O/0309/26

TRADE MARKS ACT 1994

CONSOLIDATED PROCEEDINGS

IN THE MATTER OF INTERNATIONAL REGISTRATIONS
DESIGNATING THE UK
NOS. 1614293, 1613214, 1614625, 1613195 & 1613197
IN THE NAME OF NAVA 1872 PTE. LTD.
IN CLASSES 30, 32 & 43

AND IN THE MATTER OF OPPOSITIONS THERETO
UNDER NOS. 430859, 430865, 430883, 433111 & 433112
BY KALLO FOODS LIMITED

AND

IN THE MATTER OF REGISTRATION NOS. 2499915A & 2499915B
IN THE NAME OF KALLO FOODS LIMITED
IN CLASSES 11, 16, 18, 20, 21, 24, 25, 29, 30, 35, 36 & 43

AND APPLICATIONS FOR REVOCATIONS
UNDER NOS. 507084 & 507085
BY NAVA 1872 PTE. LTD.

BACKGROUND AND PLEADINGS

1. On 13 August 2021, NAVA 1872 PTE. LTD. ("NAVA") registered the international registrations shown below (collectively, "NAVA's IRs") and designated the UK as a territory in which it seeks protection under the terms of the Protocol to the Madrid Agreement. The international registrations all claim a priority date of 17 February 2021 (Singapore).

(i)

International Registration no. 1614293

Class 30: Tea; chai tea; iced tea; black tea; fruit tea; green tea; white tea; ginger tea; oolong tea; ginseng tea; jasmine tea; rooibos tea; aromatic tea; packaged tea; rose hip tea; chamomile tea; earl grey tea; fermented tea; peppermint tea; tieguanyin tea; theine-free tea; tea bags, filled; Japanese green tea; tea leaves, processed; flowers or leaves for use as tea substitutes; herbal tea, other than for medicinal use.

("NAVA's first mark")

(ii)

International Registration no. 1613214

Class 32: Aerated drinks, non-alcoholic; alcohol free drinks; alcohol-free beverages; carbonated non-alcoholic drinks; drinking water;

flavoured carbonated beverages; flavoured waters; fruit based drinks; fruit-flavoured beverages; fruit-based soft drinks flavored with tea; non-alcoholic beverages; non-alcoholic beverages flavoured with tea; non-alcoholic beverages with tea flavor; non-alcoholic soda beverages flavoured with tea; non-alcoholic carbonated beverages; non-alcoholic drinks; non-alcoholic flavored carbonated beverages; non-carbonated soft drinks; soft drinks.

("NAVA's second mark")

(iii) **THE 1872 CLIPPER TEA CO.**

International Registration no. 1614625

Class 43: Services for providing food and drink; restaurants; tea rooms; tea room services; cafe services.

("NAVA's third mark")

(iv) **THE 1872 CLIPPER TEA CO.**

International Registration no. 1613195

Class 30: Tea; chai tea; iced tea; black tea; fruit tea; green tea; white tea; ginger tea; oolong tea; ginseng tea; jasmine tea; rooibos tea; aromatic tea; packaged tea; rose hip tea; chamomile tea; earl grey tea; fermented tea; peppermint tea; tieguanyin tea; theine-free tea; tea bags, filled; Japanese green tea; tea leaves, processed; flowers or leaves for use as tea substitutes; herbal tea, other than for medicinal use.

("NAVA's fourth mark")

(v)

International Registration no. 1613197

Class 43: Services for providing food and drink; restaurants; tea rooms; tea room services; cafe services.

("NAVA's fifth mark")

2. Details of NAVA's IRs were published for opposition purposes on 5 November 2021, 12 November 2021, and 8 April 2022. On 7 February 2022 and 29 April 2022, Kallo Foods Limited ("KALLO") opposed the protection of NAVA's IRs in the UK under sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 ("the Act").

3. For the purposes of its claims under sections 5(2)(b) and 5(3) of the Act, KALLO relies upon the trade marks shown below.

CLIPPER

CLIPPER

(i) 

(series of three)

UK registration no. 2285740

Filing date: 16 November 2001

Registration date: 8 August 2003

Class 30: Tea and coffee; tea and coffee products; tea bags; fruit and herbal teas, fruit and herbal infusions; green tea; flavoured teas; instant coffee; ground coffee; coffee beans; chocolate beverages and cocoa beverages.

("KALLO's first mark")[1]

(ii) **CLIPPER NATURAL, FAIR & DELICIOUS**

UK registration no. 2499915A

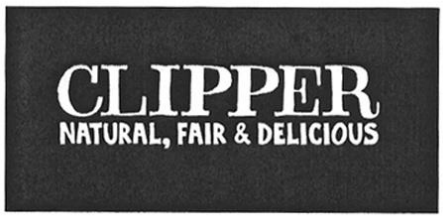
Filing date: 10 October 2008

Registration date: 5 June 2009

Class 30: Beverages, tea and coffee; tea and coffee products; coffee beans; coffee substitutes; tea bags; fruit and herbal teas, fruit and herbal infusions; green tea; white tea; flavoured teas; iced tea; tea substitutes; instant coffee; ground coffee; coffee beans; chocolate and cocoa-based beverages; confectionery; chocolate based products; oat based food and drinks; malt based food and drinks; ice cream; bread, biscuits, cakes, pastries, cookies; preparations for making the aforesaid goods; granola, sugar, sugar cubes and sticks; sauces, spices; flavourings, flavouring syrups, essences.

Class 43: Catering for the provision of food and drink for consumption on or off the premises; restaurants; cafe, cafeteria, canteen, restaurants, snackbar, bar, food bar, services; preparations of food and drink; catering services; rental and leasing of drink dispensing machines; advice, enquiry, consultancy and information services all relating to food and beverages.[2]

("KALLO's second mark")

(iii) 

UK registration no. 2499915B

[1] Although this registration comprises a series of three marks, I shall refer to them in the singular unless it becomes necessary to distinguish between them.

[2] This mark is registered for goods and services in classes 11, 16, 18, 20, 21, 24, 25, 29, 30, 35, 36 and 43. These are set out in full in the annex to this decision. However, for the purposes of its claims under these grounds, KALLO only relies on its goods in class 30 (against all NAVA's IRs) and services in class 43 (NAVA's third and fifth marks only).

Filing date: 10 October 2008

Registration date: 5 June 2009

Class 30: Beverages, tea and coffee; tea and coffee products; coffee beans; coffee substitutes; tea bags; fruit and herbal teas, fruit and herbal infusions; green tea; white tea; flavoured teas; iced tea; tea substitutes; instant coffee; ground coffee; coffee beans; chocolate and cocoa-based beverages; confectionery; chocolate based products; oat based food and drinks; malt based food and drinks; ice cream; bread, biscuits, cakes, pastries, cookies; preparations for making the aforesaid goods; granola, sugar, sugar cubes and sticks; sauces, spices; flavourings, flavouring syrups, essences.

Class 43: Catering for the provision of food and drink for consumption on or off the premises; restaurants; cafe, cafeteria, canteen, restaurants, snackbar, bar, food bar, services; preparations of food and drink; catering services; rental and leasing of drink dispensing machines; advice, enquiry, consultancy and information services all relating to food and beverages.[3]

("KALLO's third mark")

4. Each of KALLO's marks qualifies as an 'earlier trade mark' in accordance with section 6 of the Act. As they had been registered for more than five years at the priority date claimed by NAVA's IRs, they are subject to the use requirements specified in section 6A of the Act.

5. Under section 5(2)(b), KALLO contends that the parties' marks are similar and that their respective goods and services are identical or similar. As a result, KALLO submits that there is a likelihood of confusion, including the likelihood of association.

6. As for section 5(3), KALLO claims that each of its marks has a significant reputation in respect of the goods and services listed above. KALLO submits that this reputation

[3] This mark is registered for the same list of goods and services as KALLO's second mark, as outlined in the annex to this decision. Again, for the purposes of its claims under these grounds, KALLO only relies upon its goods in class 30 (against all of NAVA's IRs) and services in class 43 (NAVA's third and fifth marks).

is such that use of NAVA's IRs, without due cause, would take unfair advantage of, and be detrimental to, the distinctive character and repute of its marks. It also argues that the relevant public will mistakenly believe that there is an economic connection between the users of the competing marks.

7. Turning to section 5(4)(a), KALLO claims that it has substantial goodwill in its business in relation to which it has used the sign **CLIPPER** throughout the UK since 1984. The goods for which the sign is said to have been used are *tea and coffee; tea and coffee products; tea bags; fruit and herbal teas, fruit and herbal infusions; green tea; flavoured teas; instant coffee; ground coffee; coffee beans; chocolate beverages and cocoa beverages*. KALLO argues that use of NAVA's IRs would constitute passing off.

8. NAVA filed counterstatements denying the grounds of opposition. It indicated that it would require KALLO to provide proof of use and reputation for each of its marks, as well as proof of goodwill in relation to its alleged earlier sign. NAVA also reserved its right to demonstrate that the parties have been trading honestly and concurrently in the UK and that they have coexisted in trade, with no instances of confusion occurring.

9. On 4 March 2024, NAVA made applications to partially revoke KALLO's second and third marks under sections 46(1)(a) and 46(1)(b) of the Act. NAVA's claims are directed at goods and services in classes 11, 16, 18, 20, 21, 24, 25, 29, 30, 35 and 43. These are underlined in the annex.

10. Revocation is sought under section 46(1)(a) as a result of alleged non-use of KALLO's marks during the five-year period immediately following the date on which they were registered, i.e. 6 June 2009 to 5 June 2014. NAVA requests an effective date of revocation of 6 June 2014. Revocation is also sought under section 46(1)(b) due to alleged non-use of KALLO's marks during the following five-year periods:

(i) 7 June 2014 to 6 June 2019, requesting an effective date of revocation of 7 June 2019;

(ii) 15 February 2016 to 14 February 2021, requesting an effective date of revocation of 15 February 2021; and

(iii) 22 February 2019 to 21 February 2024, requesting an effective date of revocation of 22 February 2024.

11. KALLO filed counterstatements in which it partially defended its registrations, claiming that the marks have been used for a reduced list of goods in classes 18, 21, 24 and 25. These are set out later in this decision.

12. Both parties filed evidence. A hearing was requested and held before me, by video conference, on 20 February 2025. KALLO was represented by Aaron Wood of Novagraaf UK. NAVA was represented by Chris Thomas of Appleyard Lees IP LLP.

RELEVANCE OF EU LAW

13. The provisions of the Act relied upon in these proceedings are assimilated law, as they are derived from EU law. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 (as amended by Schedule 2 of the Retained EU Law (Revocation and Reform) Act 2023) requires tribunals applying assimilated law to follow assimilated EU case law. That is why this decision refers to decisions of the EU courts which predate the UK's withdrawal from the EU.

EVIDENCE

14. KALLO filed evidence in the form of a witness statement from Laura Morrish, filed together with 11 exhibits (LM1-LM11), and two witness statements from Emma Vass, filed together with four exhibits (EV1 and EV1-EV3).[4]

15. Ms Morrish is a Trade Mark Attorney with KALLO's professional representatives, whilst Ms Vass is UK Chief Executive Officer of KALLO. They both provide evidence of use of KALLO's marks and alleged earlier sign.

[4] There are two exhibits labelled EV1. For clarity, I shall refer to the second as Exhibit EV1(2).

16. NAVA's evidence is given in the witness statements of Christopher Owen Thomas, with eight exhibits (COT1/EX1-COT1/EX8), and Lim Gwee Koon, with five exhibits (GK1/EX1-GK1/EX5).

17. Mr Koon is a director of NAVA. He provides evidence of NAVA's history and trading activity. Mr Thomas is a Trade Mark Attorney with NAVA's professional representatives. He gives evidence on the term "TEA CLIPPER" and of third-party tea rooms trading under the word 'CLIPPER'.

18. I have taken all the evidence into account in reaching my decision and will refer to it below where necessary.

PROCEDURAL DEVELOPMENTS

Strike out

19. Within his skeleton argument, Mr Wood made an application on behalf of KALLO to strike out NAVA's applications for revocation as an abuse of process. He submitted that, with the exception of a "small subset" of the goods in class 30 of KALLO's specifications, KALLO was not relying on any of the goods or services which are the subject of the revocation actions. On this basis, Mr Wood argued that the "natural assumption" is that the intent behind the revocation actions was to attempt to force KALLO to withdraw the proceedings, offer NAVA reasonable terms, or that they were otherwise 'tit for tat' applications. Alongside his skeleton argument, Mr Wood filed a letter dated 14 February 2025 from NAVA's representatives ("the February letter"). He argued that the contents of the February letter show a threat of proceedings intended to obtain a result collateral to the proceedings and, therefore, demonstrates that the revocation applications were made for ulterior and collateral purposes.

20. In reference to a previous decision of this Tribunal ("the Apple decision"),[5] Mr Wood argued that the Registrar has broad powers under rule 62 of the Trade Marks Rules 2008 ("the Rules") to manage proceedings before it, including striking out proceedings

[5] BL O/015/17

for abuse of process. In addition, he submitted that the Apple decision shows that (i) bringing proceedings for an ulterior purpose will be deemed an abuse of process, (ii) 'tit for tat' proceedings may be an ulterior purpose, and (iii) bringing proceedings to obtain some benefit extraneous to the action in question will be abusive if the action would not have otherwise been brought.

21. This was dealt with as a preliminary matter at the hearing, where Mr Wood broadly reiterated the above. For NAVA's part, Mr Thomas disputed that the revocation actions amounted to an abuse of process. He pointed out that the revocation actions were filed 11 months before the February letter and submitted that the contents of the latter cannot go to the intention in filing the former. Mr Thomas explained that, upon reviewing the evidence filed in the opposition proceedings in December 2023, NAVA noted that no evidence had been filed in relation to, *inter alia*, any class 43 services, i.e. KALLO's second and third marks were being relied upon for a wider range of goods and services than use had been shown for. In his view, NAVA was fully entitled to file revocation actions against those marks, which were over five years old. Mr Thomas contended that the existence of the marks on the register for a wider range of goods and services for which they have been used was a potential barrier to entry to the market for NAVA.

22. As for the February letter, Mr Thomas explained that NAVA had identified further registrations owned by KALLO; these had not been identified earlier because they were not relied upon by KALLO in the oppositions. Mr Thomas submitted that the letter was sent before initiating further actions for costs purposes and to give KALLO an opportunity to respond. On the final part of the letter, Mr Thomas explained that NAVA was simply indicating its openness to have commercial discussions prior to the hearing, in accordance with the overriding objective, notwithstanding the limited opportunity there was in that timescale. Mr Thomas argued that there was no comparison here with the Apple decision.

23. After considering Messrs Wood and Thomas' submissions, I directed that KALLO's request to strike out the applications for revocation was refused. Brief reasons were given orally at the hearing, but I record here my basis for doing so.

24. It is considered, in appropriate circumstances, to be within the Registrar's inherent jurisdiction to strike out a statement of case (or part thereof), if it appears that it is an abuse of process. This was confirmed by Mr Geoffrey Hobbs KC, sitting as the Appointed Person, in *BeReal Wear Limited v BeReal SAS*, BL O/0376/24. The power to do so stems from rule 3.4 of the Civil Procedure Rules ("CPR"). Although this Tribunal is not directly governed by the CPR, they may be followed where the Rules are silent. Therefore, the Registrar has the power, in principle, to strike out the current revocation actions as an abuse of process.

25. Nevertheless, I am not satisfied that the reasons given by Mr Wood are sufficient for doing so. In *Goldsmith v Sperrings Ltd* [1977] 1 WLR 478, when defining what is meant by 'collateral advantage', Bridge LJ stated as follows:

> "[…] if it can be shown that a litigant is pursuing an ulterior purpose unrelated to the subject matter of the litigation and that, but for his ulterior purpose, he would not have commenced proceedings at all, that is an abuse of process. […] What if a litigant with a genuine cause of action, which he would wish to pursue in any event, can be shown also to have an ulterior purpose in view as a desired byproduct of the litigation? Can he on that ground be debarred from proceeding? I very much doubt it. […]"

26. I accept Mr Thomas' explanation of NAVA's interest in the proceedings and the purpose of the revocation actions. It is my view that neither the February letter nor the wider timeline or circumstances of the proceedings shows any ulterior motive or collateral purpose on the part of NAVA in making the applications for revocation. I can see why a party, having received evidence of use of a mark in opposition proceedings and identified areas of a specification that, in its view, there was no evidence of the other party providing under that mark, would seek to revoke that mark for non-use if it is over five years old. This is particularly the case where the party sees the registration as a potential barrier to entry to the market. In theory, these are precisely the sort of scenarios envisaged by, and the reasons for, the use provisions. To my mind, it does not matter that NAVA sought revocation for a wider range of goods and services than those which were relied upon by KALLO. Although attacking only those goods or services relied upon by KALLO might make 'tactical' sense from the perspective from

the opposition proceedings, since success in relation to those goods and services would be all that NAVA needed to defeat those oppositions, NAVA was not limited to doing so; NAVA was entitled to seek revocation of the entire specifications. Mr Thomas' explanation for the revocation actions points away from them being 'tit for tat' applications, and there is no evidence that the intent of them was to force KALLO to withdraw the proceedings or offer NAVA reasonable terms.

27. Moreover, as Mr Thomas highlighted, the February letter was sent some time after the revocation actions were commenced. It seems improbable (albeit not impossible) that a party who had only commenced counter proceedings for the purposes of, for example, forcing the other party to withdraw their own proceedings, would not seek to do so for 11 months. This is even more the case in the present circumstances where the substantive hearing was due to take place the following week. The timing of the letter, in my view, points more towards reaching out in advance of the hearing, rather than any abusive intent at that point or 11 months prior. The contents of the letter appear to be consistent with a typical communication between parties engaged in legal proceedings. Whilst there was an identification of further proceedings which NAVA may look to commence, I do not consider it to be objective evidence that the revocation actions previously commenced by NAVA were filed for any collateral purpose. The final sentence of the letter was relied upon heavily by Mr Wood. It was said to make clear that the proceedings were being used to leverage settlement discussions. I do not agree. That last sentence in full said "[if] your client is willing to discuss a potential commercial solution to our clients' respective actions ahead of the Consolidated Opposition Hearing, please let us know". This sentence strikes me as having been added on just in case there was scope for any discussions to be had in advance of the hearing the following week, and to inform KALLO of NAVA's openness to have those discussions.

28. I note the contents the Apple decision and the Hearing Officer's findings. I am not bound by previous decisions of this Tribunal, though, for what it's worth, I agree with the Hearing Officer's statement and interpretation of the law in that decision. However, the ultimate decision to strike out the proceedings as an abuse of process because they had been filed for a collateral purpose was made on the basis of the particular circumstances and evidence before the Hearing Officer. The decision concerned 68

applications for revocation filed by several related undertakings controlled by the same individual against trade marks owned by Apple Inc., some of which were well known. There was a finding of fact by the Hearing Officer that the controlling mind of the applicants had filed the applications to coerce Apple to surrender or assign one of its registrations. There was no evidence that the applicants had any plans to trade under any of the marks at issue and, as such, the applicants had no commercial interest in the marks. The controlling mind of the applicants cited ongoing conflicts with Apple Inc. in other jurisdictions as part of their rationale for having filed the revocation actions in the UK. The Hearing Officer found that the timing of the applications was also consistent with this. All this is to say that the present proceedings present very different factual circumstances from those discussed in the Apple decision.

29. Finally, whilst I recognise that it is not determinative, there is a strong public interest in not allowing invalid marks to remain on the register. Some of the goods and services relied upon by KALLO in the oppositions are under attack in the revocation actions, albeit that those constitute a smaller proportion of them. NAVA has raised arguable grounds of revocation. In fact, some of the goods and services under attack in the revocation actions were not defended by KALLO. As such, it is clear that the grounds of revocation were not entirely without any merit.

Additional evidence

30. At 20:47 on 19 February 2025, the day before the hearing, Mr Wood emailed the Tribunal with KALLO's own version of one of the documents provided by Mr Thomas in Exhibit COT1/EX8. This was a printout from Facebook which was being relied upon by NAVA as showing an undertaking allegedly "trading under the CLIPPER mark". Mr Wood submitted that NAVA's version was incomplete, whereas KALLO's version of the document included a full printout from Facebook. In this connection, Mr Wood argued that KALLO's version showed, in fact, that this particular undertaking ceased trading on 21 April 2021. I intended on treating this as an application from KALLO to file additional evidence. However, when dealing with this as a preliminary matter at the hearing, Mr Thomas acknowledged the Facebook post regarding the closure of this undertaking and confirmed that he was content for his statement to be taken as being

that this undertaking "has traded under the CLIPPER mark". I shall take this into account where necessary.

MY APPROACH

31. Given that the outcome of NAVA's revocation actions may affect the validity of two of KALLO's registrations, it is convenient to deal with them first. I will then consider KALLO's oppositions to the extent that it is necessary to do so.

NAVA'S REVOCATIONS

Legislation and case law

32. Section 46 of the Act states:

> "46. - (1) The registration of a trade mark may be revoked on any of the following grounds-
>
> > (a) that within the period of five years following the date of completion of the registration procedure it has not been put to genuine use in the United Kingdom, by the proprietor or with his consent, in relation to the goods or services for which it is registered, and there are no proper reasons for non-use;
> >
> > (b) that such use has been suspended for an uninterrupted period of five years, and there are no proper reasons for non-use;
> >
> > (c) […]
> >
> > (d) […]
>
> (2) For the purpose of subsection (1) use of a trade mark includes use in a form (the "variant form") differing in elements which do not alter the distinctive character of the mark in the form in which it was registered (regardless of

whether or not the trade mark in the variant form is also registered in the name of the proprietor), and use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(3) The registration of a trade mark shall not be revoked on the ground mentioned in subsection (1)(a) or (b) if such use as in referred to in that paragraph is commenced or resumed after the expiry of the five year period and before the application for revocation is made:

> Provided that, any such commencement or resumption of use after the expiry of the five year period but within the period of three months before the making of the application shall be disregarded unless preparations for the commencement or resumption began before the proprietor became aware that the application might be made.

(4) […]

(5) Where grounds for revocation exist in respect of only some of the goods or services for which the trade mark is registered, revocation shall relate to those goods or services only.

(6) Where the registration of a trade mark is revoked to any extent, the rights of the proprietor shall be deemed to have ceased to that extent as from-

> (a) the date of the application for revocation, or
>
> (b) if the registrar or court is satisfied that the grounds for revocation existing at an earlier date, that date."

33. Moreover, section 100 of the Act states:

> "If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it."

34. In *easyGroup Ltd v Nuclei Ltd & Ors* [2023] EWCA Civ 1247, Arnold LJ summarised the law relating to genuine use as follows:

> "105. The principles applicable to determining whether there has been genuine use of a trade mark have been considered by the CJEU in a considerable number of cases, the principal decisions being Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, Case C-259/02 *La Mer Technology Inc v Laboratories Goemar SA* [2004] ECR I-1159, Case C-416/04 P *Sunrider Corp* v *Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [2006] ECR I-4237, Case C-442/07 *Verein Radetsky-Order v Bundervsvereinigung Kamaradschaft 'Feldmarschall Radetsky'*[2008] ECR I-9223, Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759, Case C-149/11 *Leno Merken BV v Hagelkruis Beheer BV* [EU:C:2012:816], Case C-609/11 *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], Case C-141/13 *P Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [EU:C:2014:2089], Case C-689/15 *W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse* [EU:C:2017:434] and Joined Cases C–720/18 and C–721/18 *Ferrari SpA v DU* [EU:C:2020:854].
>
> 106. Ignoring issues which do not arise in the present case, such as use in relation to spare parts or second-hand goods and use in relation to a sub-category of goods or services, the principles may be summarised as follows:
>
> (1) Genuine use means actual use of the trade mark by the proprietor or by a third party with authority to use the mark: *Ansul* at [35] and [37].

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Centrotherm* at [71]; *Leno* at [29]; *Ferrari* at [32].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Centrotherm* at [71]; *Leno* at [29]; *Gözze* at [37], [40]; *Ferrari* at [32].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence

that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34]; *Leno* at [29]-[30], [56]; *Ferrari* at [33].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32]."

35. He then stated as follows:

"107. The trade mark proprietor bears the burden of proving genuine use of its trade mark: see section 100 of the 1994 Act and *Ferrari* at [73]-[83]. The General Court of the European Union has repeatedly held that genuine use of a trade mark cannot be proved by means of probabilities or suppositions, but must be demonstrated by solid and objective evidence of effective and sufficient use of the trade mark on the market concerned: see e.g. Case T-78/19 *Lidl Stiftung & Co KG v European Union Intellectual Property Office* [EU:C:2020:166] at [25]. It has also repeatedly held that the smaller the commercial volume of the exploitation of the mark, the more necessary it is for the proprietor to produce additional evidence to dispel any doubts as to the genuineness of its use: see e.g. *Lidl* at [33]. In *Awareness Limited v Plymouth City Council* [2013] RPC 24 Daniel Alexander QC sitting as the Appointed Person said:

’19. For the tribunal to determine in relation to what goods or services there has been genuine use of a mark during the relevant period, it should be provided with clear, precise, detailed and well-supported evidence as to the nature of that use during the period in question from a person properly qualified to know.

…

22. … it is not strictly necessary to exhibit any particular kind of documentation, but if it is likely that such material would exist and little or none is provided, a tribunal will be justified in rejecting the evidence as insufficiently solid. That is all the more so since the nature and extent of use is likely to be particularly well known to the proprietor itself. A tribunal is entitled to be sceptical of a case of use if, notwithstanding the ease with which it could have been convincingly demonstrated, the material actually provided is inconclusive. By the time the tribunal … comes to take its final decision, the evidence must be sufficiently solid and specific to enable the evaluation of the scope of protection to which the proprietor is legitimately entitled to be properly and fairly undertaken, having regard to the interests of the proprietor, the opponent and, it should be said, the public.’”

36. My assessment will focus upon those goods for which the applications for revocation were defended by KALLO (“the relevant goods”), namely:

Class 18: Shopping bags; woven bags.

Class 21: Dishes and tea pots; caddies and containers; storage boxes and storage jars; tea cups and mugs.

Class 24: Tea towels.

Class 25: Aprons.

The evidence

37. Ms Morrish gives evidence that Clipper Tea was founded in the UK in 1984 and sold to Royal Wessanen, now Ecotone, in 2012. She says that KALLO is the UK arm of this business. Ms Morrish says that the 'CLIPPER' brand has been presented in its stylised form (such as in KALLO's third mark) since 2008. A printout from the Clipper Tea website (clipper-teas.com), obtained via the Wayback Machine and dated 29 January 2009, shows the stylised form of the 'CLIPPER' mark, along with "we've had a makeover".[6]

38. Ms Morrish says that over 95 varieties of tea are sold under the mark, as well as hot chocolate powders and granulated coffee products. She provides printouts from the Clipper Tea website to demonstrate the range of products.[7] The printouts are not dated but, given the copyright notices, may be from 2023. Black, green and white teas, hot chocolate powders, and coffee granules and powders are presented on the website. The stylised form of the mark can be seen on the products and at the top of the website. However, none of the relevant goods can be seen on the website. The same is true of the printout from 2009 referred to above.

39. Further printouts from the website, obtained via the Wayback Machine, are in evidence.[8] They are dated between 4 April 2011 and 4 February 2020. They show use of the stylised form of the mark in connection with hot chocolate, tea and coffee. There is also use of the word 'Clipper' in plain font. Again, none of the relevant goods can be seen on the website.

40. Ms Morrish also provides samples of 'CLIPPER' packaging designs.[9] They are dated between 11 January 2017 and 24 August 2023. The stylised form of the mark can be seen on each. The packaging designs are for teas, coffees and hot chocolates, i.e. none of the relevant goods.

[6] Exhibit EV2
[7] Exhibit LM2
[8] Exhibit LM3
[9] Exhibit LM4

41. Ms Morrish and Ms Vass provide the following turnover figures:

Year	Net turnover (£)	Units (cases)
2014	15,571,104	2,157,435
2015	15,390,065	2,064,173
2016	15,579,039	2,029,311
2017	15,868,031	1,846,343
2018	15,482,070	1,682,456
2019	16,348,929	1,691,193
2020	18,034,445	1,908,136
2021	17,954,596	1,850,493
2022	18,747,452	2,203,736
Total	148,975,731	17,433,276

42. In support, Ms Morrish provides a range of invoices demonstrating the sale of goods to retailers and distributors from 2014 to 2019.[10] Those dated between 30 February 2014 and 12 October 2018 are headed with the stylised form of the 'CLIPPER' mark. Those dated between 11 November 2018 and 1 November 2019 are headed with a 'Wessanen uk' mark; there is no 'CLIPPER' branding. However, some of the goods in those invoices have "CT" in the product description, as they did in the 'CLIPPER' invoices.

43. Ms Vass provides additional sales invoices.[11] Those dated between 1 August 2014 and 20 August 2018 are headed with the stylised form of the 'CLIPPER' mark. Those dated between 24 April 2019 and 4 November 2019 are headed with the 'Wessanen' mark, whilst those dated between 16 January 2020 and 17 December 2021 are headed with an 'ecotone' mark. However, as above, the product descriptions contain "CT" codes, as they did in the 'CLIPPER' invoices.

44. The invoices demonstrate the sale of goods to UK customers based in, *inter alia*, Exeter, Reading, London, Liverpool, Manchester, Cardiff and Bracknell. The

[10] Exhibit LM8
[11] Exhibit EV1

customers include supermarkets with outlets across the UK, including Sainsburys, Tesco and Waitrose, as well as Amazon. From the product descriptions, the goods mostly appear to be teas, coffees and hot chocolates. As for the relevant goods, there are two examples of tea towels being sold. On 1 February 2017, 48 "CT Everyday 440 TB With Tea Towel" were invoiced to a customer in Reading. On 15 February 2017, 24 of the same product were invoiced to the same customer.

45. Moreover, Ms Morrish has exhibited printouts from the Tesco, Sainsburys, Waitrose, Asda, Morrisons and Amazon UK websites.[12] They all show 'CLIPPER' teas offered for sale. Those from Sainsburys, Waitrose and Amazon also show 'CLIPPER' coffees and hot chocolates. They are all dated 12 April 2023, aside from those from Sainsburys and Morrisons, which are not dated. In her first statement, Ms Vass includes a table showing the percentage of these five major supermarkets which stock "core lines" of 'CLIPPER' products. This indicates that, for instance, 'CLIPPER' everyday tea was stocked in 90% of Tesco stores in 2017, whilst 'CLIPPER' green tea was stocked in 96% of Sainsburys stores in 2018. Ms Morrish says that price offers have been run in conjunction with the supermarkets. In this regard, she provides a spreadsheet detailing a sample of such offers.[13] From this, I note that various offers were run in respect of 'CLIPPER' teas in Tesco, Asda, Morrisons, Sainsburys, Waitrose and Ocado between August 2015 and December 2015, January 2017 and June 2017, and January 2019 and May 2019. None of this evidence relates to the relevant goods.

46. In her second statement, Ms Vass says that KALLO sells its goods to customers throughout the UK via the shop on the Clipper Teas website, as well as other retailers including Kingdom Coffee, A1 Coffee and Pattersons. She says that these retailers operate online and deliver nationwide, with Pattersons also operating shops in the West Midlands, Devon and Bristol. She provides printouts from these websites, which show display boxes, display stands and caddies with 'CLIPPER' branding offered for sale.[14] None of the printouts is dated. Two further printouts from the Kingdom Coffee UK website are provided, which were obtained using the Wayback Machine and are

[12] Exhibit LM9
[13] Exhibit LM10
[14] Exhibit EV2

dated 4 August 2015 and 10 August 2020.[15] These show 'CLIPPER' branded point of sale display boxes and stands for tea being offered for sale. Ms Vass also exhibits photographs of 'CLIPPER' branded tea towels, mugs and bowls;[16] these are described as promotional and marketing materials. The photographs are not dated.

47. An article from the Brandon Gaille website entitled '20 UK Tea Industry Statistics and Trends' states that, according to 2015 revenue figures, the UK tea industry held a total market value of £450.7million for black tea products, £78.8million for fruit and herbal teas, and £46.1million for speciality teas.[17] It goes on to say that the 'CLIPPER' brand had over 1.3million users in the UK in 2017. However, it says nothing about the relevant goods.

48. According to Ms Morrish, KALLO actively markets its products through several channels, including experiential campaigns, collaborations with celebrities, and offers with supermarkets. She provides examples of these activities, comprising the following:[18]

- Information about the 'Clipper Tea Shop Awards' (2017) in partnership with television presenter Kirstie Allsopp, a competition with a public vote open to any food service outlet which served 'CLIPPER' teas. This featured in an article on *IPM Bitesize* on 20 June 2017.

- Materials relating to KALLO's launch of plastic free 'CLIPPER' tea bags in 2018. The plans for the launch involved press releases for the trade (in *The Grocer*, for example) and end consumers (through social media and websites).

- A campaign overview of "marketing campaigns run in 2019", comprising posts on the Clipper Teas Twitter and Instagram pages on 21 April 2018, 21 December 2018 and 11 June 2019; a half-price 'CLIPPER' tea coupon valid in Waitrose between 30 September 2019 and 5 November 2019; offers on

[15] Exhibit EV3
[16] Exhibit EV3
[17] Exhibit LM11
[18] Exhibit LM5

‘CLIPPER’ teas on Tesco’s website from 31 December 2019; a ‘CLIPPER’ “tea swap” pop-up shop in London (reported in *Campaign* on 7 June 2019); references to ‘CLIPPER’ on *BBC News* (6 November 2019) and *The Grocer* (29 February 2016 and 2 February 2019). Also included are images of billboards and posters promoting ‘CLIPPER’ teas, vehicles adorned with ‘CLIPPER’ branding, promotional stands in supermarkets, and a promotional banner on Ocado website. However, these are all undated and no locations are given.

- Photographs of the interior and exterior of what is said to be a Tesco store in 2019 (location not given), in which ‘CLIPPER’ teas on a shelf and a ‘CLIPPER’ billboard can be seen.

- A document described as an overview of annual marketing activities for 2019, which details KALLO “activating our unique plastic free credentials […] in Tesco” and “celebrating our No 1 Fairtrade credentials”. The document mentions KALLO’s ‘Ac-TEA-vism’ campaign, its “tea swap” initiative, using social media leaders/influencers and earning media coverage in *Metro*, *Daily Mirror*, *The Guardian*, *Evening Standard* and *The Telegraph*. It also refers to celebrating National Tea Day (11 and 12 April) with interactive social media content.

- Promotional materials for the ‘CLIPPER’ advent calendar, which was available from September 2020, and a trade presentation from 2021 about ‘CLIPPER’ teas and the brand’s ethical credentials.

49. Furthermore, Ms Morrish says that ‘CLIPPER’ teas are sold through all National Trust cafés. She says that the brand is promoted through this channel to consumers across the UK, highlighting that, at the end of 2020, the Trust had 5.95million members, 53,000 volunteers, 200 historic houses, and 41 chapels and castles. Whilst this is all noted, none of it relates to the relevant goods. Printouts from the National Trust website have been provided, but they are not dated.[19]

[19] Exhibit LM5

50. Ms Morrish says that KALLO actively uses social media channels to promote its goods. In this connection, she provides printouts from the Clipper Teas Facebook and Instagram pages.[20] These show that the Facebook page has 195,000 likes, whilst the Instagram page has 43,900 followers. The printouts are undated, so I infer that these figures were correct as of the date of Ms Morrish's statement.

51. From figures provided by Ms Morrish and Ms Vass, I note that KALLO spent the following sums on promoting 'CLIPPER' branded products in the UK:

Year	Expenditure (£)
2014	1,404,860
2015	2,321,094
2016	1,714,019
2017	1,294,688
2018	694,117
2019	979,760
2020	1,287,771
2021	720,156
2022	802,403
Total	11,218,868

52. Ms Morrish and Ms Vass say that these sums were spent on a range of different promotional activities, including, for example, print and digital media, discount coupons, sampling events, and television and outdoor advertising. However, the figures are not broken down by reference to particular products. As such, I cannot ascertain what proportion of the expenditure, if any, was for the relevant goods.

53. In addition, Ms Morrish says that the 'CLIPPER' brand is frequently promoted by third parties in articles and reviews. In support, she provides the following press articles:[21]

[20] Exhibit LM7
[21] Exhibit LM6

- *The Grocer*, dated 8 January 2011, regarding the packaging of ‘CLIPPER’ hot chocolate and coffee products being brought in line with that of its tea products.

- *Beverage Daily*, dated 14 January 2014, relating to ‘CLIPPER’ tea, coffee and hot chocolate products.

- *Convenience Store*, 25 May 2017, about a campaign entitled ‘Flavour that Sings’ involving a band called The Clipperettes, a competition, and handing out 250,000 samples of ‘CLIPPER’ tea to London commuters. Information from *Convenience Store* states that it has 68,500 unique visitors.

- *Campaign*, 24 August 2017, featuring a ‘behind the brand’ with Clipper Teas. It talks about the ‘Flavour that Sings’ campaign. Information from *Campaign* states that it has 819,000 unique monthly users, 1.9million monthly page views and a UK print distribution of 6,500.

- *Ethical Marketing News*, 26 March 2021, about ‘CLIPPER’ working with the Fairtrade Foundation to showcase sustainable farming methods.

- *Food Navigator*, 23 March 2022, about ‘CLIPPER’ outgrowing the tea market and releasing new blends of tea for stress management and relaxation, amongst other things.

- *Talking Retail*, 10 March 2022, regarding ‘CLIPPER’ making its boxes of tea fully recyclable.

- *Ethical Marketing News*, 10 September 2022, detailing the first ‘CLIPPER’ television advert, which was said to have premiered on ITV and Channel 4 on 5 September 2022.

54. The only point of relevance here is that a teapot adorned with ‘CLIPPER’ branding is shown in a photograph in the *Campaign* article.

Assessment

55. I bear in mind that an assessment of genuine use is a global assessment, which involves looking at the evidential picture as a whole, not whether each individual piece of evidence shows use by itself.[22] As will be clear from my summary of the evidence above, only an extremely small proportion of it concerns the relevant goods.

56. Firstly, there is no evidence at all of *shopping bags*, *woven bags* or *aprons*. KALLO has not demonstrated genuine use in respect of these goods.

57. Moreover, although 'CLIPPER' display boxes, display stands and caddies appear to have been offered for sale through three UK retailers, the evidence is not dated. As such, it cannot be relied upon as showing the position during any of the relevant periods. Two other printouts are dated, showing 'CLIPPER' display boxes and stands being offered for sale in August 2015 and August 2020. However, there is no supporting evidence. For instance, there is no information as to how many of these goods were sold (whether by this particular undertaking or more generally), no turnover information specifically relating to these goods, and no details of whether any marketing was conducted in respect of these goods. Taking all the evidence into account, I am not satisfied that KALLO has demonstrated genuine use in respect of *caddies and containers* or *storage boxes and storage jars*.

58. I acknowledge that tea towels were sold to UK consumers in February 2017. However, only 72 such products are shown in the invoices; this represents an extremely low level of business. Although turnover and marketing spend figures for 2014 to 2022 have been provided, there is no information as to what proportion of them can be attributed to these goods. As Phillip Johnson, sitting as the Appointed Person, stated in *W Sternoff LLC v Peter Kertels*, BL O/0984/25:

> 26. Where global sales figures are provided for multiple goods sold under one trade mark this is not going to be evidence of use for any of those goods. The sales could all be in relation to good A or all in relation to good B or a split

[22] *New Yorker SHK Jeans GmbH & Co KG v OHIM*, Case T-415/09

between the two. This is why particularisation is so important as without it the figures provide no evidence of use for either good A or good B. The same applies where the same good is sold under trade mark A and trade mark B.

27. Evidence of sales is only useful for establishing genuine use where it sets out the sales revenue for a particular and identified good (or service) and it is clear that that good or service is sold under the trade mark. Only where there is only one good being sold and it is sold under only one trade mark can global figures be sufficient."

I also accept that photographs of 'CLIPPER' branded tea towels have been provided. However, the photographs are not dated. As such, they cannot be relied upon as reflecting the position during any of the relevant periods. In addition, Ms Vass describes these goods as promotional and marketing materials. I take this to mean that the purpose of the tea towels was to promote the 'CLIPPER' brand, thereby maintaining the market for its drinks products, not to create a market for tea towels themselves. This does not constitute genuine use.[23] Taking all the evidence into account, I am not satisfied that KALLO has demonstrated genuine use of its marks in respect of *tea towels*.

59. Finally, the only relevant evidence in respect of *dishes and tea pots* and *tea cups and mugs* consists of photographs of mugs and bowls provided by Ms Vass and the photograph containing a 'CLIPPER' teapot in a *Campaign* article from August 2017. In respect of the former, Ms Vass describes the goods shown in her photographs as promotional and marketing materials. The purpose of these goods does not appear to have been to create a market for mugs and bowls but, rather, to promote the 'CLIPPER' brand. As explained above, this does not constitute genuine use. In any event, the photographs are not dated so cannot be relied upon as demonstrating the position during any of the relevant periods. As for the photograph in *Campaign*, it is my view that, on the balance of probabilities, this teapot was also created for promotional purposes; the subject of the article in which it appears was a marketing

[23] See *Silberquelle GmbH v Maselli-Strickmode GmbH,* Case C-495/07, and *Claridge's Hotel Ltd v Claridge Candles* Ltd [2019] EWHC 2003 (IPEC).

campaign being run by KALLO. There is also no evidence of any 'CLIPPER' teapots actually being sold during any of the relevant periods. In light of all the evidence, I find that KALLO has not shown genuine use in respect of any of these goods.

Conclusion

60. The applications to partially revoke KALLO's second and third marks are successful. Consequently, KALLO's marks will be partially revoked from the earliest date requested, namely 6 June 2014.

KALLO'S OPPOSITIONS

Proof of use

61. The relevant statutory provisions are as follows:

> "6A – (1) This section applies where
>
> (a) an application for registration of a trade mark has been published,
>
> (b) there is an earlier trade mark of a kind falling within section 6(1)(a), (aa) or (ba) in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and
>
> (c) the registration procedure for the earlier trade mark was completed before the start of the relevant period.
>
> (1A) In this section "the relevant period" means the period of 5 years ending with the date of the application for registration mentioned in subsection (1)(a) or (where applicable) the date of the priority claimed for that application.
>
> (2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if –

(a) within the relevant period the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

(b) the earlier trade mark has not been so used, but there are proper reasons for non-use.

(4) For these purposes –

(a) use of a trade mark includes use in a form (the "variant form") differing in elements which do not alter the distinctive character of the mark in the form in which it was registered (regardless of whether or not the trade mark in the variant form is also registered in the name of the proprietor), and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(5)-(5A) [Repealed]

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services."

62. Pursuant to the above provisions, the relevant period for assessing whether, or the extent to which, there has been genuine use of KALLO's marks is the five-year period ending with the priority date claimed by NAVA's IRs, i.e. 18 February 2016 to 17 February 2021.

63. The case law principles set out at paragraphs 34 and 35 above are equally applicable here.

64. The assessment which follows will focus on the goods of KALLO's marks which are relied upon in the oppositions and which survived NAVA's applications for revocation, those being:

KALLO's first mark

Class 30: Tea and coffee; tea and coffee products; tea bags; fruit and herbal teas, fruit and herbal infusions; green tea; flavoured teas; instant coffee; ground coffee; coffee beans; chocolate beverages and cocoa beverages.

KALLO's second and third marks

Class 30: Beverages, tea and coffee; tea and coffee products; coffee beans; coffee substitutes; tea bags; fruit and herbal teas, fruit and herbal infusions; green tea; white tea; flavoured teas; iced tea; tea substitutes; instant coffee; ground coffee; coffee beans; chocolate and cocoa-based beverages.

The evidence

65. I have already summarised KALLO's evidence. Insofar as it applies to the relevant period, I remind myself that printouts from the Clipper Tea website show a stylised form of 'CLIPPER' on hot chocolate (13 April 2019 and 4 February 2020), black tea (26 April 2019, 8 November 2019, and 27 July 2020), instant coffee (8 November 2019 and 28 October 2020), fruit and herbal teas (8 November 2019 and 27 July 2020). Moreover, the stylised form of 'CLIPPER' can be seen on sample packaging designs for flavoured green tea (11 January 2017), hot chocolate (10 April 2017, 6 November 2020, 9 November 2020 and 10 November 2020), earl grey tea (7 September 2017, 1 February 2018), herbal tea (12 February 2018), and instant coffee (10 September 2020, 14 September 2020).

66. The following turnover was accrued in respect of ‘CLIPPER’ branded products within the relevant period:

Year	Net turnover (£)	Units (cases)
2016	15,579,039	2,029,311
2017	15,868,031	1,846,343
2018	15,482,070	1,682,456
2019	16,348,929	1,691,193
2020	18,034,445	1,908,136
Total	81,312,514	9,157,439

67. Whilst figures have also been provided for 2021, a large proportion of those are likely to relate to sales conducted after the end of the relevant period. I have, therefore, omitted them for the purposes of my assessment, albeit I acknowledge that the total may be slightly higher than what is displayed in the total above. In addition, a proportion of the figures from 2016 may relate to sales conducted before the beginning of the relevant period. However, given that it began in February of that year, a large proportion of the figures are likely to relate to sales within the relevant period.

68. Although KALLO has attempted to contextualise the turnover figures with information about the UK tea market through printouts from the Brandon Gaille website, the statistics are based on revenue figures from 2015. As such, the information is not reflective of the position during the relevant period. I do note, however, that ‘CLIPPER’ was said to have over 1.3million users of its standard or decaffeinated tea products in the UK in 2017. The source is given as Kantar Media.

69. The sales figures are supported by a range of invoices dated between 9 April 2016 and 11 March 2020. It is not possible to say what each and every good shown in the invoices is without any doubt. However, from the product descriptions, it is considered sufficiently clear that a range of teas, coffees, and hot chocolate products were sold. For example, there are references to “English Breakfast”, “Green”, “Earl Grey”, “Peppermint Infusion”, “Inf Chamomile”, “Med Roast Coffee”, “Decaf Coffee”. and “Hot Chocolate Sticks”. The invoices demonstrate the sale of these goods to customers

throughout the UK, including major supermarkets (Sainsburys, Tesco, Asda, Waitrose and Morrisons) and other retailers (for example, Ocado and Holland & Barrett). The invoices dated between 9 April 2016 and 12 October 2018, which comprise the majority of the invoice evidence, are clearly headed with the stylised form of 'CLIPPER'. Those dated between 11 December 2018 and 11 March 2020 do not feature any 'CLIPPER' branding, either being headed with a 'wassenen uk' or 'ecotone' mark. However, as explained previously, the product descriptions contain "CT" codes, as they do in the 'CLIPPER' invoices. On this basis, it is considered that those goods were more likely than not to have been 'CLIPPER' goods, particularly given the unchallenged narrative evidence of Ms Morrish and Ms Vass that the sales evidence relates to 'CLIPPER' products. In addition, the proportion of invoices which are of this format is relatively small.

70. The evidence indicates that high percentages of Tesco, Asda, Sainsburys, Morrisons and Waitrose stores stocked 'CLIPPER' green tea, everyday tea, infusions and white tea in 2017 and 2018. For example, in 2017, the percentage of Tesco stores which stocked these products were 91%, 90%, 79% and 86%, respectively. For the same year, the figures for Sainsburys were 97%, 94%, 94% and 91%. As outlined previously, KALLO also appears to have run various offers on 'CLIPPER' teas in conjunction with these supermarkets between January 2017 and June 2017, and January 2019 and May 2019.

71. KALLO spent the following sums on promoting 'CLIPPER' products in the UK during the relevant period:

Year	**Expenditure (£)**
2016	1,714,019
2017	1,294,688
2018	694,117
2019	979,760
2020	1,287,771
Total	5,970,355

72. These sums are said to have been spent on a range of different promotional activities, including, for example, print and digital media, and television and outdoor advertising. Again, figures are included for 2021, but a large proportion of those are likely to relate to activities conducted after the end of the relevant period. Further, a proportion of the figures from 2016 may relate to activities conducted before the beginning of the relevant period, though a large proportion of the figures are likely to relate to activities within the relevant period.

73. Examples of promotional activities shown in the evidence and clearly from within the relevant period are the 'Clipper Tea Shop Awards' competition in 2017; posts on Twitter and Instagram on 21 April 2018, 21 December 2018 and 11 June 2019; a Waitrose coupon for 'CLIPPER' tea valid between 30 September 2019 and 5 November 2019; offers on 'CLIPPER' teas on Tesco's website from 31 December 2019; a 'CLIPPER' "tea swap" pop-up shop in London on 11 June 2019; and the 'Flavour that Sings', 'National Tea Day' and 'Ac-TEA-vism' campaigns (2017, 2018 and 2019, respectively).

74. As for press coverage, I remind myself that 'CLIPPER' tea products and the 'Flavour that Sings' campaign featured in *Convenience Store* (25 May 2017) and *Campaign* (24 August 2017); the 'Clipper Tea Shop Awards' competition featured in *IPM Bitesize* (20 June 2017); the pop-up shop was reported in *Campaign* (7 June 2019); and 'CLIPPER' featured in articles on *BBC News* (6 November 2019) and *The Grocer* (29 February 2016, 27 October 2018 and 2 February 2019). The evidence indicates that *Convenience Store* and *Campaign* have 68,500 unique visitors and 819,000 unique monthly users, respectively. I am aware that *BBC News* is a major news outlet in the UK. That article states that 'CLIPPER' was "the UK's sixth biggest tea brand".

Forms of the marks

75. Ms Morrish says in her statement that, since 2008, the 'CLIPPER' brand has been presented in its stylised form, such as KALLO's third mark. This mark, as registered, can be seen in use within the relevant period on product packaging in the printouts from the Clipper Teas website. This is clearly use upon which KALLO may rely.

76. The words ‘CLIPPER NATURAL, FAIR & DELICIOUS’, presented in the same fonts, arrangement and proportions as in KALLO’s third mark, have also been used in various colourways. Examples of this can be found throughout the evidence, such as on product packaging and in the designs thereof, in promotional materials, in social media posts, and in third-party publications. In particular, I note that the following version can be seen in the invoices and printouts from the Clipper Teas website:

77. In his skeleton argument, Mr Thomas took issue with this and contended that this is not use of KALLO’s third mark as registered. In this connection, Mr Thomas referred to the Common Communication on the Common Practice of the Scope of Protection of Black and White Marks (“the Convergence document”),[24] dated 15 April 2014, where it states to the effect that a trade mark in black and white is not identical to the same mark in colour unless the differences in colour are insignificant and that, for the purposes of genuine use, a change in colour does not alter the distinctive character of the trade mark provided that the contrast of shades is respected.

78. Whilst this line of argument was not advanced at the hearing, I wish to clarify that the Convergence document was created by the EUIPO (or, OHIM, as it then was) for the purposes of harmonising practice on the issue across different national offices within the EU. It is guidance; it is not legally binding. Even if an evidenced mark was not entirely consistent with the guidance in the Convergence document, I am not convinced that this would prevent it from being an acceptable variant from the perspective of the law. Moreover, although the UK agreed to implement the practice detailed in the Convergence document, the UK’s exit from the EU predated the priority date claimed by NAVA’s IRs.

79. In any event, as outlined above, section 6A(4)(a) of the Act states that “use of a trade mark includes use in a form […] differing in elements which do not alter the

[24] See ttps://www.tmdn.org/network/documents/10181/299339/cp4_common_communication_+en.pdf

distinctive character of the mark in the form in which it was registered". Guidance on this issue came from Professor Johnson, again sitting as the Appointed Person, in *Lactalis McLelland Limited v Arla Foods AMBA*, BL O/265/22. He said:

> "13. […] While the law has developed since *Nirvana* [BL O/262/06], the recent case law still requires a comparison of the marks to identify elements of the mark added (or subtracted) which have led to the alteration of the mark (that is, the differences) (see for instance, T-598/18 *Grupo Textil Brownie v EU*IPO*, EU:T:2020:22, [63 and 64]).
>
> 14. The courts, and particularly the General Court, have developed certain principles which apply to assess whether a mark is an acceptable variant and the following appear relevant to this case.
>
> 15. First, when comparing the alterations between the mark as registered and used it is clear that the alteration or omission of a non-distinctive element does not alter the distinctive character of the mark as a whole: T-146/15 *Hypen v EUIPO*, EU:T:2016:469, [30]. Secondly, where a mark contains words and a figurative element the word element will usually be more distinctive: T-171/17 *M & K v EUIPO*, EU:T:2018:683, [41]. This suggests that changes in figurative elements are usually less likely to change the distinctive character than those related to the word elements.
>
> 16. Thirdly, where a trade mark comprises two (or more) distinctive elements (eg a house mark and a sub-brand) it is not sufficient to prove use of only one of those distinctive elements: T-297/20 *Fashioneast v AM.VI. Srl*, EU:T:2021:432, [40] (I note that this case is only persuasive, but I see no reason to disagree with it). Fourthly, the addition of descriptive or suggestive words (or it is suppose figurative elements) is unlikely to change the distinctive character of the mark: compare, T-258/13 *Artkis*, EU:T:2015:207, [27] (ARKTIS registered and use of ARKTIS LINE sufficient) and T-209/09 *Alder*, EU:T:2011:169, [58] (HALDER registered and use of HALDER I, HALDER II etc sufficient) with R 89/2000-1 CAPTAIN (23 April 2001) (CAPTAIN registered and use of CAPTAIN BIRDS EYE insufficient).

> 17. It is also worth highlighting the recent case of T-615/20 *Mood Media v EUIPO*, EU:T:2022:109 where the General Court was considering whether the use of various marks amounted to the use of the registered mark MOOD MEDIA. It took the view that the omission of the word "MEDIA" would affect the distinctive character of the mark (see [61 and 62]) because MOOD and MEDIA were in combination weakly distinctive, and the word MOOD alone was less distinctive still."

80. In respect of the evidenced marks which use one colour, rather than black and white, the position is straightforward. Registration of a mark in black and white covers its use in any colour. This is because it is an implicit component of a trade mark registered in black and white.[25] These evidenced marks are acceptable variant uses of KALLO's third mark as registered.

81. As for the evidenced mark shown at paragraph 76, the only difference between the evidenced mark and KALLO's third mark as registered is colour. Specifically, the black and white used for the background and the word 'CLIPPER' have been inverted, whilst the words 'NATURAL, FAIR & DELICIOUS' are presented in green, rather than white. I do not consider that these alterations materially change the distinctive character of the mark. The distinctive character of KALLO's third mark overwhelmingly lies in the word 'CLIPPER'. The words 'NATURAL, FAIR & DELICIOUS' are non-distinctive, whereas the colours are merely decorative. I find that the evidenced mark is acceptable variant use of KALLO's third mark as registered.

82. KALLO's second mark consists of the words 'CLIPPER NATURAL, FAIR & DELICIOUS'. The words are all present in the stylised forms of the mark shown in the evidence, the differences being the fonts, arrangement, proportions and colours used. Firstly, KALLO's second mark is registered in word-only format and, as such, it is protected for the words themselves, not the form in which they are presented. As such, the fonts in the evidenced marks must not be taken into account.[26] Moreover, I do not consider that the proportions and arrangement of the words alter the distinctive

[25] *J.W. Spear & Sons Ltd v Zynga, Inc.* [2015] EWCA Civ 290
[26] See *La Superquimica v EUIPO*, Case T-24/17, *Dreamersclub Ltd v KTS Group Ltd*, BL O/091/19, and *PW Branding, Inc v Zabou Group Limited*, BL O/0234/25.

character of the mark. The distinctive character of the mark lies in the words themselves. The words are still present in the evidenced marks. I accept that the word 'CLIPPER' is larger and presented above the other words. However, the word 'CLIPPER' is the distinctive element of the mark as registered in any event; the words 'NATURAL, FAIR & DELICIOUS' are non-distinctive. The colours used are decorative embellishments of the words and, as such, it is my view that they do not alter the distinctive character of the mark. In light of all this, I find that the evidenced marks constitute acceptable variant use of KALLO's second mark as registered.

83. Finally, I turn to KALLO's first mark. At the hearing, Mr Thomas contended that there has been no use of the word 'CLIPPER' solus, the only use of the word being in association or combination with the words 'NATURAL, FAIR & DELICIOUS'. This registration consists of a series of three figurative marks comprising the word 'CLIPPER'. In the second and third marks, the letters 'PP' appear to be italicised. In the third mark, the word has been rotated 90 degrees anticlockwise. The distinctive character of all three marks lies overwhelmingly in the word 'CLIPPER'. The stylisation, albeit limited in impact, also provides a contribution. The differences between the mark as registered and the evidenced marks are the particular fonts used, the words 'NATURAL, FAIR & DELICIOUS', the colour in the evidenced marks and the orientation (in the third mark of the series). For reasons already explained, I do not consider that the addition of the words 'NATURAL, FAIR & DELICIOUS' or the use of colour in the evidenced marks alter the distinctive character of the mark as registered. I come to the same conclusion in respect of the difference created by the rotation of the word 'CLIPPER'; in my view, none of the distinctiveness of the third mark in the series is attributable to the way in which it is orientated. The use of different fonts, however, does alter the distinctive character of KALLO's first mark as registered. Although the stylisation of the marks in the series is only slight, it still contributes to the overall distinctiveness of the marks. The same is true of the fonts used in the evidenced marks. KALLO's third mark is not a word-only mark which could be presented in any font. By altering the font, the distinctive character of the registered marks has been altered.

84. I note that neither of KALLO's witnesses refers to use of the word 'CLIPPER' with no other elements. Whilst they do refer to the "CLIPPER brand", Ms Morrish

specifically states that “the current branding of CLIPPER was first developed […] in 2008” and that “the mark has been presented in its stylised form […] since 2008”. In the evidence, the word ‘Clipper’ in plain font can be seen in the printouts of the Clipper Teas website, the National Trust website, the websites of UK supermarkets, the Amazon listings, as well as KALLO’s social media accounts. However, none of this evidence is dated. There is use of the word ‘Clipper’ in the materials about the ‘Clipper Tea Shop Awards’ (2017), an Instagram post (2018), and the marketing campaign overview (2019). However, all the text in those instances is presented in the same font as the stylised logo; it is not evidence of KALLO’s first mark as registered or as an acceptable variant. I acknowledge that the word appears in plain font on the Waitrose voucher (2019), on the Tesco website (2020) and in press articles. However, these are references to the ‘CLIPPER’ brand in product descriptions, in bodies of text, or where it would otherwise be impractical for the third parties to use a logo version of a trade mark. In any event, I do not consider these references alone to be sufficient for the purposes of demonstrating genuine use of the plain word ‘CLIPPER’ or KALLO’s first mark, particularly in the absence of actual use thereof by KALLO. Whilst I note that there is also plain use of the word ‘CLIPPER’ in a trade presentation (2021), there is no information about to whom the presentation was made, in what numbers or when. Taking all of this into account, I find that KALLO may not rely upon its first mark for the purposes of the opposition.

Sufficient use

85. Considering my summary of the evidence at paragraphs 65 to 74 above, in particular, the printouts of the Clipper Teas website, the significant turnover and unit sales figures provided, the supporting invoices, the fact that ‘CLIPPER’ products were sold through a range of outlets (including major supermarkets), the reasonable marketing expenditure, the marketing activities and press coverage, KALLO has clearly attempted to create and maintain a market for its tea, coffee and hot chocolate products under its second and third marks during the relevant period. Although the turnover, unit sales and marketing expenditure figures have not been broken down by reference to each particular good, I do not consider that to be fatal to KALLO’s case. Whilst I again note Professor Johnson’s guidance cited at paragraph 58 above, KALLO does not rely upon a wide range of disparate goods in the oppositions. Moreover, the

evidence is primarily focused on KALLO's tea, coffee and hot chocolate products. I am prepared to infer that a prominent proportion of the figures relate to such goods. Taking all the evidence into account, I am satisfied that KALLO has demonstrated genuine use of its second and third marks.

Fair specifications

86. In *Merck KGaA v Merck Sharp & Dohme Corp & Ors* [2017] EWCA Civ 1834, Kitchin LJ (as he then was) set out the approach to be followed when considering partial revocation of a trade mark. The same approach is relevant when framing a fair specification. He said:

> "245. First, it is necessary to identify the goods or services in relation to which the mark has been used during the relevant period.
>
> 246. Secondly, the goods or services for which the mark is registered must be considered. If the mark is registered for a category of goods or services which is sufficiently broad that it is possible to identify within it a number of subcategories capable of being viewed independently, use of the mark in relation to one or more of the subcategories will not constitute use of the mark in relation to all of the other subcategories.
>
> 247. Thirdly, it is not possible for a proprietor to use the mark in relation to all possible variations of a product or service. So care must be taken to ensure this exercise does not result in the proprietor being stripped of protection for goods or services which, though not the same as those for which use has been proved, are not in essence different from them and cannot be distinguished from them other than in an arbitrary way.
>
> 248. Fourthly, these issues are to be considered having regard to the perception of the average consumer and the purpose and intended use of the products or services in issue. Ultimately it is the task of the tribunal to arrive at a fair specification of goods or services having regard to the use which has been made of the mark.

> 249. This approach does strike an appropriate balance. It gives effect to the clear intention of the EU legislature that marks must actually be used or, if not used, be subject to revocation. […] It is also fair to proprietors for it does not require a proprietor to prove that he has used his mark in relation to all possible variations of the goods or services covered by its registration but only those which are sufficiently distinct to constitute coherent categories or subcategories. I am also satisfied that it gives appropriate protection to the legitimate interest of a proprietor in being able in the future to extend his range of goods or services within the scope of the terms describing the goods or services for which its mark is registered."

87. This approach was endorsed by the Supreme Court in *SkyKick UK Ltd & Anor v Sky Ltd & Ors (Rev1)* [2024] UKSC 36, subject to the proviso that it must be seen in light of more recent guidance by the Court of Justice of the European Union ("CJEU"):

> "261. […] First, there can be no doubt that an application to register a mark in respect of a broad category of goods or services may be made partly in bad faith in so far as the broad description includes distinct sub-categories of goods or services in relation to which the applicant never had any intention to use the mark, whether conditionally or otherwise. In my view, that emerges clearly from the decision of the CJEU in this case. The approach to be adopted in such a case was explored and explained by the Court of Appeal in *Merck KGaA v Merck Sharp & Dohme Corp* [2017] EWCA Civ 1834; [2018] ETMR 10, at paras 241-249 and, so far as I am aware, that approach has proved workable and appropriate and has stood the test of time, save that it must now be seen in light of the more recent guidance given by the CJEU in, for example: *Ferrari SpA v DU* (Joined Cases C-720/18 and C-721/18) EU:C:2020:854; [2021] Bus LR 106, at paras 36- 53. There the CJEU explained, at para 40, that the essential criterion to apply for the purposes of identifying a coherent subcategory of goods or services capable of being viewed independently is their purpose and intended use."

88. In respect of its second and third marks, KALLO relies upon an identical list of goods. I will, therefore, consider the specifications of both marks together.

89. To my mind, there is sufficient use of the marks in respect of *tea and coffee; tea and coffee products; tea bags;*[27] *fruit and herbal teas, fruit and herbal infusions; green tea; white tea; flavoured teas; instant coffee; ground coffee*. These terms may be relied upon for the purposes of the oppositions.

90. As noted above, there is evidence of KALLO providing hot chocolate and drinking chocolate. In light of the case law cited above, it is my view that a fair specification for such goods is represented by KALLO's term *chocolate and cocoa-based beverages*. The purpose and intended use of hot chocolate and drinking chocolate is the same as that of other chocolate-based and cocoa-based beverages. KALLO may rely upon this term for the purposes of the oppositions.

91. *Beverages* is a broad term which includes many kinds of drinks products which there is no evidence of KALLO providing and are, in essence, different from the goods shown in evidence. Whilst the combination of teas, coffees and hot chocolates could justify reliance on a form of this term, albeit more narrowly constructed, it is considered that such goods are adequately covered by the terms listed above.

92. I cannot see any instances of *coffee beans; coffee substitutes; iced tea; tea substitutes; coffee beans* in the evidence. These goods may not be relied upon for the purposes of the oppositions.

93. In light of the above, it is my view that the following represents a fair specification for KALLO's second and third marks:

> Class 30: Tea and coffee; tea and coffee products; tea bags; fruit and herbal teas, fruit and herbal infusions; green tea; white tea; flavoured teas; instant coffee; ground coffee; chocolate and cocoa-based beverages.

[27] Genuine use in respect of *tea bags* was conceded by Mr Thomas at the hearing, at least in relation to KALLO's second mark.

Section 5(2)(b)

Legislation and case law

94. Sections 5(2)(b) and 5A of the Act state as follows:

> "5(2) A trade mark shall not be registered if because -
>
> […]
>
> (b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,
>
> there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark."
>
> "5A Where grounds for refusal of an application for registration of a trade mark exist in respect of only some of the goods or services in respect of which the trade mark is applied for, the application is to be refused in relation to those goods and services only."

95. The following standard summary of the principles applicable to the assessment of the likelihood of confusion was approved by the Supreme Court in *Iconix Luxembourg Holdings SARL v Dream Pairs Europe Inc & Anor* [2025] UKSC 25:

> (a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors;
>
> (b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the

imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

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

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

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

(f) and beyond the usual case, where the overall impression created by a mark depends heavily on the dominant features of the mark, it is quite possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

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

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

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

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

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

Comparison of goods and services

96. In *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, the CJEU stated, at paragraph 23, that:

> "In assessing the similarity of the goods or services concerned, […] all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary."

97. The relevant factors identified by Jacob J (as he then was) in *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281 for assessing similarity were:

(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 respectively found or likely to be, found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;

(f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance

whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

98. In *Kurt Hesse v OHIM*, Case C-50/15 P, the CJEU stated that complementarity is an autonomous criterion capable of being the sole basis for the existence of similarity between goods. In *Boston Scientific Ltd v OHIM,* Case T-325/06, the General Court ("GC") stated that 'complementary' means:

> "[…] 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."

99. In *Sanco SA v OHIM,* Case T-249/11, the GC indicated that goods and services may be regarded as 'complementary' and therefore similar to a degree in circumstances where the nature and purpose of the respective goods and services are very different. The purpose of examining whether there is a complementary relationship between goods and services is to assess whether the relevant public are liable to believe that responsibility for them lies with the same undertaking (or an economically connected) undertaking.

100. In *Gérard Meric v OHIM,* Case T- 133/05, the GC stated that:

> "29. […] goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 *Institut für Lernsysteme v OHIM- Educational Services (ELS)* [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark."

101. The goods and services to be compared are as follows:

NAVA's first and fourth marks	KALLO's goods
Class 30: Tea; chai tea; iced tea; black tea; fruit tea; green tea; white tea; ginger tea; oolong tea; ginseng tea; jasmine tea; rooibos tea; aromatic tea; packaged tea; rose hip tea; chamomile tea; earl grey tea; fermented tea; peppermint tea; tieguanyin tea; theine-free tea; tea bags, filled; Japanese green tea; tea leaves, processed; flowers or leaves for use as tea substitutes; herbal tea, other than for medicinal use.	Class 30: Tea and coffee; tea and coffee products; tea bags; fruit and herbal teas, fruit and herbal infusions; green tea; white tea; flavoured teas; instant coffee; ground coffee; chocolate and cocoa-based beverages.
NAVA's second mark	
Class 32: Aerated drinks, non-alcoholic; alcohol free drinks; alcohol-free beverages; carbonated non-alcoholic drinks; drinking water; flavoured carbonated beverages; flavoured waters; fruit based drinks; fruit-flavoured beverages; fruit-based soft drinks flavored with tea; non-alcoholic beverages; non-alcoholic beverages flavoured with tea; non-alcoholic beverages with tea flavor; non-alcoholic soda beverages flavoured with tea; non-alcoholic carbonated beverages; non-alcoholic drinks; non-alcoholic flavored carbonated beverages; non-carbonated soft drinks; soft drinks.	
NAVA's third and fifth marks	

Class 43: Services for providing food and drink; restaurants; tea rooms; tea room services; cafe services.	

Class 30

102. The following goods are identical to KALLO's tea-related goods, either because they describe the same goods or because they fall within the scope of one another: *tea; chai tea; iced tea; black tea; fruit tea; green tea; white tea; ginger tea; oolong tea; ginseng tea; jasmine tea; rooibos tea; aromatic tea; packaged tea; rose hip tea; chamomile tea; earl grey tea; fermented tea; peppermint tea; tieguanyin tea; theine-free tea; tea bags, filled; Japanese green tea; tea leaves, processed; herbal tea, other than for medicinal use*.

103. NAVA's remaining goods, namely *flowers or leaves for use as tea substitutes* are not tea but, rather, tea substitutes. As such, the respective goods are not identical. Nevertheless, there is an overlap in nature, method of use and intended purpose since they both describe plant matter which is used to make a drink. Users will also overlap. The respective goods are likely to reach the market through the same trade channels and may be offered by the same undertakings. The respective goods are not complementary in the sense outlined in the authorities. However, they are in competition; a consumer seeking a hot drink could choose a tea substitute over tea, or vice versa. Taking all of this into account, I find that there is a high degree of similarity between the respective goods.

Class 32

104. NAVA's goods are all types of non-alcoholic beverages. They overlap in method of use and purpose with KALLO's tea and coffee products in that they are all consumed by mouth to quench thirst. Users of the respective goods also overlap. Moreover, there is an overlap in nature insofar as the respective goods are all types of non-alcoholic beverages, and some of NAVA's goods are (or could be) flavoured with tea or fruit. Nevertheless, I recognise that the nature of the goods is not exactly the same and the distance will be typically greater where, for instance, NAVA's goods are carbonated.

The respective goods can all be purchased from supermarkets and other retail establishments, though they are not typically found in the same sections of those outlets. The respective goods are not important or indispensable to one another and, as such, they are not complementary. Given the overlap in purpose, there may be a degree of competition between them, whereby a consumer could select a tea or coffee over a soft drink, or vice versa. Balancing the similarities against the differences, I find that there is a medium degree of similarity between the respective goods.

Class 43

105. The nature and method of use of NAVA's services clearly differ from KALLO's goods. However, there is an overlap in intended purpose to the extent that NAVA's services have the same ultimate purpose as KALLO's goods, i.e. quenching thirst. In this connection, there is a degree of competition between the respective goods and services whereby a consumer may choose between purchasing tea or coffee to be consumed at home or visiting a hospitality outlet such as a café or a tearoom where the beverage is made fresh for them. The respective goods and services may also share trade channels and users. It is my understanding that some providers of NAVA's services offer both hot drinks for immediate consumption as well as packaged teas and coffees which the consumer can make at home. There is also a degree of complementarity between the goods and services. This is because KALLO's goods are important to the provision of NAVA's services and, in some cases, consumers may believe that responsibility for both lies with the same undertakings. In light of all this, I find that there is a medium degree of similarity between the respective goods.

Average consumer

106. As the authorities indicate, I must determine who the average consumer is for the parties' goods and services and how they are likely to be selected. The average consumer is deemed to be reasonably well informed, observant and circumspect.[28]

[28] *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited,* [2014] EWHC 439 (Ch), paragraph 60

107. In *Iconix*, the Supreme Court approved the comments of Arnold LJ in *Lidl Great Britain Ltd & Anor v Tesco Stores Ltd & Anor (Rev1)* [2024] EWCA Civ 262, where he pointed out that:

> (a) Consumers who are ill-informed or careless, or consumers with specialised knowledge or who are excessively careful are excluded from consideration;
>
> (b) The average consumer provides a standard which enables the courts to strike a balance between the competing interests involved, such as trade mark owners, their competitors and consumers;
>
> (c) The average consumer is neither a single hypothetical person nor a mathematical average; assessment from the perspective of the average consumer does not involve a statistical test. There is no single meaning rule and if, having regard to the perceptions and expectations of the average consumer, the court considers that a significant proportion of the relevant public is likely to be confused, a finding of infringement may properly be made;
>
> (d) Assessment from the perspective of the average consumer is intended to facilitate adjudication of trade mark disputes by providing an objective criterion, by promoting consistency of assessment and by and enabling courts and tribunals to determine such issues so far as possible without the need for evidence;
>
> (e) The average consumer's level of attention varies according to the category of goods or services in question; and
>
> (f) the average consumer rarely has the opportunity to make direct comparisons between trade marks (or between trade marks and signs) and must instead rely upon the imperfect picture of the trade mark they have kept in their mind.

108. At the hearing, Mr Thomas submitted that the average consumer of NAVA's goods and services will demonstrate a high level of attention. This was on the basis that the relevant public of its goods and services was said to include tea drinkers

interested in purchasing and consuming specialist loose leaf teas at a higher price point. Whilst I acknowledge Mr Thomas' comments and the evidence to which he referred,[29] the average consumer is a legal construct and the global assessment must be applied objectively from the point of view of that constructed person based upon the terms in the parties' specifications, rather than their actual goods or customers. There is no particular indication from the terms in question that they are specialist goods in the sense suggested by Mr Thomas. Whilst I accept that the terms may include goods which are relatively more expensive, they would also include less expensive goods which are more casual purchases.

109. The average consumer of the goods and services at issue in these proceedings is a member of the general public. Overall, they are likely to be purchased relatively frequently. The purchasing act will not require an overly considered thought process as, overall, the goods and services are relatively inexpensive. Nevertheless, the average consumer will consider ordinary factors such as taste, nutritional content and sustainability when selecting the drinks products and, when selecting the services, the range and quality of the food and drinks offered. Taking all of the above into account, I find that the average consumer will demonstrate a medium level of attention during the purchasing process.

110. The goods are typically sold in retail outlets and their online equivalents. They will be self-selected by the average consumer after being viewed on shelves, in chilled cabinets or in images on websites. Therefore, the purchasing process will be predominantly visual in nature. However, I do not discount aural considerations, given that the average consumer may seek advice from sales assistants or receive word-of-mouth recommendations. I also acknowledge that verbal orders may be placed for the goods in hospitality settings, though the selection process would still be in the context of a visual inspection of a drinks list, for example, prior to the order being placed. In such circumstances, although aural considerations will play their part, visual considerations will still be most important.[30] The services are typically selected after viewing the premises' frontage or information on websites. Visual considerations will

[29] Exhibits GK1/EX2 and LM8.
[30] *Simonds Farsons Cisk plc v OHIM,* Case T-3/04

dominate this process. However, I do not exclude aural considerations entirely, since the services may also be the subject of word-of-mouth recommendations.

Distinctive character of the earlier marks

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

> "22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).
>
> 23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51)."

112. Registered trade marks possess varying degrees of inherent distinctive character. The degree of distinctiveness is an important factor as it directly relates to whether there is a likelihood of confusion; the more distinctive the earlier mark, the greater the likelihood of confusion.

Inherent characteristics

113. At the hearing, Mr Thomas submitted that the word 'CLIPPER' is descriptive and non-distinctive when used in relation to tea goods. In this regard, Mr Thomas referred me to his evidence, which consists of articles from the UK Tea and Infusions Association, Wikipedia and the UK Loose Leaf Tea Company about tea clipper ships;[31] articles from the Boston Tea Party, Twinings and Wikipedia about the Cutty Sark;[32] an article from Wikipedia about the Great Tea Race of 1866;[33] and printouts from Dorset Food & Drink and Facebook about undertakings using the names 'Tea Clipper Tea Rooms' and 'The Tea Clipper Tea Rooms'.[34]

114. Firstly, I place no weight on the evidence obtained from Wikipedia. This is because, as far as I understand it, Wikipedia is a community-based encyclopaedia that any user can contribute to or edit. This means that the content may be unverified. The other evidence establishes that a "clipper" or "tea clipper" is a type of ship that was designed for speed and predominantly used to transport tea from India and China to the UK. Whilst I accept that the word has a meaning relevant to at least some of the goods relied upon, I do not consider that the evidence is sufficient for demonstrating that the average consumer of those goods would be aware of this meaning or that, as a consequence, the distinctiveness of the word is reduced.[35] The articles state that tea clippers were used for only two decades in the 19th century, ending over 150 years ago in 1869 with the opening of the Suez Canal. Although some individuals in the UK with an interest in this area of history may be aware of this, I do not consider them to be sufficient in number so as to constitute a significant proportion of consumers.

115. In my view, the same can be said of the Cutty Sark. The evidence establishes that this ship was a tea clipper (the world's only surviving ship of its kind), but it does not demonstrate that the average consumer of the goods relied upon would be aware of this. Given that it is a tourist attraction in London, it seems reasonable that the

[31] Exhibits COT1/EX1-COT1/EX3
[32] Exhibits COT1/EX4-COT1/EX6
[33] Exhibit COT1/EX7
[34] Exhibit COT1/EX8
[35] For the avoidance of doubt, I also do not consider it to be a fact too notorious to be the subject of serious dispute such that judicial notice can be taken of it.

average consumer may be aware of the Cutty Sark and the fact that it is a ship. In fact, one of the articles posits it as "[…] arguably one of the most famous ships in the world". However, I do not consider that knowledge of more specific details, such as what kind of ship it is or what it was used for, can be attributed to the average consumer. In this connection, I note that there is no evidence of how widely publicised the Cutty Sark is in the UK, or how many visitors it had at any point before the relevant date.

116. Even if the average consumer was aware of the meaning of 'clipper', and/or that the Cutty Sark was such a ship, it is not immediately apparent how that would mean that the word is descriptive or otherwise non-distinctive in relation to tea itself; aside from only being meaningful in a historic sense, the connection between the goods and the way in which they are transported seems indirect.

117. Finally, I do not consider the evidence of other undertakings operating (or having operated) under the name 'Tea Clipper Tea Rooms' establishes that the word 'CLIPPER' in KALLO's marks has no distinctiveness or that it has been reduced. In *Nude Brands Limited v Stella McCartney Limited and others* [2009] EWHC 2154 (Ch), Floyd J stated:

> "29. Whilst the use by other traders of the brand name NUDE in relation to perfume may give those traders relative rights to invalidate the mark, it does not give those rights to any defendant. I am not at this stage persuaded that this evidence has a bearing on any absolute ground of invalidity. It certainly does not go as far as establishing ground 7(1)(d) - customary indication in trade. Ground 7(1)(b) is concerned with the inherent character of the mark, not with what other traders have done with it. The traders in question are plainly using the mark as a brand name: so I do not see how this use can help to establish that the mark consists exclusively of signs or indications which may serve to indicate the kind or quality or other characteristics of the goods, and thus support an attack under 7(1)(c)."

118. Even if the plurality of similar names by which individual establishments are known could support the contention that the word 'CLIPPER' has no, or a reduced level of, distinctive character, the evidence is extremely limited in this regard. It only

shows two such undertakings, and only one of those appears to have been in operation before the relevant date. In addition, those undertakings are not using the word in any generic or descriptive sense. Rather, they appear to be using it in a trade mark sense.

119. KALLO's second mark is in word-only format and consists of the words 'CLIPPER NATURAL, FAIR & DELICIOUS'. Although the word 'CLIPPER' has a meaning, the average consumer is unlikely to be aware of it. At the hearing, Mr Wood contended that the word 'CLIPPER' has an average or normal level of distinctiveness. I will proceed on that basis. The words 'NATURAL, FAIR & DELICIOUS' combine to form a non-distinctive 'tagline'; a descriptive and/or promotional reference to the nature of the goods and the company's ethos. They do not add any distinctive character to the mark over and above the word 'CLIPPER', which is where the distinctive character of the mark lies. Overall, I find that KALLO's second mark possesses a medium level of inherent distinctive character.

120. KALLO's third mark is figurative and comprises the words 'CLIPPER NATURAL, FAIR & DELICIOUS' presented on a black background in a slightly stylised font. My comments at paragraph 119 about the words in the mark are equally applicable here. An additional feature is the stylisation. Whilst this would not go unnoticed, it is fairly banal and does not materially increase the overall level of distinctive character of the mark beyond what is provided by the words themselves. This mark also possesses a medium level of inherent distinctive character.

Enhanced distinctive character

121. I have already assessed the evidence and found that it demonstrates genuine use of KALLO's second and third marks between 18 February 2016 and 17 February 2021. In recognition of the fact that an assessment of enhanced distinctive character is not limited to the same five-year period, I note the following evidence from before 18 February 2016:

(i) Printouts from the Clipper Teas website (January 2009, April 2011 and May 2014) which show the stylised form of the ‘CLIPPER’ mark in use in connection with teas, coffees and hot chocolate;

(ii) Turnover figures for 2014 and 2015 showing that an additional £30million or so was accrued through the sale of over 4.2million cases of ‘CLIPPER’ products;

(iii) The UK tea industry held a market value of £450.7million for black tea products, £78.8million for fruit and herbal teas, and £46.1million for speciality teas in 2015;

(iv) Sales invoices headed with the stylised ‘CLIPPER’ mark dated between 21 May 2014 and 30 December 2015, showing the sale of teas, coffees and hot chocolates to customers in the UK, including major supermarkets;

(v) Various price offers were run in respect of ‘CLIPPER’ tea products in several supermarkets between August 2015 and December 2015;

(vi) KALLO spent an additional £3.7million or so on promoting ‘CLIPPER’ branded products in the UK in 2014 and 2015;

(vii) The ‘CLIPPER’ brand and its tea, coffee and hot chocolate products were referred to in *The Grocer* and *Beverage Daily* in 2011 and 2014, respectively.

122. Whilst some effort has been made to contextualise the turnover figures with the 2015 tea market statistics, the turnover figures provided by KALLO have not been broken down by reference to the different types of goods sold under the mark. The figures from Brandon Gaille are specific to different types of tea. No indication is given as to what proportion of the turnover figures can be said to relate to the different types of ‘CLIPPER’ tea. It would also not be appropriate to make a generalised calculation regarding what share the total ‘CLIPPER’ turnover represents of the sum of the evidenced UK tea markets. This is because the ‘CLIPPER’ turnover includes goods which do not fall within those categories of goods, such as coffees and hot chocolates.

KALLO's failure to break down its turnover figures also represents a more general problem with the evidence in that it is difficult to ascertain with any degree of certainty how economically significant the business conducted under 'CLIPPER' has been for the particular goods in its specifications.

123. Nevertheless, combining the above evidence with that already assessed, it is clear that 'CLIPPER' products were displayed on the Clipper Teas website and sold for several years in the UK prior to the relevant date. The invoices suggest that those sales were consistent and relatively intensive. The sales were made to, *inter alia*, several major supermarkets. Given that those supermarkets have numerous outlets across the UK, onward sales of 'CLIPPER' products are likely to have been geographically widespread. High percentages of the supermarkets stocked and ran offers on 'CLIPPER' products prior to the relevant date. Moreover, the invoices themselves show that sales were made to customers in numerous locations in the UK. Several promotional activities and marketing campaigns were conducted, and 'CLIPPER' appeared in a number of third-party press articles before the relevant date. *BBC News* stated in 2019 that CLIPPER was the sixth biggest tea brand in the UK. The evidence is not without its limitations. For example, in addition to the aforementioned issues with the turnover and marketing spend figures, there is no information about how many internet users from the UK accessed the Clipper Teas website before the relevant date. However, on the balance of all the evidence, I am satisfied that the distinctive character of KALLO's second and third marks had been enhanced at the relevant date of 17 February 2021 in respect of *tea*.[36] I find that these marks are factually distinctive to a high level in respect of these goods.

124. This finding does not extend to any of the other goods in KALLO's specifications. Although there is evidence of sales of other products, namely coffees and hot chocolates, and I found that there was genuine use in respect of the same, the burden for establishing enhanced distinctive character is a much heavier one. It requires a level of knowledge of a trade mark amongst the relevant public leading to a greater capacity to identify the goods as coming from a particular undertaking, not simply that

[36] For the avoidance of doubt, I make this finding both in relation to the word-only version (KALLO's second mark) and the stylised version (KALLO's third mark) because use of the latter constitutes use of the former.

there has been an attempt to create or maintain a market for goods under the mark. The evidential picture is weaker in respect of coffees and hot chocolates. For instance, there is no information about the percentages of supermarkets which stocked or ran offers in relation to such goods before the relevant date. Further, all the promotional activities and the vast majority of press coverage relates to tea products, rather than these goods.

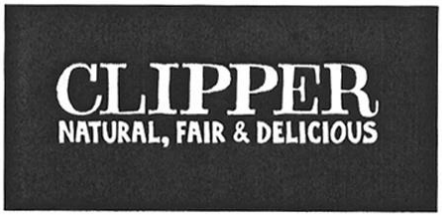
Comparison of trade marks

125. It is clear from *Sabel BV v Puma AG*, Case C-251/95, that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. This case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in *Bimbo SA v OHIM*, Case C-591/12P, that:

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

126. Therefore, it would be wrong to dissect the trade marks artificially, though it is necessary to take into account the distinctive and dominant components of the marks; due weight must be given to any other features which are not negligible and hence contribute to the overall impressions created by the marks.

127. The marks to be compared are as follows:

NAVA's first, second and fifth marks	KALLO's second mark
	CLIPPER NATURAL, FAIR & DELICIOUS
NAVA's third and fourth marks	**KALLO's third mark**
THE 1872 CLIPPER TEA CO.	

Overall impressions

128. NAVA's first, second and fifth marks comprise a number of elements. Firstly, at the centre of the marks is a device of a sailing ship. Surrounding the device, at the top of the marks appear the words 'THE 1872 CLIPPER TEA CO.', whilst at the bottom of the marks appear the words 'A HISTORICAL BLEND OF TASTE & TEA'. Between these verbal elements are two opposing devices, which appear to be heraldic animals of some kind. All these elements are presented on a blue circular background or roundel. Given its relative size and position in the marks, it is my view that the ship device dominates the overall impression. Next in dominance is the phrase 'THE 1872 CLIPPER TEA CO.' and, in this phrase, the word 'CLIPPER' has the most impact. The animal devices are much smaller and, as such, play a lesser role in the overall impression. The words 'A HISTORICAL BLEND OF TASTE & TEA' and the blue

background/roundel will be perceived as a tagline and decoration, respectively. These elements play much lesser roles in the overall impression.

129. NAVA's third and fourth marks consist of the words 'THE 1872 CLIPPER TEA CO.'. The words combine to form a unitary phrase in which the overall impression lies. However, given that it is the most distinctive element of the marks, the word 'CLIPPER' has the most impact.

130. KALLO's second mark consists of the words 'CLIPPER NATURAL, FAIR & DELICIOUS'. The word 'CLIPPER' is the distinctive and dominant element of the mark. The words 'NATURAL, FAIR & DELICIOUS' combine to form a non-distinctive tagline. They play a much lesser role in the overall impression of the mark.

131. KALLO's third mark is figurative and comprises the words 'CLIPPER NATURAL, FAIR & DELICIOUS' on a black background and in a slightly stylised font. The word 'CLIPPER' is the largest word and sits above the other words. Again, the dominant and distinctive element of the mark is the word 'CLIPPER'. The non-distinctive tagline and the stylistic elements play much lesser roles in the overall impression.

NAVA's first, second and fifth marks and KALLO's second mark

132. Visually, the competing marks coincide in the shared use of the word 'CLIPPER'. This is the dominant element of KALLO's mark and has the most impact in an important, albeit not the most dominant, part of NAVA's marks ('THE 1872 CLIPPER TEA CO.'). The competing marks visually differ in all other respects. Whilst the majority of those elements play lesser roles (to varying degrees) in the competing marks, they still contribute to the overall impressions. Most important of the differing elements is the ship device, which dominates the overall impression of NAVA's marks but has no counterpart in KALLO's mark. Taking all of this into account, I find that there is a low degree of visual similarity between the competing marks.

133. The average consumer will make no attempt to articulate any of the figurative elements of NAVA's marks. As for the respective taglines in the competing marks, whilst these are not negligible elements, I am not convinced that they will be verbalised

by the average consumer; the competing marks are likely to be simplified or shortened for the sake of articulation to “THE 1872 CLIPPER TEA CO” and “CLIPPER”.[37] In this connection, the competing marks aurally coincide in the shared use of “CLIPPER”. They differ insofar as NAVA’s marks have four additional verbal elements. However, bearing in mind my assessment of the overall impressions, I find that there is a medium degree of aural similarity between the competing marks.

134. Within NAVA’s logo marks, the devices will be conceptualised by the average consumer as a sailing ship and animals (possibly large cats). The words at the top of the mark will be understood as a reference to a tea company established in 1872 called ‘CLIPPER’. Given what I have already said about it above, the word ‘CLIPPER’ itself will not provide any immediately obvious concept. The words at the bottom of the mark will be perceived as a tagline alluding to the traditions of the brand and the flavour of its products. As for KALLO’s mark, the word ‘CLIPPER’ will not convey any immediately obvious concept either. The other words in the mark will be understood as an indication that the goods sold under the mark have a positive taste and are produced ethically with natural ingredients. Insofar as the competing marks convey any meanings, they are conceptually dissimilar, though the shared use of the word ‘CLIPPER’ is a point of conceptual neutrality.

NAVA’s first, second and fifth marks and KALLO’s third mark

135. My comments above at paragraph 132 are equally applicable here. However, there is an additional visual difference between the competing marks created by the stylistic elements of KALLO’s third mark. Although the font and background play a much lesser role, they still contribute to the overall impression. Bearing in mind my assessment of the overall impressions, I find that there is a very low degree of visual similarity between the competing marks.

136. Again, the average consumer will make no attempt to articulate any of the figurative elements of NAVA’s marks and is unlikely to verbalise the respective

[37] See the comments of Professor Johnson, again sitting as the Appointed Person, in *Enrich International Ltd v Onyinye Udokporo*, BL O/1141/25, paragraphs 13-18

taglines. In addition, the stylistic elements of KALLO's mark will have no bearing on how the mark is articulated. The competing marks aurally coincide in the shared use of "CLIPPER" but differ insofar as NAVA's marks have four additional verbal elements. Overall, I find that there is a medium degree of aural similarity between the competing marks.

137. The stylistic elements of KALLO's mark have no impact on the conceptual meaning conveyed by the mark. As such, my comments at paragraph 134 above are equally applicable here. Insofar as the competing marks convey any meanings, they are conceptually dissimilar.

NAVA's third and fourth marks and KALLO's second mark

138. The marks are visually similar insofar as they share the word 'CLIPPER'. This is the dominant element of KALLO's mark and has the most impact in NAVA's marks. The competing marks are visually different in their remaining word elements. However, the words 'NATURAL, FAIR & DELICIOUS' play a much lesser role in KALLO's mark. Moreover, although the words 'THE 1872 - TEA CO.' combine with the word 'CLIPPER' in NAVA's marks, they have much less distinctive character. Overall, I find that there is a medium degree of visual similarity between the competing marks.

139. As explained previously, I am not convinced that the average consumer will articulate the tagline in KALLO's second mark. The competing marks are aurally similar due to the shared use of "CLIPPER" but differ because NAVA's marks have four additional verbal elements. Overall, I find that there is a medium degree of aural similarity between the competing marks.

140. Conceptually, NAVA's marks are likely to be understood as referring to a tea company established in 1872 called 'CLIPPER'. The word 'CLIPPER' itself will not provide any immediately obvious concept. This also applies to KALLO's second mark. The other words in this mark will be understood as a tagline indicating that the goods sold under the mark have a positive taste and are produced ethically with natural ingredients. Insofar as the competing marks convey any meanings, they are conceptually dissimilar.

NAVA's third and fourth marks and KALLO's third mark

141. My comments at paragraphs 138 to 140 above are equally applicable here. I recognise that, seemingly, there is an additional visual difference created by the stylistic elements of KALLO's third mark. However, NAVA's word marks are in word-only format. Registration of such marks provides protection for use of the words in any colour or font.[38] As such, the stylistic elements of KALLO's mark do not create a significant visual difference. The competing marks are visually and aurally similar to a medium degree and, insofar as they convey any meanings, they are conceptually dissimilar.

Likelihood of confusion

142. There is no scientific formula to apply in determining whether there is a likelihood of confusion; rather, it is a global assessment where a number of factors need to be borne in mind. One such factor is the interdependency principle, i.e. a lesser degree of similarity between the competing marks may be offset by a greater degree of similarity between the respective goods and services, and vice versa. As mentioned above, it is necessary for me to keep in mind the distinctive character of KALLO's marks, the average consumer for the goods and services and the nature of the purchasing process. In doing so, I must be mindful that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them that they have retained in their mind.

143. Confusion can be direct or indirect. Direct confusion involves the average consumer mistaking one mark for the other, while indirect confusion is where the average consumer realises the marks are not the same but puts the similarity that exists between the marks and the goods and services down to the responsible undertakings being the same or related.

[38] *LA Superquimica, SA v EUIPO*, Case T-24/17, paragraph 39

144. Earlier in this decision, I concluded as follows:

- The goods of NAVA's first and fourth marks are identical or highly similar to KALLO's goods;

- There is a medium degree of similarity between the goods and services of NAVA's second, third and fifth marks and KALLO's goods;

- The average consumer of the goods and services is a member of the general public, who will demonstrate a medium level of attention during the purchasing process;

- The purchasing process will be predominantly visual in nature, though aural considerations will play their part;

- KALLO's second and third marks possess a medium level of inherent distinctive character, which has been enhanced to a high level in respect of *tea*;

- A number of elements contribute to the overall impression of NAVA's first, second and fifth marks, the most dominant of which are the ship device and the phrase 'THE 1872 CLIPPER TEA CO.' (the word 'CLIPPER' having most impact in respect of the latter);

- The overall impression of NAVA's third and fourth marks lies in the phrase 'THE 1872 CLIPPER TEA CO.', with the word 'CLIPPER' having most impact;

- The overall impression of KALLO's second mark is dominated by the word 'CLIPPER', whilst the words 'NATURAL, FAIR & DELICIOUS' play a much lesser role;

- The overall impression of KALLO's third mark is dominated by the word 'CLIPPER', whilst the words 'NATURAL, FAIR & DELICIOUS' and the stylistic elements play much lesser roles;

- NAVA's first, second and fifth marks and KALLO's second mark are visually similar to a low degree, aurally similar to a medium degree, and conceptually dissimilar;

- NAVA's first, second and fifth marks and KALLO's third mark are visually similar to a very low degree, aurally similar to a medium degree, and conceptually dissimilar;

- NAVA's third and fourth marks and KALLO's second and third marks are visually and aurally similar to a medium degree, and conceptually dissimilar.

145. At the hearing, Mr Wood did not advance any arguments in respect of direct confusion. For the sake of completeness, taking all of the above factors into account, I do not consider there to be a likelihood of direct confusion between KALLO's marks and any of NAVA's marks. Notwithstanding the identity/similarity between the parties' goods and services, the common use of the word 'CLIPPER', and the distinctive character of KALLO's marks, it is my view that the differences between the competing marks are simply too great. The average consumer, paying a medium level of attention, is not likely to mistake any of NAVA's marks for either of KALLO's marks.

146. I now turn to consider indirect confusion. In *L.A. Sugar Limited v By Back Beat Inc*, BL O/375/10, Mr Iain Purvis QC, sitting as the Appointed Person, explained that:

> "16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: "The later mark is different from the earlier mark, but also has something in common with it. Taking account of the

common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.

17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:

> (a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right ("26 RED TESCO" would no doubt be such a case).
>
> (b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as "LITE", "EXPRESS", "WORLDWIDE", "MINI" etc.).
>
> (c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension ("FAT FACE" to "BRAT FACE" for example)."

147. These three categories are not exhaustive. Rather, they were intended to be illustrative of the general approach.[39] However, indirect confusion has its limits; such a finding should not be made merely because the competing marks share a common element. In this connection, it is not sufficient that a mark merely calls to mind another mark.[40] It has also been emphasised that, where there is no direct confusion, there must be a proper basis for finding indirect confusion.[41]

[39] As was confirmed by the Court of Appeal in *Liverpool Gin Distillery and others v Sazerac Brands, LLC and others* [2021] EWCA Civ 1207, paragraph 12.
[40] *Duebros Limited v Heirler Cenovis GmbH,* BL O/547/17
[41] See the Court of Appeal's comments in *Liverpool Gin Distillery*, paragraph 13.

Notional use

148. At the hearing, Mr Thomas submitted that any consideration of notional and fair use of the marks in the marketplace should take into account the current and ongoing use by the parties in their packaging. Reference was made to *O2 Holdings Limited, O2 (UK) Limited v Hutchison 3G UK Limited,* Case C-533/06, where the CJEU stated as follows:

> "66. Article 4(1)(b) of Directive 89/104, however, concerns the application for registration of a mark. Once a mark has been registered its proprietor has the right to use it as he sees fit so that, for the purposes of assessing whether the application for registration falls within the ground for refusal laid down in that provision, it is necessary to ascertain whether there is a likelihood of confusion with the opponent's earlier mark in all the circumstances in which the mark applied for might be used if it were to be registered."

149. In *Puma SE v Huma Irfan Limited*, BL O/1146/23, Professor Johnson, again sitting as the Appointed Person, stated:

> "7. It has long been established that where a trader has used a mark in a particular way then this is likely to represent *a* notional and fair use of the mark, but it will not necessarily be the only notional and fair use (see *Open Country Trade Mark* [2000] RPC 477 at 482). However, this is subject to a qualification, namely the actual use must represent something that can *objectively* amount to use of the registered mark: *BUILDXACT* (O/934/23), [34]."

150. The references to the evidence of actual use in Mr Thomas' skeleton argument show a notional and fair use of the logo marks. However, as Mr Thomas himself acknowledged, notional and fair use is not limited to a consideration of the actual use shown. Therefore, whilst I do not exclude the uses of NAVA's logo marks shown in the evidence,[42] I must consider all the circumstances in which NAVA's marks may be used if they were registered (as indicated in the passage from *O2 Holdings* cited above).

[42] Exhibits GK1/EX2

NAVA's third and fourth marks and KALLO's second mark

151. Having regard to all the above principles, whilst the average consumer will notice the differences between the competing marks, they will also recognise the identical word 'CLIPPER'. Although I have found that KALLO's mark is factually highly distinctive in respect of tea products, that applies to the mark as a whole, not just the word 'CLIPPER'. I do not consider this word to be so distinctive that the average consumer would assume that no-one else but KALLO would be using it in a trade mark. However, it is still sufficiently distinctive for confusion to occur. The word 'CLIPPER' is the dominant and distinctive element of KALLO's mark. It is accompanied by a non-distinctive tagline, 'NATURAL, FAIR & DELICIOUS'. However, the word 'CLIPPER' does not combine with those words; it plays an independent distinctive role.[43] Whilst the word 'CLIPPER' forms part of a longer phase within NAVA's word marks, it remains the most impactful and distinctive part of the same. The other words surrounding it serve to indicate that 'CLIPPER' is a tea company which was founded in 1872. To my mind, the differences between the competing marks appear to be consistent with the use of a logical variant brand or sub-brand used by the same (or an economically connected) undertaking. For instance, the average consumer, paying no more than a medium level of attention, may view NAVA's word marks as the 'full name' of the 'CLIPPER' brand and KALLO's second mark as a simplified or updated version of this with the addition of a non-distinctive tagline which refers to the nature of the goods (or the goods offered under the services) and the company's ethos. Taking all of this into account, I am satisfied that the average consumer, when encountering the competing marks in relation to goods and services which are identical or similar to at least a medium degree, is likely to assume a commercial association between the parties. Consequently, I find that there is a likelihood of indirect confusion.

[43] See *Whyte and Mackay Ltd v Origin Wine UK Ltd and Another* [2015] EWHC 1271 (Ch), where Arnold J (as he then was) considered the impact of the CJEU's judgment in *Bimbo* on its earlier judgment in *Medion AG v Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04.

NAVA's third and fourth marks and KALLO's third mark

152. Taking all of the above principles and all the relevant factors into account, it is my view that my comments at paragraph 151 above also apply when KALLO's third mark is considered. I recognise that there is an additional difference created by the stylistic elements of KALLO's mark. However, in my view, the average consumer, paying no more than a medium level of attention, is likely to attribute the additional difference created by the particular presentation to the use of a variant mark, one with decorative embellishments and the other without. I find that there is a likelihood of indirect confusion.

NAVA's first, second and fifth marks and KALLO's second mark

153. In consideration of these marks, I reiterate that, whilst the word 'CLIPPER' is not so strikingly distinctive that the average consumer would assume that only KALLO would be using it in a trade mark, it is distinctive enough for confusion to occur. As previously explained, 'CLIPPER' is the dominant and distinctive element of KALLO's mark. The other words in the mark are not distinctive. Again, I acknowledge that the word 'CLIPPER' forms part of a longer phrase within NAVA's logo marks. However, it is still the most impactful and distinctive part of that phrase, which itself plays an important role in the overall impression of NAVA's marks. I have already found a likelihood of confusion between this phrase and KALLO's mark. Of course, NAVA's logo marks have several other elements not yet considered. These comprise the sailing ship device, the words 'A HISTORICAL BLEND OF TASTE AND TEA', the blue background/roundel device and the animal devices. Whilst I acknowledge that KALLO's mark lacks all these elements, it is my view that the additional differences they create appear to be consistent with the use of a variant brand or sub-brand used by the same (or an economically connected) undertaking. Although, on the basis of its relative size and position, the ship device dominates the overall impression of NAVA's marks, the difference created by this element is still likely to be perceived by the average consumer as the addition or removal of a decorative embellishment (albeit prominent). In my view, the same applies to the blue background/roundel device and the animal devices. As for the words 'A HISTORICAL BLEND OF TASTE & TEA' and 'NATURAL, FAIR & DELICIOUS' in the competing marks, it is considered that the

difference created by these is likely to be perceived as indicative of variant marks using different taglines in addition to the 'THE 1872 CLIPPER TEA CO.'/'CLIPPER' brand. In light of all this, I am satisfied that the average consumer, paying no more than a medium level of attention, is likely to assume that there is an economic connection between the parties on the basis of the competing marks, when used in relation to goods and services which are identical or similar to at least a medium degree. I find that there is a likelihood of indirect confusion.

NAVA's first, second and fifth marks and KALLO's third mark

154. My comments at paragraph 153 are also applicable when considering these competing marks. I acknowledge that the position is slightly more complex in respect of the stylistic differences here. This is because, unlike the assessment against NAVA's third and fourth marks, the difference is not simply that one mark is in word-only format and the other stylised. The figurative elements in NAVA's logo marks and the way they are presented form part of those marks. I accept that stylistic differences between two (or more) marks can point away from there being a likelihood of indirect confusion.[44] Nevertheless, in this case, it is considered that NAVA's logo marks have a traditional, even historic, style and feel. This is created by the presence of a sailing ship, heraldic animals, the reference to 1872, the tagline referring to a "HISTORICAL BLEND", and all these elements being presented in a roundel. In contrast, KALLO's mark has a more simple and modern style and feel. As a result, it is my view that the average consumer is likely to perceive the stylistic differences between the marks as a brand update or variant 'CLIPPER' brand, whereby the traditional style is replaced by a more modern one. Taking all of the principles and relevant factors into account, I am satisfied that the average consumer, paying no more than a medium level of attention, is likely to assume that there is an economic connection between the parties on the basis of the competing marks, when used in relation to goods and services which are identical or similar to at least a medium degree. I find that there is a likelihood of indirect confusion.

[44] See, for instance, the comments of James Mellor QC (as he then was), sitting as the Appointed Person, in *Cheeky Italian Limited v Ashish Sutaria*, BL O/219/16.

Honest concurrent use

155. In its counterstatements, NAVA intimated that it may have a defence of honest concurrent use. In the evidence rounds, Mr Koon filed evidence of NAVA's trading activities. However, at the hearing, Mr Thomas did not advance any arguments on the matter and confirmed that this defence was not being pursued. As such, I shall say no more about it.

Conclusion

156. KALLO's claims under section 5(2)(b) are successful.

Section 5(3)

Legislation and case law

157. Section 5(3) of the Act states:

> "(3) A trade mark which-
>
> > is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark".

158. Section 5(3A) states:

> "(3A) Subsection (3) applies irrespective of whether the goods and services for which the trade mark is to be registered are identical with, similar to or not similar to those for which the earlier trade mark is protected".

159. The relevant case law can be found in the following judgments of the CJEU: *General Motors*, Case C-375/97, *Intel*, Case 252/07, *Adidas-Salomon*, Case C-

408/01, *L'Oréal v Bellure*, Case C-487/07, *Marks and Spencer v Interflora*, Case C-323/09, and *Environmental Manufacturing LLP v OHIM*, Case C-383/12P. The law appears to be as follows:

(a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors, paragraph 24.*

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors, paragraph 26.*

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas-Salomon, paragraph 29* and *Intel, paragraph 63.*

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel, paragraph 42.*

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel, paragraph 68;* whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel, paragraph 79.*

(f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel, paragraphs 76 and 77* and *Environmental Manufacturing, paragraph 34.*

(g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel, paragraph 74.*

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark; *L'Oréal v Bellure NV, paragraph 40*.

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora, paragraph 74 and the court's answer to question 1 in L'Oréal v Bellure).*

160. The conditions of section 5(3) are cumulative. Firstly, KALLO must show that its marks are similar to NAVA's marks. Secondly, KALLO must show that its marks have achieved a level of knowledge, or reputation, amongst a significant part of the public. Thirdly, KALLO must establish that the public will make a link between the marks, in the sense of its marks being brought to mind by NAVA's marks. Finally, assuming the foregoing conditions have been met, section 5(3) requires that one or more types of damage claimed by KALLO will occur. It is not necessary for the purposes of section 5(3) that the goods and services are similar, although the relative distance between them is one of the factors which must be assessed in deciding whether the public will make a link between the marks.

161. The relevant date for the assessment under this ground is the priority date claimed by NAVA's IRs, namely 17 February 2021.

Reputation

162. In *General Motors*, the CJEU held that:

> "25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.
>
> 26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.
>
> 27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.
>
> 28. Territorially, the condition is fulfilled when, in the terms of Article 5(2) of the Directive, the trade mark has a reputation 'in the Member State'. In the absence of any definition of the Community provision in this respect, a trade mark cannot be required to have a reputation 'throughout' the territory of the Member State. It is sufficient for it to exist in a substantial part of it."

163. I have already found that KALLO's evidence was sufficient for the purposes of establishing that the distinctive character of its second and third marks had been enhanced at the relevant date. Whilst I acknowledge that reputation and enhanced distinctive character are different, the nature, factors, and evidence used to prove them are the same.[45] For the same reasons as given at paragraph 123, I am satisfied that KALLO's second and third mark had a moderate reputation in the UK at the relevant

[45] *O2 Worldwide Limited v CX02.COM (UK) Limited*, BL O/393/19, paragraph 39

date in respect of *tea*. In my view, it would not be appropriate to place KALLO's reputation any higher than that. This is due to the limitations with the evidence previously discussed, in particular, the global nature of the turnover and marketing figures. In addition, I cannot attribute KALLO's reputation to any of the other goods relied upon for the same reasons as given at paragraph 124.

Link

164. As noted above, my assessment of whether the public will make the requisite mental 'link' between the competing marks must take into account all relevant factors. The factors identified at paragraph 42 of *Intel* are:

> The degree of similarity between the competing marks
>
> NAVA's third and fourth marks and KALLO's second and third marks are visually and aurally similar to a medium degree, and conceptually dissimilar.
>
> NAVA's first, second and fifth marks and KALLO's second mark are visually similar to a low degree, aurally similar to a medium degree, and conceptually dissimilar.
>
> NAVA's first, second and fifth marks and KALLO's third mark are visually similar to a very low degree, aurally similar to a medium degree, and conceptually dissimilar.
>
> The nature of the goods or services for which the conflicting marks are registered, or proposed to be registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public
>
> NAVA's goods in class 30 are identical or highly similar to KALLO's tea-related goods. NAVA's goods and services in classes 32 and 43 are similar to a medium degree to KALLO's tea-related goods.

The goods and services will be purchased by the general public. A medium level of attention will be exhibited during the purchasing process. Visual considerations will dominate, though aural considerations may play their part.

The strength of the earlier mark's reputation

KALLO's marks have a moderate reputation.

The degree of the earlier mark's distinctive character, whether inherent or acquired through use

KALLO's second and third marks possess a medium level of inherent distinctive character, which has been enhanced to a high level in respect of the reputed goods.

Whether there is a likelihood of confusion

There is a likelihood of indirect confusion between KALLO's second and third marks and each of NAVA's marks.

165. Having already found that consumers are likely to assume that there is an economic connection between the users of the competing marks, it is highly likely that the relevant public will make the requisite link between them. Even if I had found that there was no likelihood of indirect confusion, taking all of the other factors into account, it is my view that KALLO's marks would still be brought to mind by a significant part of the relevant public upon encountering NAVA's marks, notwithstanding the relatively low levels of overall similarity between the competing marks.

Damage

Unfair advantage

166. In *Jack Wills Limited v House of Fraser (Stores) Limited* [2014] EWHC 110 (Ch) Arnold J (as he then was) concluded that:

> "80. The arguments in the present case give rise to two questions with regard to taking unfair advantage. The first concerns the relevance of the defendant's intention. It is clear both from the wording of Article 5(2) of the Directive and Article 9(1)(c) of the Regulation and from the case law of the Court of Justice interpreting these provisions that this aspect of the legislation is directed at a particular form of unfair competition. It is also clear from the case law both of the Court of Justice and of the Court of Appeal that the defendant's conduct is most likely to be regarded as unfair where he intends to benefit from the reputation and goodwill of the trade mark. In my judgment, however, there is nothing in the case law to preclude the court from concluding in an appropriate case that the use of a sign the objective effect of which is to enable the defendant to benefit from the reputation and goodwill of the trade mark amounts to unfair advantage even if it is not proved that the defendant subjectively intended to exploit that reputation and goodwill."

167. I have already found that there is a likelihood of indirect confusion. Therefore, even if there is no intention on the part of NAVA, it is clearly foreseeable that it would secure an unfair commercial advantage, benefitting from KALLO's reputation without paying financial compensation and diverting sales to NAVA. Even if there was no indirect confusion, it is my view that, upon encountering NAVA's marks, the relevant public will be reminded of KALLO's marks; NAVA's marks will appear instantly more familiar, making it easier for NAVA to establish its mark and sell its goods and services without incurring the marketing costs that would ordinarily be required. NAVA's marks will be able to attract more customers than would be the case if KALLO's marks were not brought to mind. This will essentially allow NAVA's marks to 'free ride' on the reputation of KALLO's marks and gain an unfair commercial advantage.

168. As damage is made out on the basis of unfair advantage, I do not consider it necessary to go on to consider any of the other types of damage pleaded by KALLO.

Conclusion

169. KALLO's claims under section 5(3) are successful.

Section 5(4)(a)

Legislation and case law

170. Section 5(4)(a) of the Act states as follows:

> "(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, where the condition in subsection (4A) is met,
> >
> > (aa) […]
> >
> > (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."

171. Subsection (4A) of section 5 states:

> "(4A) The condition mentioned in subsection (4)(a) is that the rights to the unregistered trade mark or other sign were acquired prior to the date of application for registration of the trade mark or date of the priority claimed for that application."

172. In *Discount Outlet v Feel Good UK* [2017] EWHC 1400 IPEC, 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] 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)."

173. Whilst evidence has been filed by NAVA, none of it is from before the priority date claimed by the IRs. As such, the relevant date for assessing this ground that date, namely 17 February 2021.[46]

Goodwill

174. In *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL), goodwill was described in the following terms:

> "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."

[46] *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O/410/11, paragraph 43

175. I have already found that the evidence provided by KALLO is sufficient for establishing genuine use in respect of its second and third marks. For the same reasons, I am satisfied that KALLO has demonstrated that its business in *tea and coffee; tea and coffee products; tea bags; fruit and herbal teas, fruit and herbal infusions; green tea; flavoured teas; instant coffee; ground coffee; chocolate beverages and cocoa beverages* enjoyed a relatively strong level of goodwill at the relevant date. This goodwill does not extend to *coffee beans*, as there is no evidence of them being provided.

176. Whilst I was not satisfied that the marks shown in the evidence were acceptable variants of KALLO's first mark, the position is materially different here in that KALLO claims goodwill in relation to its use of the word 'CLIPPER', absent any font or stylisation. On the basis of the evidence, I am satisfied that the word 'CLIPPER' was distinctive of KALLO's goodwill.

Misrepresentation and damage

177. In *Neutrogena Corporation and Another v Golden Limited and Another* [1996] RPC 473, Morritt LJ stated that:

> "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] R.P.C. 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 4th 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 R.P.C. 147 at page 175; and *Re Smith Hayden's Application* (1945) 63 R.P.C. 97 at page 101."

178. And later in the same judgment:

> "[…] for my part, I think that references, in this context, to "more than *de minimis*" and "above a trivial level" are best avoided notwithstanding this court's reference to the former in *University of London v. American University of London* (unreported 12 November 1993). It seems to me that such expressions are open to misinterpretation for they do not necessarily connote the opposite of substantial and their use may be thought to reverse the proper emphasis and concentrate on the quantitative to the exclusion of the qualitative aspect of confusion."

179. In *Lumos Skincare Limited v Sweet Squared Limited and others* [2013] EWCA Civ 590, Lloyd LJ commented on the paragraph above as follows:

> "64. One point which emerges clearly from what was said in that case, both by Jacob J and by the Court of Appeal, is that the "substantial number" of people who have been or would be misled by the Defendant's use of the mark, if the Claimant is to succeed, is not to be assessed in absolute numbers, nor is it applied to the public in general. It is a substantial number of the Claimant's actual or potential customers. If those customers, actual or potential, are small in number, because of the nature or extent of the Claimant's business, then the substantial number will also be proportionately small."

180. *Halsbury's Laws of England* Vol. 97A (2021 reissue) provides further guidance with regard to establishing the likelihood of deception. In paragraph 636 it is noted (with footnotes omitted) that:

> "Establishing a likelihood of deception generally requires the presence of two factual elements:
>
> > (1) that a name, mark or other distinctive indicium used by the claimant 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 indicium 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 two successive hurdles which the claimant must surmount, consideration of these two aspects cannot be completely separated from each other.

The question whether deception is likely is one for the court, which 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 claimant and the defendant carry on business;

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

(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 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".

181. In *Marks and Spencer PLC v Interflora* [2012] EWCA (Civ) 1501, Lewison LJ cast doubt on whether the test for misrepresentation for passing off purposes came to the

same thing as the test for a likelihood of confusion under trade mark law. He pointed out that it is sufficient for passing off purposes that "a substantial number" of the relevant public are deceived, which might not mean that the average consumer is confused. However, considering the Court of Appeal's later judgment in *Comic Enterprises Ltd v Twentieth Century Fox Film Corporation* [2016] EWCA Civ 41, it seems doubtful whether the difference between the legal tests will (all other factors being equal) produce different outcomes.[47] This is because they are both normative tests intended to exclude the particularly careless or careful, rather than quantitative assessments.

182. I have already found that there is a likelihood of confusion between NAVA's marks and 'CLIPPER NATURAL, FAIR & DELICIOUS' (KALLO's second mark). The dominant and distinctive element that mark was the sign relied upon by KALLO under this ground: the word 'CLIPPER'. I find that a substantial number of members of the public will be deceived into believing that the goods and services provided under NAVA's marks and KALLO's sign are offered by the same or economically linked undertakings. In such circumstances, I consider that damage though diversion of sales is entirely foreseeable.

Conclusion

183. KALLO's claims under section 5(4)(a) are successful.

OVERALL OUTCOMES

184. Subject to any appeal against this decision, KALLO's second and third marks (registration nos. 2499915A and 2499915B) will be revoked from 6 June 2014 in respect of the following goods and services, against which NAVA's applications for revocation were successful or not defended:

[47] Although this was an infringement case, the principles are equally applicable to section 5(2) of the Act: *Soulcycle Inc v Matalan Ltd* [2017] EWHC 496 (Ch).

Class 11: Apparatus for brewing and dispensing beverages, espresso makers, coffee makers and brewers; tea makers; infusers for beverage preparation, and parts and fittings therefor.

Class 16: Printed matter, printed publications, magazines, journals; periodical publications; newspapers; books; newsletters; guides; printed programmes; stationery; diaries, calendars, note books, address books, writing implements; pens, pencils; gift wrap; gift cards; wrapping; gift tags, ribbon and bows; tissue paper; tea and coffee filter papers; cake cases; cake frills; bags of paper or cardboard; coasters and table mats; table cloths and napkins.

Class 18: Umbrellas; shopping bags; canvas and woven bags.

Class 20: Hampers.

Class 21: Crockery; glassware; porcelain and earthenware; cups and saucers, mugs, plates, dishes and tea pots; caddies and containers; storage boxes and storage jars; heat insulated containers for beverages; non-electric beverage percolators; non-electric drip coffee makers, non-electric plunger-style coffee makers; trivets; tea strainers; infusers; kitchen utensils and containers; trays; cake stands; cake tins; tea bag bins; egg cups; cool bags; coffee grinders and coffee mills, reusable coffee filters, coffee cups, tea cups and mugs, glassware, dishes, plates and bowls, trivets, storage canisters, coasters and table mats; oven gloves.

Class 24: Household linen; table cloths, napkins, tea towels, coasters and table mats; towel.

Class 25: Aprons; T-shirts, polo-shirts, sweatshirts, caps, hats, jackets.

Class 29: Milk and milk products; milk drinks; flavoured milk and flavoured milk drinks; flavoured milk; powder and preparations for making drinks; fruit jams, jellies, spreads, curds and preserves, fired fruits.

Class 30: Confectionery; chocolate based products; oat based food and drinks; malt based food and drinks; ice cream; bread, biscuits, cakes, pastries, cookies; preparations for making the aforesaid goods; granola, sugar, sugar cubes and sticks; sauces, spices; flavourings, flavouring syrups, essences.

Class 35: Retail services connected with the sale of preparations for making beverages, crockery, cutlery and glassware, household linens, kitchen utensils and containers, trays, clothing; retail services by mail order and by the Internet connected with the sale of preparations for making beverages, crockery, cutlery and glassware, household linens, kitchen utensils and containers, trays, clothing.

Class 43: Catering for the provision of food and drink for consumption on or off the premises; restaurants; cafe, cafeteria, canteen, restaurants, snackbar, bar, food bar, services; preparations of food and drink; catering services; rental and leasing of drink dispensing machines; advice, enquiry, consultancy and information services all relating to food and beverages.

185. KALLO's second and third marks will remain registered in the UK for the following goods and services, in respect of which the applications for revocation were not directed:

Class 16: Gift boxes.

Class 30: Beverages, tea and coffee; tea and coffee products; coffee beans; coffee substitutes; tea bags; fruit and herbal teas, fruit and

herbal infusions; green tea; white tea; flavoured teas; iced tea; tea substitutes; instant coffee; ground coffee; coffee beans; chocolate and cocoa-based beverages.

Class 35: Retail services connected with the sale of beverages; retail services by mail order and by the Internet connected with the sale of beverages; organising and conducting volunteer programmes and community service projects.

Class 36: Charitable fundraising; fundraising for community and environmental projects.

186. Subject to any appeal against this decision, NAVA's IRs (international registration nos. 1614293, 1613214, 1614625, 1613195 and 1613197) will be refused protection in the UK.

COSTS

187. Both parties have succeeded in part. However, KALLO has enjoyed the greater measure of success. As such, it is entitled to a contribution towards the costs of the proceedings, with an appropriate reduction to reflect NAVA's degree of success.

188. In his skeleton argument, Mr Wood made a request for off-scale costs. It was argued that off-scale costs are appropriate for several reasons. The first of these was described as the abusive nature of the revocation actions. Moreover, it was contended that NAVA's proof of use request in respect of tea-related products was unreasonable, given that NAVA must have been, or easily could have been, aware of KALLO's profile in the UK. A related point is that NAVA maintained its position regarding proof of use even though it was said to be clear from the evidence that KALLO has made extensive use of its marks. Mr Wood further argued that NAVA must have appreciated that KALLO has goodwill and reputation attached to the CLIPPER mark at the outset, or at least once the evidence was filed. Finally, NAVA is said to have made other clearly unreasonable denials, such as the denial of identity in relation to the parties' class 30 goods and similarity with the class 32 and 43 goods and services.

189. Mr Wood argued that significant commercial importance does not give a party "carte blanche" to deny everything and require proof of everything, such that the workload of the other party as well as the Tribunal is increased. The professional obligations of professional representatives are said to include ensuring that clients do not make clearly unreasonable claims and do not use up more of the Tribunal's time than is reasonable. Mr Wood submitted that making reasonable concessions forms part of that. As NAVA is in the same field as KALLO, Mr Wood said that it cannot reasonably suggest that it was not aware of KALLO's mark or its position in the UK market. Instead, Mr Wood argued that NAVA has forced KALLO to jump through all the evidential hoops.

190. At the hearing, Mr Wood's submissions on costs reflected the content of his skeleton argument, though he did accept that his argument about the abusive nature of the revocation actions falls away since KALLO's strike out request was refused. For NAVA, Mr Thomas disputed that off-scale costs were appropriate and disagreed with the points raised by Mr Wood. Whilst Mr Thomas acknowledged that a pleading of honest concurrent use was originally made but later dropped, he maintained that requiring proof of use is a standard procedure and that NAVA cannot be assumed to have a detailed knowledge of KALLO's business. He also highlighted that the basis for NAVA's denials were largely limited to whether KALLO had used the word 'CLIPPER' solus, rather than, for instance, whether its business had any goodwill whatsoever. Mr Thomas also submitted that the goods and services comparison is impacted by the proof of use assessment.

191. Rule 67 of the Rules provides:

> "The registrar may, in any proceedings under the Act or these Rules, by order award to any party such costs as the registrar may consider reasonable, and direct how and what parties they are to be paid."

192. Tribunal Practice Notice ("TPN") 4/2007 indicates that the Tribunal has a wide discretion when it comes to the issue of costs, including making awards above or

below the published scale where the circumstances warrant it.[48] The TPN stipulates that costs off the scale are available "to deal proportionately with wider breaches of rules, delaying tactics or other unreasonable behaviour". KALLO has not argued that NAVA has breached any rules or utilised delaying tactics. The matter at issue is whether the various aspects of NAVA's conduct in these proceedings should be considered unreasonable behaviour.

193. Whilst I agree with Mr Wood to the extent that narrowing the issues in proceedings before the Registrar is certainly to be encouraged where appropriate, I do not consider NAVA's conduct in these proceedings to be demonstrative of unreasonable behaviour. Mr Koon's witness statement suggests that NAVA it is a tea company, and Mr Thomas intimated in his submissions on the strike out request that it was seeking to enter the UK market. On this basis, NAVA may have been aware of KALLO and its activities in the same field under the 'CLIPPER' brand at the outset of the proceedings. Nevertheless, upon receipt of a notice of opposition where a mark relied upon is over five years old, it remains open to the applicant of the opposed mark to require the other to prove use. The same goes for reputation and goodwill. NAVA was entitled to do so. It can save the parties and the Tribunal a significant amount of time and expense if issues like genuine use are narrowed as early as possible in the course of proceedings, such as, for example, when the opponent's evidence has been filed. Whilst NAVA's unwillingness to do so may not have been desirable to KALLO, NAVA's approach does not strike me as an abuse of process or otherwise unreasonable behaviour. Efforts, of course, can be made by one party to obtain concessions from the other, though the burden of demonstrating genuine use is on the proprietor of the earlier mark. The same goes for reputation and goodwill: the burden of demonstrating them is on the party that is claiming them. Having considered the conduct of proceedings, it is my view that off-scale costs are not appropriate in this instance.

[48] The more recent TPN on costs (1/2023) reiterates the Tribunal's discretion in this regard.

194. The relevant scales are published in TPNs 2/2016 and 1/2023.[49] In the circumstances, I award KALLO the sum of **£3,460**, which is calculated as follows:

Preparing statements and considering NAVA's counterstatements[50]	£1,500
Considering NAVA's statements and preparing counterstatements[51]	£600
Preparing evidence and considering NAVA's evidence	£1,200
Preparing for and attending a hearing	£800
Subtotal	£4,100
Reduction	*-£1,640*
Official fees[52]	£1,000
Total	£3,460

[49] I note that, although the proceedings were consolidated, KALLO's oppositions commenced before 1 February 2023, whereas NAVA's revocations commenced after. This means that the scale published in TPN 2/2016 applies to the former and that published in TPN 1/2023 applies to the latter.
[50] Opposition nos. 430859, 430865, 430883, 433111 and 433112.
[51] Cancellation nos. 507084 and 507085.
[52] The official fees connected with the filing of Form TM7s in opposition nos. 430859, 430865, 430883, 433111 and 433112 are not subject to a reduction.

195. I order NAVA 1872 PTE. LTD. to pay Kallo Foods Limited the sum of **£3,460**. 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 the proceedings if any appeal against this decision is unsuccessful.

Dated this 10th day of April 2026

James Hopkins
For the Registrar

ANNEX

Goods and services of UK0002499915A and UK0002499915B

Class 11: Apparatus for brewing and dispensing beverages, espresso makers, coffee makers and brewers; tea makers; infusers for beverage preparation, and parts and fittings therefor.

Class 16: Printed matter, printed publications, magazines, journals; periodical publications; newspapers; books; newsletters; guides; printed programmes; stationery; diaries, calendars, note books, address books, writing implements; pens, pencils; gift boxes, gift wrap; gift cards; wrapping; gift tags, ribbon and bows; tissue paper; tea and coffee filter papers; cake cases; cake frills; bags of paper or cardboard; coasters and table mats; table cloths and napkins.

Class 18: Umbrellas; shopping bags; canvas and woven bags.

Class 20: Hampers.

Class 21: Crockery; glassware; porcelain and earthenware; cups and saucers, mugs, plates, dishes and tea pots; caddies and containers; storage boxes and storage jars; heat insulated containers for beverages; non-electric beverage percolators; non-electric drip coffee makers, non-electric plunger-style coffee makers; trivets; tea strainers; infusers; kitchen utensils and containers; trays; cake stands; cake tins; tea bag bins; egg cups; cool bags; coffee grinders and coffee mills, reusable coffee filters, coffee cups, tea cups and mugs, glassware, dishes, plates and bowls, trivets, storage canisters, coasters and table mats; oven gloves.

Class 24: Household linen; table cloths, napkins, tea towels, coasters and table mats; towel.

Class 25: Aprons; T-shirts, polo-shirts, sweatshirts, caps, hats, jackets.

Class 29: Milk and milk products; milk drinks; flavoured milk and flavoured milk drinks; flavoured milk; powder and preparations for making drinks; fruit jams, jellies, spreads, curds and preserves, fired fruits.

Class 30: Beverages, tea and coffee; tea and coffee products; coffee beans; coffee substitutes; tea bags; fruit and herbal teas, fruit and herbal infusions; green tea; white tea; flavoured teas; iced tea; tea substitutes; instant coffee; ground coffee; coffee beans; chocolate and cocoa-based beverages; confectionery; chocolate based products; oat based food and drinks; malt based food and drinks; ice cream; bread, biscuits, cakes, pastries, cookies; preparations for making the aforesaid goods; granola, sugar, sugar cubes and sticks; sauces, spices; flavourings, flavouring syrups, essences.

Class 35: Retail services connected with the sale of beverages, preparations for making beverages, crockery, cutlery and glassware, household linens, kitchen utensils and containers, trays, clothing; retail services by mail order and by the Internet connected with the sale of beverages, preparations for making beverages, crockery, cutlery and glassware, household linens, kitchen utensils and containers, trays, clothing; organising and conducting volunteer programmes and community service projects.

Class 36: Charitable fundraising; fundraising for community and environmental projects.

Class 43: Catering for the provision of food and drink for consumption on or off the premises; restaurants; cafe, cafeteria, canteen, restaurants, snackbar, bar, food bar, services; preparations of food and drink; catering services; rental and leasing of drink dispensing machines; advice, enquiry, consultancy and information services all relating to food and beverages.