ ("City Harvest")

that the relevant public (partners, sponsors and members of the public) will believe that the services of the Applicant are linked with or connected with those of the Opponent.

The Opponent claims that the misrepresentation arises in part from a claimed similarity between the parties' logos⁴ (as used on their respective websites). The Opponent also refers to the similarity between the parties' website URLs – which are identical except whereas the Opponent's ends ".org", the Applicant's ends ".org.uk". The claims express the Opponent's assumption "that the Applicant's registration of the Applicant's webpage was intended to ensure that UK partners, sponsors and members of the public seeking to find information about the Opponent would be directed to the Applicant's website";

and

- (iii) **Damage** – the Opponent claims it will suffer harm as a result of the Applicant's misrepresentation, particularly in its relationship with food donors and investors and that there is a "real, tangible and foreseeable probability that there may be a diversion of support, contributions and funding away from the Opponent".

8. The Applicant has put the Opponent to strict proof of its claims, which are to be assessed in light of the filed evidence. Given the nature of the claims in this case, the central importance of the factual circumstances and the detailed extent to which they are expressly set out in the statement of grounds, I find it sensible at the outset to detail further the **particulars** of the Opponent's claims under section 5(4)(a), in particular, the following points made in relation to **goodwill and reputation**:

- i. The statement of grounds describes the **scale of the food distributed** (delivered to nearly 1.4 million New Yorkers in 2016), **food nutrition education courses** (taken by over 60,000 people in 2016); turnover in 2015/16 of over \$125 million.
- ii. It states that although the Opponent operates principally in New York, it has also provided **support and assistance to many charities** seeking to establish and run food banks in other jurisdictions, including, in the UK "to **FareShare** and **FoodCloud**, charities similarly dedicated to fighting hunger and tackling food waste."

⁴ There is only an application for a word mark. The Opponent also makes various points in relation to the Opponent's own logo, which is not the subject of this opposition.

- iii. It states: “many of the Opponent’s **partners and sponsors** (including, by way of example only, Credit Suisse, Starbucks, Pret a Manger, Barclays and the London Stock Exchange Group) are multi-national companies with significant establishments in the UK. Many of these multi-national companies support the Opponent through financial donations, including directly via their UK registered entities (including, by way of example only, Barclays, Velocity Mobile Limited and the Al-Khair Foundation).”
- iv. It claims that “**employees of these companies** are also aware of their organisation’s connections with the Opponent’s cause via their US counterparts.”
- v. “The Opponent has over one hundred **personal donors in the UK**, who between them have donated over “£280,000 to the Opponent since 1997.)”
- vi. “In the last 10 years, the Opponent has spent over \$57 million on **developing its brand** and distinguishing itself as a leading charity in providing hunger relief. This figure includes money spent on **developing the Opponent’s online presence** both in the US **and the UK** (as well as elsewhere). The Opponent’s website, www.cityharvest.org **attracts** visitors from the UK. The Opponent also has Facebook and Instagram followers in the UK.”
- vii. “The Opponent has also been named in a number of **online articles** targeted at UK residents.”
- viii. “The **Opponent’s Food Council** also features over 75 top chefs, restaurateurs and food industry professionals who donate food, raise funds and strengthen the goodwill associated with the Opponent’s Marks. A number of chefs on the Opponent’s food council have also opened **restaurants in the UK**. These include Marcus Samuelsson’s Red Rooster Shoreditch, Daniel Meyer’s Shake Shack (which has a number of outlets in London) and Dominique Ansel’s Dominique Ansel Bakery (also located in London). Tracy Nieporent of the Myriad Restaurant Group (which own another London restaurant, Nobu) is also a member of the Opponent’s Food Council.”

The section 3(6) claim

- 9. Section 3(6) of the Act provides that: "A trade mark shall not be registered if or to the extent that the application is made in bad faith." Since allegations of bad faith must be distinctly

pleaded and proven, I again set out the particulars of that claim. The statement of grounds contends the Application was made in bad faith because “in all the circumstances, the decision to apply for registration of the Applicant’s Word Mark would be regarded as unacceptable commercial behaviour by reasonable and experienced persons” on the grounds that:

- i. “The Trustee and **Chairman of the Applicant, Mr Stephen Winningham**, is a **former Board member of the Opponent**. He held a role as Board Director of the Opponent for 5 years between 1994 and 1999. He was then a member of the advisory board of the Opponent for one year in 2000.” The Opponent claims that “under UK law, a director of a company **owes a duty to avoid conflicts of interest**. This duty continues after the director has left the employment of the company in relation to the exploitation of any property, information or opportunity of which they became aware whilst in their position as a director.”
- ii. “As a result of the executive role that Mr Winningham held, both he, and his wife, Mrs Laura Winningham (who is also the CEO of the Applicant), were **fully aware of the Opponent's use of, and the extent of the valuable goodwill in, the Opponent's Marks in the UK** at the time of first use, and subsequent application to register the Applicant's Word Mark. This in and of itself can be sufficient basis to establish that an application was made in bad faith: see *Jules Rimet Cup Ltd. v The Football Association Ltd* [2007] EWHC 2376 (Ch). In the circumstances, it is alleged that the choice of name and mark for the London venture were not coincidental and Mr and Mrs Winningham consciously chose the name for their London charitable organisation in order to take unfair advantage of the goodwill and reputation of Opponent.
- iii. With that knowledge, Mrs Winningham did seek to approach the Opponent for consent to use the name. It is submitted that this is evidence that the Winningshams accepted that a licence would be required from the Opponent to use the City Harvest name. However, rather than seeking to approach the Opponent's CEO directly, Mrs Winningham chose to communicate with a more **junior member of staff** who did not have authority to bind the organisation (which Mrs Winningham would have known by virtue of her husband's former position as a director and board member of the Opponent). It is submitted that this was done to **give the Applicant an argument that it had an implied licence to use the name** in the UK, or that somehow the Opponent had given its blessing for such use.

- iv. The member of staff in question, Heather Wallace Reynolds, did not expressly give the Applicant permission to use the Opponent's Marks (and/or any derivatives thereof), and in any event, asked that the Applicant should give the Opponent credit for **inspiring** its work on the Applicant's website, which appears not to have been done.
- v. Both Mr and Mrs Winningham would have been aware, (by virtue of Mr Winningham's former role as a director and board member of the Opponent), that: (i) the Opponent has never in its 35 year history licensed-out to any third party the right to use the Opponent's Marks and that it would be extremely unlikely to do so; (ii) such a matter could only have been dealt with by the Board of the Opponent, given that it would amount to such a significant departure to the Opponent's usual practice; and as such, (iii) Ms Wallace Reynolds could never have the requisite authority in order to grant any kind of licence of the Opponent's Marks (and/or any derivatives thereof), whether implied or express.
- vi. The first time Mr Winningham ever spoke with a senior officer of the Opponent, was only in February 2017, some two years after his informal approach to Ms Wallace Reynolds.
- vii. **Jill Laura Stephens**, who has held the role of **Chief Executive Officer of the Opponent** since 2005, met with Mr Winningham on 16 February 2017. At that meeting, Ms Stephens raised the matter of the Applicant's use of the Applicant's Marks and alleged a likelihood of confusion with the Opponent's Marks. This was the first time that the Applicant's use of the Applicant's Marks had been addressed at a senior level by both parties.
- viii. Ms Stephens suggested that Mr Winningham meet again with her and Jim Kallman, the Opponent's Board Chair, in order to continue their discussions. A follow up meeting was scheduled for 15 May 2017. However, in advance of the scheduled meeting with Ms Stephens and Mr Kallman, the Applicant proceeded (on 28 April 2017) without warning. to apply to register the Applicant's Word Mark without informing the Opponent of its intention. Following the decision in Case T-132/16 PayPal v EUIPO ECLI:EU:T:2017:316, the Opponent submits that the Applicant's application for registration of the Applicant's Word Mark in the circumstances was a "concealed act" designed to "appropriate" the Opponent's Word Mark."

The Applicant's counterstatement

10. The Applicant filed a notice of defence and a 12-page counterstatement denying the claims and putting the Opponent to strict proof of its allegations. A central plank of its defence is that the Opponent has no protectable rights in the UK since its business is based in New York City and is focussed on those five boroughs.
11. In relation to the **section 5(4)(a) claim**, the counterstatement explicitly set out the bases of the defence and cited case law in support of its contention that in order to succeed, the Opponent must establish its claim under passing off as at the first date of the use by the Applicant. It also cited Supreme Court case law⁵ that refers to the need for customers in the United Kingdom. The Applicant highlighted that the Opponent has based its Opposition to the Application on its alleged goodwill in respect of a broad range of services and the Applicant denies that the Opponent has actual customers for those services in the UK. The Applicant denies that the Opponent has either reputation or any goodwill in respect of either of the signs on which it relies for any of the services in the UK and put the Opponent to proof that it has used its claimed marks in the UK. As a consequence, it claims that there can be no misrepresentation. It also denies that the Applicant's logo is the subject of the Opposition and that any evaluation of the Opponent's right to prevent the Applicant from using its logo under the tort of passing off is outside the scope of these proceedings. It denies any possible damage in the absence of goodwill or misrepresentation and since "the Opponent has no customers in the UK who may be put off. It can suffer no loss."
12. The Applicant comprehensively denies the **section 3(6) bad faith claims** that the Applicant's conduct amounted to a series of dealings that falls short of the standards of acceptable commercial behaviour.
 - i. The Applicant noted that the allegations "amount to a claim that the Applicant has adopted unfair competitive practices by aping the Opponent's business model and activities. These activities, either individually or collectively, are not contrary to any law in the UK and in the absence of this it is denied that the Applicant acted in bad faith."

⁵ Supreme Court decision in Starbucks (HK) Limited and another v British Sky Broadcasting Group plc and others [2015] UKSC 31 (**Starbucks**)

- ii. It admits that Mr Winningham's role as a Board Director of the Opponent ceased some 18 years before the filing date of the Application and that he stepped down from his position on the Opponent's advisory board 17 years before the filing date of the Application. It admits that under UK law a director of a company owes a duty to avoid conflicts of interest, but it denies that this duty continues indefinitely after a director ceases to be so and it further denies that this duty extends to some 17 or 18 years later.
- iii. It denies that the Applicant had no contact with any senior member of the Opponent's staff before 17 February 2017. It identifies specific examples to support that denial, including:
- 10 February 2015 - an introductory telephone call by Mr Winningham with Ms Stephens (CEO of the Opponent);
 - Later that day a series of emails exchanged between Mr Winningham and various senior officers of the Opponent, including Casey Cole (then **Chief of Staff** of the Opponent), which attached a "New Donor Kit" giving guidelines for food donations. That email was also copied to **Matthew Reich**, the Opponent's former **Vice-President of Operations in charge of Transportation, Logistics and Warehouse** who was at that time the Opponent's **Vice-President, Food Sourcing and IT**;
 - Mr Winningham replied to Ms Cole's email, thanking her for the copy of the New Donor Kit and requesting that she thank "Jilly for so kindly devoting time today to hearing about our efforts here in London";
 - In that same email, which was copied to Mr Reich, the Applicant's Mr Winningham added "Matthew, Pleased to make your acquaintance ... We have initiated a Food Rescue effort here in London (**also called City Harvest**) and would be very grateful for guidance as we move forward"; Mr Reich replied that same day saying "Steve, I'll be happy to speak with you and your team whenever you're ready".
 - On 19 August 2015 Mrs Laura Winningham (the Applicant's **Chief Executive Officer**) met with Leslie Gordon, the Opponent's **Senior Director of Program Strategy and Operations** at the Opponent's offices in New York. Mrs Winningham and Ms Gordon were briefly joined in that meeting by Ms Heather Wallace Reynolds. At the time of the meeting Ms Wallace Reynolds was the Opponent's **Director of Marketing** and had been working for the Opponent for over nine years. At that meeting Ms Winningham was informed by Ms Wallace Reynolds that the Opponent "**had no rights to the City Harvest name in London**". Ms

Gordon followed up with an email to Laura, saying "We are happy to continue talking with you as helpful". At no time during that meeting did Mrs Winningham request a licence or permission from the Opponent to use the name CITY HARVEST.

- On 4 September 2015 the Applicant's Ms Winningham received an email from Lisa Sposato, the **Opponent's Director of Food Sourcing**, saying "Congratulations. Leslie Gordon forwarded your note to me. I work in the Food Sourcing Department. It would have been great to meet you during your visit. Congratulations on the great work you are doing in London".
 - On 21 April 2016, the Opponent's **Mr Reich** introduced the Applicant to the Opponent's **Software Developer** (Christian Barton), saying "Meet Laura at City Harvest London. **City Harvest London is modelled [on] City Harvest but has no relation to the NYC organisation**. That said, they are doing important food rescue work in London, and Laura Winningham, the Founder, is interested in putting some IT solutions in place".
 - On 4 October 2016, Racine Rodriguez, the Opponent's **Associate Director of Food Sourcing and Donor Relations**, wrote to Laura: "Thanks so much for reaching out .. Should you have any further questions, please do not hesitate to reach out to me via email or at my office ..., it would be a pleasure to assist."
 - On 19 January 2017, **Brittany Erdman**, the Opponent's outgoing **Associate Director of Volunteer Services**, met with Kathy Street (a trustee of the Applicant) and **Adam Svoboda** (the Applicant's Chief Operating Officer) in London. Following that meeting, Ms Erdman introduced Mr Svoboda by email to Ms **Jessica Grace Torres**, the Opponent's **Associate Director for Operations Analysis**.
 - On 27 January 2017 the Opponent's Ms Torres had a conference call with the Applicant's Mr Svoboda. Following the call, Ms Torres sent an email to Mr Svoboda saying "Please be in touch as often as you need".
- iv. The Applicant explains the **motivating stimulus** filing the Application was that "on or around 26 April 2017 the Applicant became aware that one of its employees was planning to set up a 'for profit' business [outside of London] with a confusingly similar name. Having learnt of

this potential risk to its charitable activities, the Applicant took the sensible commercial step to apply for a trade mark registration to protect the name under which it had been operating in the UK for over three years. The Applicant **denies that it was under any obligation to advise** the Opponent of its intention to file its Application and the Opponent is put to strict proof as to why the Applicant should be so obliged. It is denied that the Applicant, in filing the Application, committed a **concealed act** designed to appropriate the Opponent's Word Mark.

Representation and papers filed

13. Both parties are professionally represented on pro bono basis – the Applicant by Allen & Overy LLP; the Opponent by DLA Piper UK LLP. In addition to the notices of opposition and defence and the fulsome statement of grounds and counterstatement (as set out above), both parties filed evidence in chief and the Opponent filed evidence in reply. I briefly identify the evidence below and refer to it where appropriate in my decision. Neither party requested an oral hearing, but both parties filed submissions in lieu of an oral hearing and I will refer to those submissions as fitting in this decision. I make my decision on the basis of my close reading of all the papers filed and in light of applicable jurisprudence.

THE EVIDENCE

14. *The Opponent's evidence in chief:* the Witness Statement of Jill Laura Stephens (**the First Stephens Statement**⁶), along with **Exhibits JLS1 – 11**.
The Applicant's evidence in chief: the Witness Statement of Mr Stephen Winningham (**the Winningham Statement**) together with **Exhibits SW1 -13**.
The Opponent's evidence in reply: the Second Witness Statement of Ms Jill Laura Stephens (**the Second Stephens Statement**) with **Exhibits JLS12 -15**.

⁶ Representatives for the Applicant wrote in objection to the Registry that the First Stephens Statement included matters of argument, expressions of opinion or submissions the Registry indicated that the weight and value to be accorded to the First Stephens Statement would be assessed by the Hearing Officer in reaching a decision.

DECISION

The section 5(4)(a) claim

15. As previously noted, section 5(4)(a) of the Act provides that: "... a trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented 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." Section 5(4) also states that "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'."
16. The criteria for a passing off claim have been well established through case law in the United Kingdom. As set out in the decision by the House of Lords in *Reckitt & Colman Ltd v Borden Inc*⁷ (**the Jif Lemon case**), the following three points must be established in order to claim passing off successfully:
 - (a) First, the plaintiff must establish a goodwill or reputation attached to the goods or services which it supplies in the mind of the purchasing public by association with the identifying 'get-up' (whether it consists simply of a brand name or a trade description, or the individual features of labelling or packaging) under which its particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiffs goods or services.
 - (b) Second, the plaintiff must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by the defendant are the goods or services of the plaintiff.
 - (c) Third, the plaintiff must demonstrate that it suffers or that it is likely to suffer damage by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff.

⁷ [1990] 1 All E.R. 873

The relevant date to establish passing off

17. The Opponent is claiming an earlier right in relation to the Applicant's mark, as provided for by section 5(4) of the Act. As the Applicant notes in its submissions in lieu of a hearing, 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*⁸, Mr Daniel Alexander QC, sitting as the Appointed Person, considered the matter of the relevant date in a passing off case, saying:

"43. In SWORDSERS TM 0-212-06 Mr Allan 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.'

18. In the present case, the **Application was filed on 28 April 2017**. However, the Applicant submits that it has provided evidence of **use of the mark CITY HARVEST dating back to April 2014**, when the Applicant was founded as City Harvest Community Interest Company and from when it began operating a charity in London by soliciting donations and delivering surplus food to the hungry⁹. Evidence to that effect is contained in **the Winningham Statement**¹⁰, and the Opponent takes no issue with the point – indeed appears to admit¹¹ that the Applicant was established in April 2014. There is documentary evidence¹² of the Opponent's being aware of the Applicant's use from at least February 2015. **Exhibit SW3** is an email dated 4 February 2015 from Casey Cole (the Opponent's Chief of Staff) to the Applicant's Mr Winningham confirming "*Jilly would be happy to speak to you on the phone about City Harvest London. Would you be available next Tuesday, February 10 at 10:00am*

⁸ BL O-410-11

⁹ See for comparison Lord Neuberger at paragraph 16 of Supreme Court decision in *Starbucks (HK) Limited and another v British Sky Broadcasting Group plc and others* [2015] UKSC 31 – "**Starbucks**" (the NOW TV case)

¹⁰ The Winningham Statement at §§5-6; and §§ 13-16

¹¹ At paragraph 7 of the First Stephens Statement.

¹² See the Winningham Statement at §20 and Exhibit SW3 and Exhibit SW4

EST. or 12:00pm EST?". **Exhibit SW4** show the emails dated 10 February 2015 involving Matthew Reich and Casey Cole as described in the Applicant's counterstatement¹³, following up on the conversation between Mr Winningham and Ms Stephens.

19. The question in relation to s.5(4)(a), therefore, is whether the Opponent, on the basis of the evidence provided, was entitled to prevent the Applicant's use of CITY HARVEST under the laws of passing off in **April 2014 ("the First Relevant Date for Passing Off")** – although I will also need to consider the position as at 28 April 2017 ("**the Second Relevant Date**").
20. Before turning to that question, I note the point in the Applicant's submissions in lieu, that the Opponent has not commenced any proceedings against the Applicant for passing off, nor threatened the Applicant with proceedings for passing off, nor sent a cease and desist letter to the Applicant as required by the Civil Procedure Rules. The Applicant contends that "the reason for this is obvious: it has no actionable goodwill in England and Wales" and that "any claim for passing off is doomed to fail, and, in court, the losing party is exposed to the full costs regime, including a pro bono costs order." However, such are not requirements before the Registry¹⁴ and I anyway do not accept that conclusion; there may be other good reasons why the Opponent has taken no action other than this Opposition, including, for example, a prioritisation of legal resources.

Goodwill or Reputation

21. The first element described in the Jif lemon case¹⁵ refers to "goodwill or reputation" although case law has developed so as to distinguish between goodwill and "mere reputation" – the latter being insufficient alone to sustain a claim of passing off. To satisfy the first element of the tort, the Opponent is required to show that it has goodwill in this jurisdiction. I find that the circumstances of this particular case warrant my setting out the relevant case law to a fuller extent than usual, especially noting the pivotal focus on the presence or absence of goodwill.
22. In *Inland Revenue Commissioners v Muller & Co's Margarine Ltd*¹⁶ Lord Macnaghten observed as follows:

¹³ See paragraph 12 (iii) in this decision above)

¹⁴ The Registry is guided by the Trade Mark Rules 2008 rather than the Civil Procedure Rules.

¹⁵ Reckitt & Colman, cited above.

¹⁶ [1901] AC 217

"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."

23. As to establishing the necessary goodwill, I note the words of Pumfrey J. in *South Cone Incorporated v Jack Bessant*¹⁷, where he stated:

"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.

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."

24. However, 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.

¹⁷ *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 (HC) at paragraphs 27 and 28 of that ruling.

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.”

25. In *Hart v Relentless Records*¹⁸, Jacob J. (as he then was) stated that: “In my view the law of passing off does not protect a goodwill of trivial extent. one is looking for more than a minimal reputation.” However, case law such as *Stannard v Reay*¹⁹, and *Stacey v 2020 Communications Plc*²⁰ shows that even a modest goodwill may support an action for passing off and just how modest such goodwill can be was tested in *Lumos Skincare Ltd v Sweet Squared Ltd*²¹. Lumos Skincare's share of the huge market for women's skincare products averaged about £2000 per quarter from the beginning of 2008 until September 2009, and then gradually rose to about £10,000 per quarter in September 2010. The claimant was selling about 100 bottles of its product a quarter, mainly to the trade, and the judge at first instance described it as "very modest use" and "very small in absolute terms" and “as a proportion of the skincare industry.” Even so, the Court of Appeal was prepared to protect the goodwill in that business under the law of passing off.
26. The Starbucks case cited above²² was not only the first opportunity for the UK's highest court to consider the law on passing off since the Jif Lemon case in 1990, it was also the first time that it had directly addressed the position of foreign claimants having limited or no business activity in the UK. Lord Neuberger (with whom the rest of the Supreme Court agreed) stated (at paragraph 47 of the judgment):

“I consider that we should reaffirm that the law is that a claimant in a passing off claim must establish that it has actual goodwill in this jurisdiction, and that such goodwill involves the presence of clients or customers in the jurisdiction for the products or services in question. And, where the claimant's business is abroad, people who are in the jurisdiction, but who are not customers of the claimant in the jurisdiction, will not do, even if they are customers of the claimant when they go abroad.” (*emphasis added in line with Applicant's submissions*).

¹⁸ [2002] EWHC 1984 (Ch) at paragraph 62 of that judgment.

¹⁹ [1967] RPC 589

²⁰ [1991] FSR 49

²¹ *Lumos Skincare Ltd v Sweet Squared Ltd, Famous Names LLC and Sweet Squared (UK) LLP* [2013] EWCA Civ 590

²² cited at Footnote 9 above

27. At paragraph 52, Lord Neuberger continued:

"As to what amounts to a sufficient business to amount to goodwill, it seems clear that mere reputation is not enough ... The claimant must show that it has a significant goodwill, in the form of customers, in the jurisdiction, but it is not necessary that the claimant actually has an establishment or office in this country. In order to establish goodwill, the claimant must have customers within the jurisdiction, as opposed to people in the jurisdiction who happen to be customers elsewhere. Thus, where the claimant's business is carried on abroad, it is not enough for a claimant to show that there are people in this jurisdiction who happen to be its customers when they are abroad. However, it could be enough if the claimant could show that there were people in this jurisdiction who, by booking with, or purchasing from, an entity in this country, obtained the right to receive the claimant's service abroad. And, in such a case, the entity need not be a part or branch of the claimant: it can be someone acting for or on behalf of the claimant." (*emphasis added in line with Applicant's submissions and my own discretion*).

28. Although in *Starbucks*, the claimant's NOW TV service (a market leader in Hong Kong) was not available to UK subscribers, at trial Arnold J (whose relevant findings were undisturbed neither by the Court of Appeal nor the Supreme Court) held²³ that the claimant nevertheless had a small but not negligible reputation in the UK arising from four sources of familiarity: (1) the relevant UK market included a number of Chinese speakers who would have known of NOW TV from having visited or lived in Hong Kong; (2) some Chinese language content had been available free of charge on the claimant's website since 2007; (3) content was also viewable free of charge on the claimant's YouTube channel; and (4) a few programmes from NOW TV had been available on various international airlines which flew into the UK.

29. As a result, Arnold J held that the claimant had a reputation that was modest but more than *de minimis* – the reason he dismissed the claim was because those UK residents who were familiar with the reputation of the claimant were not customers in the UK even if they had been when resident in Hong Kong, and therefore did not represent goodwill in the jurisdiction. This position stems from a well-established line of English case law. For example, the Applicant's

²³ [2012] EWHC 3074 Ch, [2013] FSR 29

submissions refer to the judgments of the Court of Appeal in *Hotel Cipriani*²⁴ and in the *Budweiser* case²⁵. In the latter case, the Court stated (emphasis added):

"It is essential for the plaintiff in a passing off action to show at least the following facts: (1) that his business consists of, or includes, selling in England a class of goods to which the particular trade name applies; (2) that the class of goods is clearly defined, and that in the minds of the public, or a section of the public, in England, the trade name distinguishes that class from other similar goods; (3) that because of the reputation of the goods, there is goodwill attached to the name; (4) that he, the plaintiff, as a member of the class of those who sell the goods, is the owner of goodwill in England which is of substantial value"; and

30. On the basis of the above, it is therefore clear that to succeed the Opponent must show prima facie evidence that it has goodwill in the form of customers in the UK for the services in question; reputation alone is not enough to sustain an action in passing off. The services in question must extend to those comprised in the Application in the applicant's specification of services – essentially: charitable fundraising; organisation of charitable collections (Class 36); collection, transport and delivery of goods (Class 39); and charitable services, namely, providing food to needy persons (Class 43). There is clearly direct overlap between the Applicant's services and those for which the Opponent claims goodwill.
31. The Applicant submits that the Opponent has adduced no evidence at all of use of the Opponent's signs in the United Kingdom for the vast majority of the services in which the Opponent claims goodwill. The Applicant separated out, in a table, each term listed in statement of grounds as comprising the Opponent's services and which the Applicant contends is unevicenced. The only terms spared from the Applicant's table are: "*charitable fund raising services; fund raising; fund raising for charitable purposes; fund raising services*" (**the Fundraising Services**). The Applicant submits that passing off must fail for all such services.

²⁴ *Hotel Cipriani SRL and Others v Cipriani (Grosvenor Street) Limited and Others* [2010] EWCA Civ 110 (CA), at 121 – where the role of agents in the UK was a central consideration.

²⁵ *Anheuser-Busch Inc. v Budejovicky Budvar N.P. (Trading As Budweiser Budvar Brewery) and Others* [1984] F.S.R. 413, at 463, citing Lord Fraser in *Erven Warnink B. V v. J Townend Sons (Hull) Ltd.* [1979] A.C. 731. *Anheuser-Busch* involved sales of 5,000,000 cases of bottles of Budweiser over 12 years, but to a limited market of US military bases in the UK, which was not sufficient to for goodwill.

32. The passing off criteria require that the Opponent must establish a goodwill attached to the services that it supplies, in the mind of the purchasing public (in the UK) by association with the brand name under which its particular services are offered to the public. The Applicant contends that there are three main groups that comprise the relevant public for the purposes of passing off in this case. It submits: *“First, there are the users of the charitable services, those shelters, etc which obtain food from the Applicant or the Opponent. Second, there are the donor organisations that provide the food. Third, there are the donors, those that pay money to the charities.”*
33. I find that it is clear from the evidence that what may be described as the substance of the Opponent’s services – its food delivery services (akin to those in Class 39), its charitable services of feeding those in need (akin to the Applicant’s services in Class 43), and for that matter its education services – are provided exclusively within the five boroughs of New York City and there are no customers in the UK in the form of people directly benefiting or engaging with those services and, to that extent, as the Applicant submits, the Opponent’s signs have not been used for those substantive services in the United Kingdom.
34. However, I do not accept that I should on that basis halt my assessment of goodwill for those services. I say this for two reasons.
- (i) Firstly, I must anyway proceed to determine whether there is goodwill in relation to the Fundraising Services, and it seems to me that the fundraising is closely intertwined with the substantial services (since donations are made to support the delivery of the services in New York City). I therefore retain in mind the possibility of goodwill for all relevant substantive services when I consider the fundraising evidence.
- (ii) Secondly, the Opponent’s claim of goodwill includes “information, advisory and consultancy services relating to” the Opponent’s claimed services and the Opponent’s evidence refers to entities who may potentially be customers based in the UK. I therefore need to consider whether the evidence filed supports goodwill in the UK for such consultancy-type services to the extent that they broadly align with the Applicant’s specified services - I will return to do so once I have dealt with the evidence as to the claimed fundraising services.

The Fundraising Services

35. It is the Applicant's case that the Opponent does not have any goodwill in the Fundraising Services in the United Kingdom either. To the extent that there is evidence of use in relation to the Fundraising Services, the Applicant submits (among other things) that "the goodwill engendered in the United Kingdom is *de minimis* and insufficient for the law of passing off." The Opponent's evidence as to its claimed goodwill is set in paragraphs 8 - 13 of the **First Stephens Statement**, and in four Exhibits, namely **Exhibit JLS3 - JLS6**. The goodwill is claimed to arise from four sources, namely UK donors, assistance provided to UK food charities, UK traffic to the Opponent's website and social media pages and online articles said to be targeted at UK residents.
36. Ms Stephens claims that the Opponent has "*used [its] name and logo in the UK since at least 1996, when we first began to receive donations from donors in the UK*". Ms Stephens then refers to a largely anonymised list of 131 donors at **Exhibit JLS3**. The Applicant submits that, for a number of reasons, that list of donors fails to demonstrate that the Opponent has goodwill in the United Kingdom in the Opponent's signs for its claimed services, including the Fundraising Services. I note in particular the following submissions by the Applicant:
- "*The nexus between the Opponent's use of the Opponent's Marks for the Opponent's Services (including for the Fundraising Services) in the United Kingdom is entirely unclear. It cannot be concluded, on the basis of the evidence provided, that the use of the Opponent's Marks in the United Kingdom for the Opponent's Services gave rise to these donations. There is no evidence of use in the United Kingdom by the Opponent, as claimed by Ms Stephens.*" I agree with that submission. **Exhibit JLS3** certainly tends to evidence donations emanating from the United Kingdom from 1996, and, in general terms, donors to a charity may be considered equivalent to customers of the Fundraising Services. However, the circumstances of the donations are not clear.
 - The Applicant submits that "*the donors are likely Americans, familiar with the Opponent in New York, who continue donating to it when in the United Kingdom, for example, when seconded for work purposes. This position is fortified by the inclusion of donor 61. Donor 61 is the "Charities Aid Foundation America Donor Fund" (the CADF). The CADF is a well-known organisation used by individuals who pay US and UK tax to maximise tax relief on donations to charity in both the US and the United Kingdom. ... CADF is used both by*

United Kingdom residents and non-residents with US obligations, suggesting that this vehicle has been used by American citizens to donate to the Opponent.” I note that the Applicant included as an annex to its submissions an extract from the CADF website's FAQ section. That information is evidence and ought not to be within the submissions, notwithstanding that it provides clarification of one of the few donor names that is not anonymised in the Opponent's exhibit. As it does not form part of the Opponent's evidence I must disregard it.

37. Nonetheless, I must reach my own conclusions about the donations in **Exhibit JLS3** and in that task I consider the nature of the Opponent's business, which is essentially to feed people in need in the five boroughs of New York City. Though its purpose is undoubtedly meritorious and highly laudable, the Opponent is a US domestic charitable organisation whose work focuses on a single city and over the long term. Its charitable target differs from (say) a famine or disaster relief effort in a poor country where the people there are in acute need and are less readily able to benefit from local financial and other assistance, such that one may expect a charitable appeal to draw a wide donor base. There is no immediately apparent reason why individuals in the UK would, in general, be moved to contribute to the alleviation of a chronic issue in a large and prosperous city over three thousand miles away on another continent, especially where the same issue will be present in any number of towns and cities in this country.
38. The Opponent's evidence gives little assistance as to the profile or circumstances of the donors or how they came to give money. There is, for example, nothing in the evidence to suggest an active agent canvassing donations using the Opponent's signs. It seems to me therefore, that while the donations may in rare instances be prompted by a sense of global beneficence, donors will in general more commonly have some personal connection to New York City or perhaps have some professional interest in making a contribution to a charity there. The donations may well include contributions made by New Yorkers who happen to be temporarily in this country at the time of their donation, perhaps maintaining donations prompted by their having encountered the Opponent's signs and good work back home; such people may come to the UK and then leave, and may fairly be discounted in considering evidence of goodwill. The evidence does not provide a clear picture.

39. Certainly the vast majority of the donations listed in **Exhibit JLS3** are single, one-off donations and many were made quite some time ago. Given the First Relevant Date for Passing Off in this case, then in my assessment of the evidence of goodwill, I give particular importance to donors contributing in the two-year period leading up to that date – so from April 2012 – April 2014. On that basis, Donor #1 is included in the cohort I am emphasising, since its initial contribution (of \$2,500) in September 1996 has been followed by 7 further donations totalling \$20,250, the most recent being in July 2015 (\$250). (Clearly that most recent donation is after the First Relevant Date for Passing Off, but my analysis of the two-year period takes account of those who during that timescale appear to be ‘live’ donors.) Similarly, Donor #8 (to which I shall return) and Donor #11 are also included in the cohort. Donor #11 made its first gift in October 2006, but made 3 further donations totalling \$318, the most recent being in December 2014 (\$50). Falling outside of the two-year period ahead of the relevant date are all other donors from Donor #2 – Donor #48. Donor #58 was the last to make a donation before the First Relevant Date for Passing Off (a single payment of \$56 in January 2014). That means that in the two-year period up to the First Relevant Date for Passing Off there was a total of thirteen donors.
40. Those thirteen donors have made some sizeable donations, notably: Donor #55, identified as the “O’Connor Charitable Account” who, between March 2013 and April 2017²⁶ made 7 donations totalling \$30,000; Donor #53, identified as the “Al-Khair Foundation”, which the Opponent states in evidence to be a UK-based charity and which, in December 2012, made a single donation of \$25,000; and Donor #8, identified as “McKinsey & Company Inc”, which between February 2010 – December 2016 made 18 donations totalling over \$112,000. The following submissions from the Applicant are pertinent: *“Donor 8 is a well-known American consultancy company, McKinsey & Company, Inc. (McKinsey). It is clearly incorporated in the United States, despite there being an alleged London address. There is no evidence to suggest that the alleged McKinsey donation originated in the United Kingdom, or indeed, as a result of the use of the Opponent's Marks in the United Kingdom.”* I agree that the evidence does not entirely clearly demonstrate from where the donation of Donor #8 originated or on what basis.

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41. The Applicant makes further submissions as to the sufficiency of the evidence of UK donors, noting that the majority of the donors (donor 59 through donor 131) made their first donation after the First Relevant Date for Passing Off (April 2014). It submits that the maximum number of donors that could have contributed to the alleged goodwill in the United Kingdom at this date *“is de minimis in the context of the jurisdiction of the United Kingdom (population around 67,000,000), and in the context of a period spanning 18 years”*. It submits that *“sporadic and one-off nature of these donations cannot indicate a continuous course of conduct by the Opponent in the United Kingdom sufficient to lead to actionable goodwill*. The Applicant submits that even taking account of the donors up to its filing date (the Second Relevant Date)²⁷ the number of donors remains *de minimis* in the context of the UK population and of a period spanning 21 years.
42. I remind myself that goodwill must be determined on the basis of the factual matrix in any given case. Whilst in this case there are clearly some striking amounts donated by some of the donors, the numbers of donors (or customers in terms of goodwill) are modest in absolute terms. This is the case both in the timeframes submitted by the Applicant, and in the context of the two-year period that I have emphasised on the basis of its offering the freshest potential evidence of goodwill in the run-up to the First Relevant Date for Passing Off. Moreover, as I have indicated, questions may reasonably be raised over the UK-standing of some of those donor sources and over the extent to which the Opponent’s signs have served in this country to generate any attractive force for its services abroad.
43. I find that on the evidence relating to the donors the Opponent has not established in this case that it had sufficient business at the First Relevant Date for Passing Off to amount to significant goodwill, in the form of customers, in the jurisdiction as stipulated in the extract I quoted earlier from Starbucks.
44. Given the need for customers in the jurisdiction, the evidence of the donors represents the Opponent’s strongest case for goodwill sufficient to found a claim of passing off. However, I will also deal with the other three bases on which the Opponent claims goodwill, namely: its assistance provided to UK food charities; UK traffic to the Opponent’s website and social media pages; and online articles said to target UK residents).

²⁷ (Donors #128-131 are excluded as they made their first donation after the filing date.)

Assistance to UK food charities

45. In its statement of grounds the Opponent bases its claim to reputation and goodwill partly on the support and assistance it has given to UK charities, referring in particular to FareShare and FoodCloud. The evidence in relation to FoodCloud is extremely thin and anyway shows²⁸ that it is an Irish tech company and not therefore part of the relevant public. The evidence in relation to FareShare comprises a small number of short emails (**Exhibit JLS4**) exchanged October 2014 – March 2015 between the Opponent and the CEO of FareShare. Those emails are after the First Relevant Date for Passing Off, but I take note that the latter had enquired of the former about what logistics software it used and also asked to visit the Opponent in New York at the tail end of a visit to the US. That visit appears to have taken place in March 2015, when FareShare’s CEO visited the Opponent’s Long Island facility and talked through the Opponent’s “logistics, transportation and food rescue models and the link with both marketing and communications”.
46. This demonstrates an admirably responsive and helpful attitude on the part of the Opponent, and FareShare likely made contact with the Opponent on the basis of its reputation for its food re-distribution work in New York City. However, I consider the help provided to be more properly regarded as an example of ordinary collegial cooperation, which is no doubt obliging and appreciated, but is not what would strictly be cast as information, advisory and consultancy services - and in any case are not shown to be to an extent that could found goodwill for such claimed services in the UK. I say this despite also noting the evidence as to the exchanges of emails between the Applicant and the Opponent, wherein the Opponent again demonstrates an obliging and collegial attitude, although such contact took place after the First Relevant Date for Passing Off.

The Opponent’s website and social media

47. The Opponent’s evidence states²⁹ that between 1 July 2016 – 30 June 2017 there were 2793 visitors from the UK to its website (www.cityharvest.org) and that since 1 July 2017 there have been 704 UK visitors. The Opponent also refers to its having 382 UK-based Facebook

²⁸ Page 13 of Exhibit JLS4

²⁹ Paragraph 11 of the First Stephens Statement

followers and that around 1% of its 11,000 Instagram followers are UK-based. **Exhibit JLS5** comprises Google Analytics data and social media statistics.

48. The dates given by the Opponent clearly post-date the First and/or the Second Relevant Date for Passing Off and cannot therefore assist in demonstrating the existence of goodwill at these dates is not. **Exhibit JLS2** shows extracts from the Opponent's website, and whereas it contains numerous references to New York - including "Dish out the love to a fellow New Yorker" (in large font), "Help Us Feed NYC", and a tab reading "Hunger in NYC" - it contains absolutely nothing to indicate that it is targeted to consumers in the United Kingdom. It is relevant to note that the CJEU has held that "the mere fact that a website [advertising or selling the product or service concerned] is accessible from the territory covered by the trade mark is not a sufficient basis for concluding that the offers for sale displayed there are targeted at consumers in that territory"³⁰. The evidence in the present case shows no generation of goodwill in the form of customers in the UK.
49. In respect of the Opponent's reliance upon a claim of UK traffic to its social media outputs, the Facebook page is not in evidence and there is therefore no basis to conclude that it is directed towards United Kingdom consumers or to believe that it generated custom and goodwill here. The Instagram page also refers to New York three times: once in the Opponent's logo; again in the caption line: "City Harvest is the world's first food rescue organization, dedicated to feeding New York City's hungry men, women and children"; and again in the image of the lorry by the NEW YORK TIMES billboard. Again there is therefore no basis to conclude that it is directed towards United Kingdom consumers or to believe that it generated custom and goodwill here among the small number of followers.

Press articles

50. Paragraph 12 of **the First Stephens Statement** refers to the Opponent having "been mentioned in a number of online articles targeted at UK residents". **Exhibit JLS6** runs to some 94 pages, comprising 15 third-party articles published online on sites including the Daily Mail, the Telegraph, the Express, the Guardian, the BBC, yahoo.com and the grocer.co.uk. The

³⁰ *L'Oreal SA v eBay International AG* (Case C-324/09) EU:C:2011:474 [2011] ECR I-6011, para 64 - as cited at paragraph 57 of Lord Neuberger's judgment in *Starbucks*.

Opponent submits that as a result of such articles it has a reputation in its name and logo within the UK. I do not find the evidence of the press coverage especially strong as the following paragraphs illustrate.

51. The articles tend to focus on celebrities and to mention the Opponent charity only briefly and incidentally. The evidence includes 3 Daily Mail articles³¹ that mention the Opponent's sign. The Opponent notes those articles have 22 – 24 attracted comments, which it contends "clearly shows public interest in [its] brand in the UK". The substance of the comments is not in evidence and, therefore, I am unable to conclude that they illustrate an interest in the Opponent as opposed to the celebrities featured in the articles (the contention of the Applicant).
52. The online BBC world business news article (published after the First Relevant Date for Passing Off) reports briefly on the Opponent's activities in New York, where it refers to "local food charity, City Harvest", which in context is clearly local to Orange County, New York.
53. The Telegraph article is a lengthy profile "the most connected woman in London" and briefly mentions her involvement in Bread Aid, which it says "now part of City Harvest". I note this article (published in October 2016, after the First Relevant Date) contains an erroneous hyperlink to the UK City Harvest instead of to the Opponent US charity, and I note evidence³² of online analytics showing the article to be the third-party website from which the Applicant receives the highest number of "click-through" linkings-in.
54. The BBC.com article, dated October 2015 (again, after the first relevant date), focuses on the use of cargo-bikes in Portland, Oregon and merely mentions their use by other organisations, including City Harvest in New York City. It hyperlinks to the Opponent's website and **Exhibit JLS7** shows that BBC.com article is the third highest web page "linking in" to the Opponent's site. The fact that BBC.com obliquely mentions the Opponent is not evidence of goodwill in the UK.

³¹ Some of the articles are very close to the date of the Application and are after the First Relevant Date for Passing Off.

³² Exhibit JS9

55. The article published on the grocer.co.uk website states that the Applicant was “inspired” by the Opponent. That fact is admitted by the Applicant (see paragraph 14 of the Winningham Statement), but is not evidence of the existence of the Opponent’s goodwill in the UK.
56. A few of the articles include a greater focus on City Harvest. For example, one document (a marketing communication from a Luxembourg-regulated bank/credit institution) includes a Q&A with Lisa Sposato, the Opponent’s Director of Food Sourcing, who states that the Opponent operates in New York’s five boroughs. Such is not evidence of the Opponent’s use of its signs in the UK for its services nor of goodwill.
57. Even if I were to find that the articles in evidence, taken together, established a reputation on the part of the Opponent (and I do not make that finding), I find that individually and collectively they fail to show goodwill in the United Kingdom at the First Relevant Date for Passing Off.

Conclusion as to passing off

58. Overall, I find no cogent evidence establishing the necessary goodwill in the United Kingdom under any of the bases claimed by the Opponent. This being the case, an action for passing off could not succeed and the section 5(4)(a) ground must inevitably fail. However, if I am wrong in my assessment of the evidence, and it were possible to conclude that by the First Relevant Date for Passing Off the Opponent had acquired a modest degree of goodwill in the UK, I must anyway also consider whether the position would be different at the Second Relevant Date, being the application date, some three years later on 28 April 2017.
59. The evidence³³ shows that the Applicant was by that point a notable operation in London, having re-distributed 276 tons of food in the year up to 31 March 2017, with a growing fleet of six vans (including two donated by Marks and Spencer and two loaned by Vauxhall), a total income that financial year of over £230,000 and with public recognition of its work in the form of half a dozen or more awards (including Leiths School of Food and Wine Charity of the Year March 2017). The Applicant by that time had developed its own actionable goodwill in respect of the services for which it seeks registered trade mark protection.

³³ Exhibit SW1

60. In *W.S. Foster & Son Limited v Brooks Brothers UK Limited*³⁴, Mr Iain Purvis Q.C. sitting as a Deputy Judge stated that:

“61. The authorities therefore seem to me to establish that a defence of honest concurrent use in a passing off action requires at least the following conditions to be satisfied:

- (i) the first use of the sign complained of in the United Kingdom by the Defendant or his predecessor in title must have been entirely legitimate (not itself an act of passing off);
- (ii) by the time of the acts alleged to amount to passing off, the Defendant or his predecessor in title must have made sufficient use of the sign complained of to establish a protectable goodwill of his own;
- (iii) the acts alleged to amount to passing off must not be materially different from the way in which the Defendant had previously carried on business when the sign was originally and legitimately used, the test for materiality being that the difference will significantly increase the likelihood of deception.”

61. The evidence shows (and I will return to it further in dealing with the bad faith claim) that the Applicant developed its business in London openly and fairly and with the knowledge of the Opponent charity. Therefore, if it were the case that the Opponent could also establish goodwill in the UK by the First Relevant Date, then I find that it would anyway be denied success in a passing off action given the Applicant’s rights acquired through its honest concurrent use of its sign since that date.

62. The Opponent has claimed prospective damage were the Applicant to use its mark, including a diversion from the Opponent of support, contributions and funding and a lack of control over its reputation and relationship with food donors and investors. However, the evidence of the dual existence of the signs from April 2014 – April 2017 shows no confusion in reality. There is no evidence of donations from the UK having reduced since the Applicant started to use its

³⁴ [2013] EWPC 18 (PCC)

sign. In fact **Exhibit JLS3** shows that most of the 131 donors³⁵ there listed made their first donation after the First Relevant Date for Passing Off. The mis-stated URL address link in the Telegraph article is an error by a journalist, but is not an actionable misrepresentation in the circumstances of this case. I note too the Applicant's quotation of Lord Jauncy in the Jif Lemon case: "Mere confusion which does not lead to a sale is not sufficient." I find that in the present case the evidence contains very little about the Opponent's partners and sponsors, and certainly there is nothing to demonstrate any confusion among any entities³⁶ who may have a business presence both in New York and the UK, nor among members of the public – no evidence of the Applicant being mistaken for the Opponent.³⁷

63. The absence of any evidenced confusion, operative misrepresentation and damage tends to support my primary finding that the Opponent has no significant goodwill in the UK. That conclusion also makes sense in view of the commercial context. The Opponent's charity operates (seemingly exclusively) in one city in the USA, and with no plans for expansion elsewhere. There is no overlap between the users of the charitable services or the particular food donors. As the Applicant submits, "a London supermarket is unlikely to deliver half a tonne of leftover sandwiches to New York. A soup kitchen in London is unlikely to source food from the Opponent. The cost and inconvenience of transatlantic shipping would make the food donations redundant."
64. As Sir John Mummery stated in the Starbucks case before the Court of Appeal: "Generating a goodwill for service delivery generally involves making, or at least attempting to make, some kind of connection with customers in the market with a view to transacting business and repeat business with them." I find that despite the Opponent's claim to have spent millions on developing its brand, there is no clear evidence of its having directed its promotional efforts towards the UK. The Opponent has not "pushed" its services into the jurisdiction. This is the case even in terms of fundraising; as the Applicant submits, the usual tactics of charities in the UK include traditional advertising such as television, online, billboards, bus stop posters; street collectors; donation buckets; mail campaigns; justgiving.com webpages directed to United

³⁵ Donors #59 - #131. I note that Donor #127 made two donations totalling 140,000 dollars just days after the Second Relevant Date (the application date).

³⁶ This includes the members of the Food Council mentioned in the statement of grounds.

³⁷ I also note the Applicant's reference to *Unitex Limited v Union Texturing Company Limited* [1973] F.S.R. 181, where the Court of Appeal, upholding the judge at first instance, refused to grant an interim injunction because there was no tangible evidence of damage, despite there being "not insubstantial evidence of confusion".

Kingdom consumers; bake sales; and sponsored activities such as marathons, etc. The Opponent offers no evidence of these 'push' factors in the United Kingdom. I recognise that the pushing and pulling of one's goods or services are concepts that have arisen primarily in the context of "genuine use" in trade mark law, but the concepts may function to some degree as a cross-check³⁸.

65. The relevant test for misrepresentation was set out by Morritt LJ in *Neutrogena Corporation and another v Golden Limited and another*³⁹:

"There is no dispute as to what the correct legal principle is. As stated by Lord Oliver of Aylmerton in *Reckitt & Colman Products Ltd v Borden Inc* [1990] RPC 341 at page 407 the question on the issue of deception or confusion is:

'is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the public will be misled into purchasing the defendants' [product] in the belief that it is the respondents' [product].

The same proposition is stated in Halsbury's Laws of England 4 Edition Vol. 48 para. 148. The necessity for a substantial number is brought out also in *Saville Perfumery Ltd v June Perfect Ltd* (1941) 58 RPC 147 at page 175; and *Re Smith Hayden's Application* (1945) 63 RPC 97 at page 101."

66. Further guidance on establishing the likelihood of deception is provided by *Halsbury's Laws of England* Vol. 97A (2012 reissue). 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

³⁸ See paragraph 96 of the decision of Mr Daniel Alexander QC, sitting as a Deputy Judge in *Abanka d.d. v Abanca Corporación Bancaria S.A.* [2017] EWHC 2428 (Ch) having reviewed the Supreme Court's judgment in *Starbucks* and referencing paragraph 57 of Lord Neuberger in that case.

³⁹ [1996] RPC 473

(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."

67. I take particular note of the nature and extent of the reputation established in this case. It has not been shown that the work in New York is widely known here and I have little doubt that the relevant UK public does not associate the brand name as distinctive of the Opponent and its services, such that it could sustain a passing off claim. Therefore, there arises no misrepresentation that would lead to a substantial number of consumers being misled.

68. I note the Opponent's claimed assumption in its statement of ground, characterising the motive behind the similarity between the parties' website URLs, but I reject any suggestion that the

similarity amounts to a direct misrepresentation. The suffix “org.uk” is simply the ordinary construction for the website URL of a charity in the UK.

69. I find that since there is no goodwill, no misrepresentation arises and consequently no damage. **The Opponent’s claim under section 5(4)(a) fails.**

The section 3(6) claim of Bad Faith

70. There is no definition of bad faith under section 3(6) of the Act or in the case law, but there are some key considerations that need to be taken into account when deciding a bad faith case. These were helpfully summarised by Arnold J in the Red Bull case.⁴⁰ The main considerations are as follows:

- Bad faith should be assessed at the date of filing the contested application.⁴¹
- Later evidence may however potentially be relevant if it helps to elucidate the position as it was at the application date ⁴²
- 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.⁴³
- Bad faith includes dishonesty and “some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined.” ⁴⁴

⁴⁰ Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited [2012] EWHC 1929 (Ch)

⁴¹ Case C- 529/07 *Chocoladenfabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH* [2009] ECR I-4893 at [35]

⁴² 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]

⁴³ 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].

⁴⁴ 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].

- Section 3(6) of the 1994 Act, and comparable provisions under EU legislation, are intended to prevent abuse of the trade mark system.⁴⁵ 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.⁴⁶
- 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.⁴⁷
- 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.⁴⁸
- Eighthly, consideration must be given to the applicant's intention. Arnold J refers⁴⁹ to the statements of the CJEU⁵⁰ 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.

⁴⁵ 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].

⁴⁶ see *Cipriani* at [185].

⁴⁷ see *Lindt v Hauswirth* at [37].

⁴⁸ 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].

⁴⁹ See paragraph 138 Red Bull.

⁵⁰ The Court of Justice of the European Union

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)."

71. In *Malaysia Dairy Industries Pte Ltd v Ankenævnet for Patenter og Varemærker* Case C-320/12, the CJEU held that merely knowing that a trade mark was in use by another in another jurisdiction did not amount to bad faith under Article 4(4)(g) of the Directive (equivalent to section 3(6) of the Act).
72. Not only is there is a prima facie presumption of goodwill, but I note that the Applicant explains the motivating stimulus in its counterstatement⁵¹ that it filed the Application for a reason entirely unconnected to the Opponent, seeking to safeguard the Mark against use on a "for profit" basis by a third-party. A contemporaneous email from the Applicant's CEO to another member of staff provides evidence supporting that motivation⁵². There is no evidence that the Applicant even considered the Opponent at the time of the Application. It seems to me that that motivation of itself is sufficient to defeat a claim of bad faith, however, given the serious nature of a bad faith allegation, I shall also deal with the Opponent's other allegations.
73. *Duty of care or fiduciary duty*: The Opponent has failed to provide any evidence of duties owed by Mr Winningham to the Opponent, some 17 or 18 years after ceasing to have a role with the Opponent.

⁵¹ See paragraph 12 (iv) of this decision above.

⁵² See **Exhibit SW13**

74. *Appropriation of alleged goodwill and reputation in the UK:* The Applicant states that neither Mr Winningham nor Ms Winningham gained any knowledge of the extent of the Opponent's alleged goodwill and reputation in the United Kingdom as a result of Mr Winningham's tenure at the Opponent (or otherwise). The Winningham Statement explains that *"At all times during my direct involvement the Opponent was solely focussed on alleviating hunger in New York City. At no point during that time did the Opponent's activities extend to other US cities, let alone other countries. Expansion outside of New York City was never contemplated during my tenure."* The evidence on that point is unchallenged. The fact that Mr and Ms Winningham were aware of (indeed inspired by) the Opponent and its operations in New York at the time the Applicant was formed in the United Kingdom and at the time of the Application, is no indication that they were aware of any goodwill or reputation in the United Kingdom (if it existed in the first place, which is denied).
75. The claims and evidence include various points as to the Applicant's failing to secure consent to use the Mark, but I find that the Applicant did not need the consent of the Opponent, either to use the Mark in London or to make the Application. There was (and is) no basis in law or in fact for the Applicant to seek the Opponent's consent: the Opponent had no registered trade marks in the United Kingdom (or the EU) and it had, as I have found, no actionable goodwill in the United Kingdom.
76. Moreover, I reject the Opponent's assertions as to the Applicant contriving contact with the Opponent in such a way so as then be able to claim an implied licence. The evidence⁵³ shows numerous instances of contact between the Applicant and senior staff at the Opponent, and it appears that Mr Winningham and the staff at the Applicant were entirely candid with the Opponent about their use of the Mark in London during their interactions from February 2015. Given the content of the follow-up emails to the Opponent's Chief of Staff and Vice-President on 10 February 2015, I find it implausible that Mr Winningham would have been any less transparent about the Applicant's use of the Mark in London in his telephone call with Ms Stephens in their telephone earlier that day.
77. Although the evidence is not especially strong on the point, I accept, on the balance of probabilities, that when the Applicant was being established, a conversation took place in early 2014 between the Applicant's co-founder Mr Bruce Marquart and the Opponent's Ms Stephens,

⁵³ In particular **Exhibit SW4**.

on the basis of which the Applicant understood that the Opponent would not object to the use of the Mark in the United Kingdom. While I note that Ms Stephens claims no recollection of the conversation with Mr Marquart⁵⁴ (and the evidence shows no contemporaneous record of it), Ms Stephens has shown herself a less than robustly reliable witness. For example, Ms Stephens also claims no memory of the telephone call with Mr Winningham, which undoubtedly took place, as is clear from the evidence of her own calendar record and the supporting contemporaneous email exchanges.

78. It is also clear from the evidence⁵⁵ that in 2015, long before filing the Application, the Applicant sought legal advice from a reputable firm of trade mark attorneys. The advice received indicated that the Applicant was free to use and register the Mark in the United Kingdom⁵⁶. The Applicant cannot be criticised for following that advice (fully disclosed in the evidence). Not only do that I find that the Applicant had no obligation to inform the Opponent of its intention to register the Mark, and that its motivation to register was unconnected to the Opponent, but I also find that the evidence is anyway insufficient to support the allegation of a “concealed act” as claimed by the Opponent. While I take note that Ms Stephens’ own record⁵⁷ from February 2017 of her meeting with Mr Winningham does refer to the Opponent’s Board being “very protective of its brand”, the evidence does not show, for example, that the purpose of the meeting in May 2017 between the Opponent’s Chairman (Mr Jim Kallman) and Mr Winningham (two weeks after the Application for the Mark) was to address any branding concerns the Opponent may have had. Certainly the evidence⁵⁸ from the Applicant, in the form of its own record (to the Applicant’s board) of the February meeting and its follow up emails, indicates that it apprehended no such concerns between the parties over the Applicant’s use of the brand.
79. I reject each and all of the Opponent’s allegations of bad faith and **the claim under section 3(6) grounds fails.**

⁵⁴ See the **Second Stephens Statement** at paragraphs 15 – 20, in particular paragraph 18.

⁵⁵ **Exhibit SW2** and paragraphs 16 – 19 of **the Winningham Statement**

⁵⁶ Relying on that advice the Applicant converted to charitable status and obtained the .org.uk domain.

⁵⁷ See **Exhibit JLS15**

⁵⁸ See paragraphs 25 – 27 of the Winningham Statement, plus Exhibits SW8 – SW11.

COSTS

80. Both are represented on a pro bono basis and no costs order arises.

Dated this 26th day of November 2018

Matthew Williams

For the Registrar,

the Comptroller-General
