



Neutral Citation Number: [2022] EWHC 620 (Ch)

Case No: CH-2021-000144

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
APPEALS (ChD)

**IN THE MATTER of an Appeal by the Appellant from the Decision of June Ralph,
Hearing Officer, Intellectual Property Office, dated 26th May 2021 in Trade Mark
Opposition No. OP000418626**

The Rolls Building
7 Rolls Buildings
Fetter Lane
London, EC4A 1NL

Date: 21st March 2022

Before :

THE HONOURABLE MR JUSTICE EDWIN JOHNSON

Between :

WINEAPP LIMITED

**Appellant/
Opponent**

- and -

BENEDICT JOHNSON

**Respondent/
Applicant**

Chris Pearson (instructed by **Seddons Solicitors**) for the **Appellant**
Paul Harris (instructed by **Dehns Solicitors**) for the **Respondent**

Hearing date: 8th March 2022
(Remote hearing by MS Teams)

Approved Judgment



Mr Justice Edwin Johnson :

Introduction

1. This is an appeal against the decision of the Hearing Officer (Ms. June Ralph) in this matter dated 26th May 2021.
2. On 26th September 2019 the Respondent to this appeal, Benedict Johnson (“the Respondent”) applied to register the trade mark which is set out on the left hand side of paragraph 6 below. The mark was published in the Trade Marks Journal on 11th October 2019 in class 43 for Sommelier services.
3. On 4th December 2019 the Appellant in this appeal, Wineapp Limited (“the Appellant”), opposed the application under section 5(4)(a) of the Trade Marks Act 1994. The Appellant opposed the application on the grounds that the Respondent’s mark and services amounted to passing off. The Appellant relied upon the unregistered mark, which is set out on the right hand side of paragraph 6 below. The Appellant’s case was that it had used this mark in its business since November 2018.
4. By her decision (“the Decision”) the Hearing Officer decided that the opposition of the Appellant failed, and that the application could proceed registration. The Decision was made without an oral hearing, on the papers in the application.
5. References to Paragraphs in this judgment are, unless otherwise indicated, references to the paragraphs of the Decision. Italics have been added to quotations.

The marks in issue

6. The marks in issue are as follows:

Applicant’s mark	Opponent’s sign
	

Representation

7. On the hearing of the appeal the Appellant was represented by Chris Pearson, counsel. The Respondent was represented by Mr. Harris, senior partner in the Respondent’s solicitors (Dehns). I received skeleton arguments from both advocates. I am most grateful to the advocates for their assistance on the hearing of the appeal.

The evidence before the Hearing Officer

8. The evidence before the Hearing Officer, filed by the parties, was as follows:
 - (1) A witness statement of Marco Nardone, a director and chief executive of the Appellant, dated 30th July 2020.

- (2) A short witness statement in response of Benedict Johnson, the Respondent and director of WinesApp Limited, dated 1st December 2020.
- (3) A second witness statement in reply of Marco Nardone, dated 4th February 2021.

The Trade Marks Act 1994

9. Subsection (4), in its material part, and subsection (4A) of Section 5 of the Trade Marks Act 1994 (“the Act”) provide 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,

“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.

(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.”

10. Section 2 of the Act provides as follows:

“(1) A registered trade mark is a property right obtained by the registration of the trade mark under this Act and the proprietor of a registered trade mark has the rights and remedies provided by this Act.

(2) No proceedings lie to prevent or recover damages for the infringement of an unregistered trade mark as such; but nothing in this Act affects the law relating to passing off.”

11. Mr. Harris emphasized to me in his oral submissions that the present case is a case brought by the Appellant in the tort of passing off. It is not a claim for infringement of a trade mark, in which remedies are sought under the Act. I accept the point. I am not dealing with a claim of infringement of a registered trade mark. The question of the materiality of this point to what I have to decide is a question to which I return later in this judgment.

The Decision

12. In determining whether the Appellant had made out its case in passing off, the Hearing Officer directed herself by reference to the well-known statement of the three elements of the tort made by Lord Oliver in the *Jif Lemon* case (*Reckitt & Colman Products Ltd v Borden Inc.* (No. 3) [1990] 1 WLR 491), at 499D-H:

“Neither the appellants nor the respondents contend that the principles of law are in any doubt. The law of passing off can be summarised in one short general proposition—no man may pass off his goods as those of another. More specifically, it may be expressed in terms of the elements which the plaintiff in such an action has to prove in order to

succeed. These are three in number. First, he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying "get-up" (whether it consists simply of a brand name or a trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff's goods or services. Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff. Whether the public is aware of the plaintiff's identity as the manufacturer or supplier of the goods or services is immaterial, as long as they are identified with a particular source which is in fact the plaintiff. For example, if the public is accustomed to rely upon a particular brand name in purchasing goods of a particular description, it matters not at all that there is little or no public awareness of the identity of the proprietor of the brand name. Thirdly, he must demonstrate that he suffers or, in a quia timet action, that he is likely to suffer damage by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff."

13. In Paragraph 16 the Hearing Officer quoted the following summary of the three essential requirements of the tort of passing off, as set out in *Discount Outlet v Feel Good UK* [2017] EWHC 1400 IPEC. Sitting as a Deputy Judge of the High Court, Her Honour Judge Melissa Clarke said this, at [55]:

"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."

14. In Paragraph 17 the Hearing Officer went on to direct herself with regard to establishing the likelihood of deception, by reference to the following guidance provided by Halsbury's Laws of England, Volume 97A (2012 Reissue), at paragraph 309:

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

- (1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and*
- (2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.*

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

- (a) the nature and extent of the reputation relied upon;*
- (b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;*
- (c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;*
- (d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and*
- (e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.”*

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

15. This paragraph is now paragraph 636 in the 2021 reissue of Volume 97A in Halsbury’s Laws. The two paragraphs are in very similar terms, and the advocates were agreed that the updating of the paragraph did not affect the issues in this appeal.
16. So far as goodwill was concerned, the Hearing Officer concluded, for the reasons set out in the relevant part of the Decision, that the evidence did demonstrate that a small, but not trivial goodwill had been established at the relevant date. The Hearing Officer also concluded that the Appellant’s mark was distinctive of that goodwill at the relevant date.
17. The Appellant thus surmounted the first hurdle to establishing its objection to the application.
18. I should mention that the Hearing Officer found the relevant date to be 26th September 2019; that is to say the date of the Respondent’s application for registration of its mark. The Respondent stated that it had not used its mark before the date of its application. The Hearing Officer’s identification of the relevant date is not challenged in the appeal.
19. The Hearing Officer then turned to the question of whether there was a misrepresentation leading to deception or a likelihood of deception. The Hearing Officer concluded, for the reasons set out in the relevant part of the Decision, that there was no misrepresentation to the public. The Hearing Officer also concluded that, in the absence of misrepresentation, there could be no damage.
20. The Appellant thus failed to surmount the second and third hurdles to establishing its objection to the application. As such, the Appellant’s opposition

to the application failed, and the application was permitted to proceed to registration.

The grounds of the appeal

21. The Appellant's case on the appeal was that the Hearing Officer made a number of distinct and material errors of principle in the Decision. The ten individual grounds of appeal attached to the appellant's notice were, in summary, as follows:

- (1) The Hearing Officer erred in law in finding that the Appellant's evidence demonstrated that a small but not trivial goodwill was established at the relevant date. The Hearing Officer ought to have concluded from this evidence that the goodwill was significant.
- (2) Having reviewed the authority of *Lumos Skincare Limited v Sweet Squared Limited and others* [2013] EWCA Civ 590, and having observed that goodwill in that case was established on the basis of a very limited number of customers and small sales the Hearing Officer gave insufficient weight to the comparably significantly higher sales of the Appellant in the present case on the relevant date, as summarised in Paragraph 20, and erred in concluding that the same were low.
- (3) In assessing the Appellant's goodwill, the Hearing Officer failed to give any or any sufficient weight to the significant expenditure by the Appellant on advertising (£137,117), the Appellant's advertising reach (2.78 million individuals), the Appellant's significant social media presence and the number of installs of the Appellant's app (28,000 from the Apple App Store, 4,993 on Android devices), before the relevant date, all as set out in the second witness statement of Mr. Nardone.
- (4) Having reviewed the case of *Smart Planet Technologies, Inc. v Rajinda Sharm* BL O/304/20 in which Mr Thomas Mitcheson QC, sitting as the Appointed Person, reviewed a number of authorities on establishing goodwill for the purposes of passing-off, the Hearing Officer failed properly to apply the principles she cited. Had the Hearing Officer properly applied those principles, she should have concluded that the Appellant's goodwill was in any event sufficient to conclude that there would be substantial damage on the basis of the misrepresentation relied upon.
- (5) The Hearing Officer erred in her approach to assessing misrepresentation. The hearing officer erred in law by failing properly to apply the factors listed in Halsbury, at paragraph 309. The Hearing Officer gave no or no sufficient weight to the following factors:
 - (a) At the relevant date, the Appellant had acquired significant reputation and goodwill in the sign relied upon;
 - (b) The fields of activity of the Respondent and the Appellant respectively are, or would be, identical;
 - (c) The respective users of the Appellant's goods and services and the goods and services under the mark applied for are likely to be the same, i.e., the respective markets are the same;
 - (d) The respective goods and services are in the same sector and will be classified by those in the trade in the same way, i.e., they are competitive;

- (e) The respective trade channels through which the respective goods and services reach the market are likely to be the same, namely via app stores;
- (f) The high degree of similarity between the sign applied for and the sign relied upon: the Hearing Officer found that the verbal elements are virtually identical, i.e., there is aural identity; the device elements are visually and conceptually highly similar;
- (g) The average consumer of the respective goods and services will pay a relatively low degree of attention in the purchasing decision (spur-of-the moment purchase of wine for speedy delivery).

Had the Hearing Officer taken the above factors into account, she would have been obliged to conclude that there was misrepresentation.

- (6) The Hearing Officer erred in wholly dismissing the verbal elements of the respective marks. Having found that the sign relied upon was distinctive of the Appellant's goodwill in relation to wine selection, wine advisory services, wine algorithmic recommendations, wine reviews and wine delivery services, all via an app, at the relevant date, the Hearing Officer failed properly to view the sign relied upon globally and instead gave no or no sufficient weight to the verbal elements which form an integral and dominant part of it. As such, and as a consequence of the virtual identity of the verbal elements of the signs, the Hearing Officer erred in finding that *"the distinctiveness of both marks emanates from the use of the respective device elements, namely a letter W or the silhouette of two wine glasses in the applicant's mark and a single filled wine glass for the opponent"* (Paragraph 26).
- (7) The Hearing Officer erred in finding that *"consumers who are looking for wine recommendations will be inclined to see the shared word element as a coincidental use of descriptive language given the nature of the app and would rely on the device elements of the respective marks to distinguish between one wine app provider and another"* (Paragraph 26) in that there was no evidence of the same and therefore no basis for such a finding. Had the Hearing Officer viewed the sign relied upon globally, she should have concluded that the verbal elements formed an inseverable part of its distinctiveness.
- (8) Having reviewed the authority of *Office Cleaning Services Limited v Westminster Window & General Cleaners Limited* [1946] 63 RPC 39 and the dictum of Lord Simonds that *"The court will accept comparatively small differences as sufficient to avert confusion"* and having found that *"although the word wine is pluralised in the applicant's mark and is singular in the opponent's sign, both are conjoined with the word 'app' and essentially, singular and plural mean the same thing"* such that *"the verbal elements are virtually identical"* (Paragraph 26), the Hearing Officer misdirected herself as to the effect of that authority. The Hearing Officer should have concluded that there were no small differences in the respective verbal elements that were sufficient to avert confusion, and that the use of the virtually identical words in the sign applied for would lead the public to believe that the goods or services that may be offered by the Respondent are the goods or services of the Appellant and, by reason of that erroneous belief,

would be likely to cause damage to the goodwill of the Appellant's business.

- (9) Having referred to the device elements of the respective marks as follows: *"a letter W or the silhouette of two wine glasses in the applicant's mark and a single filled wine glass for the opponent"* (Paragraph 26), the Hearing Officer failed to make any qualitative comparison of the same. Had she done so, she would have been obliged to conclude that there is a high degree of visual and conceptual similarity between them, and that the use by the Respondent of the device element in the sign applied for would lead the public to believe that the goods or services that may be offered by the Respondent are the goods or services of the Appellant and, by reason of that erroneous belief, would be likely to cause damage to the goodwill of the Appellant's business.
 - (10) Further, the Hearing Officer should have concluded that the misrepresentation arising from the device elements was increased by the virtual identity of the verbal elements (see above) and vice versa. Alternatively, the Hearing Officer should have concluded that the misrepresentation arising from the device elements was increased by the Hearing Officer's earlier findings that the sign relied upon was distinctive of the Appellant's goodwill and that the distinctiveness of both marks emanates from the use of the respective device elements.
22. These individual grounds of appeal were grouped as follows in the Appellant's skeleton argument:
- (1) The Hearing Officer failed to give any or any proper weight to the Appellant's evidence and submissions in relation to goodwill (Grounds 1, 2, and 3);
 - (2) The Hearing Officer failed to follow the correct approach to the assessment of the sufficiency of the Appellant's goodwill (Ground 4)
 - (3) The Hearing Officer failed to follow the correct approach to the assessment of misrepresentation (Ground 5)
 - (4) The Hearing Officer failed to follow the correct approach to the assessment of the respective marks (Ground 6)
 - (5) The Hearing Officer took into account factors she should not have taken into account (Ground 7)
 - (6) The Hearing Officer failed to follow the correct approach to the comparison between the marks (Grounds 8, 9, and 10).
23. To this was added the more general argument that the Hearing Officer was clearly wrong in reaching the conclusion which she reached in the Decision.

The nature of the appeal

24. Both advocates made submissions on the nature of the appeal jurisdiction I am exercising. The submissions were not in material conflict, but did differ in their terms of reference.
25. For the Appellant Mr. Pearson stated that the approach to appeals from the Trade Mark Registry is well settled. The appeal is a review rather than a rehearing. The appellant must satisfy the court either that there is a distinct and

material error of principle in the relevant decision of the relevant hearing officer, or that the hearing officer was clearly wrong.

26. Mr. Pearson cited the decision of the Court of Appeal in *Re REEF Trade Mark* [2002] EWCA Civ 763, in which Robert Walker LJ (as he then was) reviewed the nature of the appellate jurisdiction in an appeal from the decision of a hearing officer. In particular, Robert Walker LJ considered the circumstances in which an appellate court should interfere with the inferences drawn from primary findings of fact. At [26]-[28], the Lord Justice said this:

“26. *How reluctant should an appellate court be to interfere with the trial judge's evaluation of, and conclusion on, the primary facts? As Hoffmann L.J. made clear in Grayan there is no single standard which is appropriate to every case. The most important variables include the nature of the evaluation required, the standing and experience of the fact-finding judge or tribunal, and the extent to which the judge or tribunal had to assess oral evidence.*

27. *It is worth noting that Biogen was a case very close to the top end of the scale. It involved very complex biotechnology which was the subject of a lot of expert evidence given at a lengthy trial before a very experienced judge of the Patents Court. In the circumstances Lord Hoffmann's memorable reference to Renan was not (if I may respectfully say so) out of place. There are far fewer nuances to be picked up from a bundle of statutory declarations which contain a good deal of irrelevant or tendentious material and on which there is no cross-examination.*

28. *In this case the hearing officer had to make what he himself referred to as a multi-factorial comparison, evaluating similarity of marks, similarity of goods and other factors in order to reach conclusions about likelihood of confusion and the outcome of a notional passing-off claim. It is not suggested that he was not experienced in this field, and there is nothing in the Civil Procedure Rules to diminish the degree of respect which has traditionally been shown to a hearing officer's specialised experience. (It is interesting to compare the observations made by Lord Radcliffe in *Edwards v Bairstow* [1956] A.C. 14 at pp.38–39, about the general commissioners, a tribunal with a specialised function but often little specialised training.) On the other hand the hearing officer did not hear any oral evidence. In such circumstances an appellate court should in my view show a real reluctance, but not the very highest degree of reluctance, to interfere in the absence of a distinct and material error of principle.”*

27. Mr. Harris referred me to the decision of John Kimbell QC, sitting as an Enterprise Judge in the Intellectual Property and Enterprise Court in *Litecoin Foundation Limited v Inshallah Limited* [2021] EWHC 1998 (Ch). The Judge was hearing an appeal from a decision of a District Judge, sitting as a judge in the Intellectual Property Enterprise Small Claims Track. At [26] the Judge

identified the following principles as applicable to those parts of the judgment under appeal which contained findings of fact or evaluations of factual evidence:

“26. *The following principles also apply to those parts of the judgment which contain findings of fact or evaluations of factual evidence:*

Findings of fact

i) *An appeal court will only interfere with a trial judge’s finding of fact and thus allow an appeal on the basis of a challenge where it properly determines that the finding of fact is unsupported by the evidence or where the decision is one which no reasonable judge could have reached - see Haringey LBC v Ahmed & Ahmed [2017] EWCA Civ 1861, CA, at [29]–[31]; Henderson v Foxworth Investments Ltd [2014] UKSC 41; [2014] 1 W.L.R. 2600 at [62] and Hamilton v Allied Domecq Plc [2006] SC 221 at [85].*

Evaluation of factual evidence

ii) *An appellate court must be cautious in reversing a trial judge’s evaluation of facts, just as it must be in reversing a primary finding of fact (per Lord Hoffmann in Biogen Inc v Medeva Plc [1997] R.P.C. 1 at 45). This is because where a judge’s evaluation of facts is challenged, it is properly understood to be very difficult for an appellate court to place itself in the position of the trial judge who would have had to take account of both written and oral evidence. The reasons for this approach are summarised in Fage UK Ltd v Chobani UK Ltd [2014] EWCA Civ 5 at [114]–[115].*

iii) *The proper approach on a challenge to an evaluative decision of a first instance judge is that “the appeal court does not carry out a balancing task afresh but must ask whether the decision of the judge was wrong by reason of some identifiable flaw in the judge’s treatment of the question to be decided, ‘such as a gap in logic, a lack of consistency, or a failure to take account of some material factor, which undermines the cogency of the conclusion’” – see Prescott v Potamianos [2019] EWCA Civ 932 in a judgment of the court (McCombe, Leggatt and Rose LJJ) at [76].”*

28. While this extract from the judgment in *Litecoin* provides helpful guidance, it seems to me that some qualification is required in the present case. In the present case the Hearing Officer decided the matter on the papers. She did not hear any oral submissions or oral evidence. The written evidence, which I have summarised above, was fairly limited. The appeal does not, as it seems to me, involve challenges to the primary facts found by the Hearing Officer. The primary facts were taken from the Appellant’s evidence, which was not materially challenged. The appeal concerns the Hearing Officer’s evaluation of those facts. In these circumstances I am doubtful that what the Judge said in

sub-paragraph (i) of [26] is directly relevant. Equally, guidance of the kind provided by Lewison LJ in *Fage*, does not seem to me to be directly relevant. To adopt the memorable imagery of Lewison LJ, I am not being asked, in this appeal, to go island hopping in a sea of evidence.

29. What does seem to me to be more relevant is what was said, by the Judge in *Litecoin*, in sub-paragraph (iii) of [26], which emphasizes that it is not my role in this appeal to carry out my own evaluation of the evidence in the case. I am reviewing the decision of the Hearing Officer, not making a decision of my own.
30. This also seems to me to be consistent with what I take from *REEF* in the present case, which is that I should show “*a real reluctance*” to interfere with the Hearing Officer’s evaluation of the facts of the case, in the absence of a distinct and material error of principle.
31. In summary therefore, it seems to me that my approach to this appeal should be as follows:
 - (1) This is a review of the Decision, not a rehearing. I am reviewing the Decision, not making my own decision on the Appellant’s claim in passing off.
 - (2) The Appellant must satisfy me that there is a distinct and material error of principle in the Decision, or that the Hearing Officer was clearly wrong.
 - (3) I must ask myself whether the Decision was wrong by reason of some identifiable flaw in the Hearing Officer’s treatment of the questions which she had to decide, such as a gap in logic, a lack of consistency, or a failure to take account of some material factor which undermines the cogency of the conclusion.
 - (4) I should show a real reluctance to interfere with the Decision, in the absence of a distinct and material error of principle.
32. There is one other point I should mention, before leaving my discussion of the nature of the appeal. In his oral submissions, Mr. Harris stressed to me what Robert Walker LJ went on to say, at [29], immediately after the extract from his judgment in *REEF* which I have cited above:

“29. *The appellate court should not treat a judgment or written decision as containing an error of principle simply because of its belief that the judgment or decision could have been better expressed. The duty to give reasons must not be turned into an intolerable burden: see the recent judgment of this court in English v Emery Reimbold & Strick Ltd (and two other appeals heard with it) [2002] EWCA Civ 605, April 30, 2002, para.19:*

“... *the judgment must enable the appellate court to understand why the judge reached his decision. This does not mean that every factor which weighed with the judge in his appraisal of the evidence has to be identified and explained. But the issues the resolution of which were vital to the judge's conclusion should be identified and the manner in which he resolved them explained. It is not possible to provide a template for this process. It need not involve a lengthy judgment. It does require*

the judge to identify and record those matters which were critical to his decision.”

33. I also keep this guidance in mind, in my consideration of the Decision.

Discussion

34. In considering the arguments in support of the appeal, I find it easiest to work through the Appellant’s grounds of appeal, which I have set out above, making reference, as necessary, to the written and oral arguments in the appeal.
35. The first ground of appeal contends that the Hearing Officer went wrong in law in finding that the Appellant’s evidence demonstrated that “*a small, but not trivial, goodwill*” had been demonstrated. The Appellant says that this finding should have been that the goodwill was significant. As in the Appellant’s submissions, this ground of appeal is conveniently taken with the second and third grounds of appeal which, respectively, accuse the Hearing Officer of failing to apply the case of *Lumos Skincare Limited v Sweet Squared Limited and others* [2013] EWCA Civ 590 correctly, and of failing to give sufficient weight to elements of the Appellant’s evidence.
36. In the relevant part of the Decision, at Paragraph 18, the Hearing Officer started by identifying what constitutes goodwill, by reference to *Inland Revenue Commissioners v Muller & Co’s Margarine Ltd* [1901] AC 217. The Hearing Officer then proceeded to direct herself, at Paragraph 19, as to what level of goodwill needed to be shown, in order to support a claim in passing off. The Hearing Officer did so by reference to the review of the relevant authorities by Mr. Thomas Mitcheson QC, sitting as the Appointed Person, in *Smart Planet Technologies Inc v Rajinda Sharm* BL O/304/20.
37. The Hearing Officer then turned to the evidence in the case, which she had already summarised in Paragraphs 5-11. The Hearing Officer carried out an evaluation of that evidence in Paragraphs 20-22, which resulted in her conclusion that the Appellant had demonstrated small, but not trivial goodwill at the relevant date in relation to the business activities summarised in Paragraph 22. The Hearing Officer also found that the Appellant’s sign was distinctive of that goodwill at the relevant date.
38. It was not contended by Mr. Pearson that the Hearing Officer had gone wrong in her self-direction as to what constituted goodwill, or as to the level of goodwill which needed to be demonstrated in order to support a claim in passing off. The Appellant’s essential complaint was that the Hearing Officer had failed to give sufficient weight to various elements of the Appellant’s evidence, and that, if she had done so, she should have concluded that the Appellant’s goodwill was significant at the relevant date.
39. The evaluation of the Appellant’s evidence was however a matter for the Hearing Officer. The Hearing Officer plainly had all the evidence in the case, which was not extensive, well in mind. She summarised that evidence in the Decision, and then carried out her evaluation of that evidence in the section of the Decision (Paragraphs 18-22) where she considered whether the Appellant

had established the required goodwill at the relevant date. I can see no error of principle in the way that the Hearing Officer either approached or evaluated the evidence. It seems to me that the Hearing Officer's conclusion that the Appellant had established a small, but not trivial goodwill at the relevant date was one which was entirely open to her. For what it is worth, I agree with this conclusion of the Hearing Officer, but even if the evidence had struck me in a different way, I would not have regarded the Hearing Officer's conclusion as one with which I, exercising an appellate jurisdiction, was entitled to interfere.

40. So far as *Lumos* was concerned, the Hearing Officer only relied upon that case as demonstrating that sufficient goodwill to support a case in passing off could be established on the basis of only a limited number of customers and limited sales, with the vast majority of the sales being to trade customers. The Appellant argues that because the sales figures in the present case were higher at the relevant date, the Hearing Officer should not have concluded that the sales figures were "*low*" (see the second ground of appeal).
41. The Hearing Officer did not in fact find that the sales figures were "*low*". She found that the sales figures were "*on the low side, but not a negligible sum*" (Paragraph 20), which is not the same thing. The more relevant point however is that I cannot see that the Hearing Officer was required to make a direct comparison between the sales figures in the *Lumos* and the sales figures in the present case. That would have been a crude and potentially misleading exercise. The sales figures in the present case fell to be considered by reference to the market in which the Appellant was operating, and by reference to all the circumstances of the present case, as established by the evidence. This included the point, made to me by Mr. Pearson in oral submissions, that in *Lumos*, the vast majority of the sales were to trade customers, in contrast to the present case where, as I understand the position, the Appellant's business does not involve trade sales.
42. The Hearing Officer did not however use *Lumos* for the purposes of direct comparison. What the Hearing Officer did was to rely on *Lumos*, correctly in my judgment, as authority for the proposition that very limited sales figures could be relied upon to establish the goodwill required for a claim in passing off. This reliance, which was favourable to the Appellant, seems to me to have been legitimate reliance upon *Lumos*. Accordingly, I can see no basis for the argument that Hearing Officer misapplied *Lumos*.
43. It is neither necessary nor appropriate for me to go into the evidence which was before the Hearing Officer. While this is not strictly relevant to my decision on the first three grounds of appeal, I think that it is worth noting that the evidence before the Hearing Officer was that the UK wine market was valued at £10.6 billion in November 2018, when the Appellant launched its business and commenced to use its mark. In the period of 10 months to the relevant date (26th September 2019) the Appellant's sales were £165,360.11. Even allowing for Mr. Pearson's point that this was an expanding business, and even taking into account the niche and specialist nature of the Appellant's business, it is difficult to see how the case can be made that there was more goodwill at the relevant date than that found by the Hearing Officer. Had the Hearing Officer reached a

conclusion that greater goodwill existed on the relevant date, one might reasonably have doubted whether that was an appropriate conclusion on the evidence in the case.

44. I therefore conclude that the first three grounds of appeal fail. I cannot see any error of principle in the Hearing Officer's approach to and evaluation of the evidence in relation to the question of whether the Appellant had established the goodwill required to support its claim in passing off, or in the conclusion reached by the Hearing Officer. Nor can I see anything wrong, let alone clearly wrong in that approach or evaluation, or in the conclusion.
45. I was, initially, somewhat puzzled as to why the Appellant was challenging the Hearing Officer's conclusion on goodwill, given that the conclusion was in the Appellant's favour. The Hearing Officer found that the evidence demonstrated sufficient goodwill to satisfy the first required element of a claim in passing off. Mr. Pearson explained to me however that the Hearing Officer's conclusion on goodwill had a knock-on effect, in terms of the Hearing Officer's conclusion on the second required element of a claim in passing off; namely misrepresentation.
46. The fourth ground of appeal is concerned with the third element of the tort of passing off, namely damage resulting from the relevant misrepresentation, and thus only arises if the Hearing Officer was wrong in her conclusion on misrepresentation. I therefore move on to the fifth ground of appeal, which is that the Hearing Officer failed properly to apply the guidance which she cited from Halsbury's Laws, in considering whether misrepresentation had been established.
47. It is not in dispute that the Hearing Officer was entitled to direct herself by reference to the guidance in Halsbury's Laws. The fifth ground of appeal recites the same guidance. The argument is that the Hearing Officer gave no, or no sufficient weight to the factors identified in the fifth ground of appeal.
48. The difficulty which confronts the Appellant in relation to this ground of appeal is much the same as the difficulty which exists in relation to the first three grounds of appeal. Having directed herself correctly as to how she should approach the question of misrepresentation, the Hearing Officer then had to make an evaluation of whether the Appellant could demonstrate a misrepresentation by the Respondent to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the Respondent were the goods or services of the Appellant.
49. The Hearing Officer made that evaluation in Paragraph 26. It is quite clear that the Hearing Officer made that evaluation with the Halsbury's guidance firmly in mind. The guidance is specifically mentioned at the beginning of Paragraph 26. It is also clear that the Hearing Officer had in mind all the evidence which she had received. She had already provided a summary of that evidence in the Decision. It is also clear, from the reasoning of the Hearing Officer in Paragraph 26, that she did consider the various factors which are listed in the fifth ground of appeal. The only exception to this is that the Hearing Officer came to the question of misrepresentation having found that there was a small goodwill at

the relevant date, of which the Appellant's mark was distinctive, albeit that goodwill was sufficient to support the claim in passing off. The Hearing Officer did not find that the goodwill existed at the level contended for by the Appellant. In that respect however, and for the reasons which I have already set out, the Hearing Officer did not go wrong in the finding of goodwill which she made. It follows that the Hearing Officer, in considering the question of misrepresentation, did not proceed on the basis of an incorrect finding in relation to goodwill.

50. The Appellant's argument is that if the factors listed in the fifth ground of appeal had been taken into account, they would have obliged the Hearing Officer to conclude that there was a misrepresentation. I cannot see that. The listed factors did not oblige the Hearing Officer to reach a particular conclusion. The matter was one for the evaluation and judgment of the Hearing Officer. In my judgment the Hearing Officer was quite entitled to conclude that there was no misrepresentation.
51. I therefore conclude that the fifth ground of appeal fails.
52. The sixth ground of appeal asserts that the Hearing Officer erred in wholly dismissing the verbal elements of the respective marks, and failed to consider the marks on a global basis.
53. This is not however a correct characterisation of the relevant part of the Decision. In her evaluation in Paragraph 26 the Hearing Officer first decided that the verbal elements of the two marks were "*virtually identical*". The Hearing Officer did however go on to decide that there was a "*distinctiveness*" between the two marks, emanating "*from the use of the respective device elements, namely a letter W or the silhouette of two wine glasses in the applicant's mark and a single filled wine glass for the opponent*". The Hearing Officer then went on to explain, in her view, (i) why consumers looking for wine recommendations would be inclined to see the virtual identity of the verbal elements of the two marks ("*the shared word element*") as "*a coincidental use of descriptive language*", and (ii) why the difference in the devices in the two marks would be sufficient for consumers to distinguish between one wine app producer and the other.
54. There was no dismissal of the verbal elements of the marks in this reasoning. Nor was there a failure to consider the marks globally. Looking at the marks in the round, the Hearing Officer concluded, on the facts of the case, that the distinctiveness of the non-verbal devices in the marks was sufficient to achieve the required distinctiveness between the two marks, notwithstanding the virtually identical verbal elements. I can see no error of principle either in this reasoning or in the conclusion which resulted from this reasoning. Nor can I see anything wrong, let alone clearly wrong in this reasoning or the resulting conclusion.
55. I therefore conclude that the sixth ground of appeal fails.

56. The seventh ground of appeal asserts that the Hearing Officer went wrong in her finding that “*consumers who are looking for wine recommendations will be inclined to see the shared word element as a coincidental use of descriptive language given the nature of the app and would rely on the device elements of the respective marks to distinguish between one wine app provider and another*”. It is said that there was no evidence of this, and no basis for such a finding. It is then said that if the Hearing Officer had viewed the Appellant’s mark globally she should have concluded that the verbal elements formed an inseverable part of its distinctiveness.
57. So far as this was an argument that the Hearing Officer failed to view the marks on a global basis, the argument fails, for the same reasons as I have set out in rejecting the sixth ground of appeal. So far as it is an argument that the Hearing Officer was not entitled, in the absence of evidence, to make the judgment which she made as to the behaviour of consumers, it seems to me that the argument suffers from at least two associated problems.
58. First, and as Mr. Pearson confirmed to me in his oral submissions, the present case is not one where it is being said that there had been a course of dealing sufficient for the verbal element of the Appellant’s mark to have become so associated with the Appellant as to have acquired a secondary meaning descriptive of the Appellant’s services, and the Appellant’s services alone; see Lord Oliver in *Reckitt & Colman* at 505H. Such an argument would plainly not be tenable in a case where only 10 months of dealing is relied upon.
59. Given this position, and as Mr. Harris pointed out in his oral submissions, the burden was upon the Appellant to establish before the Hearing Officer that the difference in the devices on the marks was insufficient to prevent confusion in the minds of consumers. In theory, this might have been demonstrated by evidence from consumers, but no evidence of this kind was placed before the Hearing Officer. In the absence of such evidence, it seems to me that the matter became one for argument, on the available evidence. That being so, I do not see how the Hearing Officer can be criticised for making her own judgment of likely consumer behaviour, on the basis of the evidence which she did have (i) as to the nature of the services offered by the Appellant and the Respondent, (ii) as to the nature of the market in which the Appellant and the Respondent were operating, and (iii) as to any other circumstances said to be relevant.
60. Second, and leaving aside the absence of any evidence in the case from consumers, I would not accept that the judgment made by the Hearing Officer as to likely consumer behaviour was one which the Hearing Officer could not make on the available evidence. It seems to me that the Hearing Officer was quite entitled to make her own judgment, or evaluation of how consumers would view the respective marks. No authority was cited to me to the effect that the Hearing Officer could not make such a judgment. Such a judgment was, in my view, an essential part of the decision required of the Hearing Officer in this case. One can test the matter this way. I cannot see that it would have been appropriate, or correct for the Hearing Officer to decline to go into the question of likely consumer behaviour. If the Hearing Officer had declined to go into this question, the logical result would have been a situation where the Hearing

Officer would have had to conclude that the claim in passing off had not been established, because she had no evidence from consumers as to how they would react to the respective marks. On that hypothesis, the Decision might have been said to be open to challenge on the basis that (i) the Hearing Officer had wrongly failed to engage with the available evidence and (ii) had wrongly failed to answer a question which she was required to answer and was able to answer on the available evidence.

61. In summary, it seems to me that the Hearing Officer was entitled to make the judgment which she did make as to the behaviour of consumers. Mr. Pearson endeavoured to persuade me that the judgment made by the Hearing Officer in this respect was wrong, but that seemed to me to be an attempt to re-argue a matter which had already been decided by the Hearing Officer. In the absence of any error of principle, I cannot see any grounds for challenging the judgment of the Hearing Officer on the behaviour of consumers.
62. Accordingly, it seems to me that the seventh ground of appeal fails.
63. The final three grounds of appeal also seek to argue, in different ways, that the Hearing Officer went wrong in her comparison of the two marks.
64. The eighth ground of appeal engages with the authority of *Office Cleaning Services Limited v Westminster Window & General Cleaners Limited* [1946] 63 RPC 39. The Hearing Officer cited, at Paragraph 24, the following extract from the speech of Lord Simonds, at page 6 of the report:

“where a trader adopts words in common use for his trade name, some risk of confusion is inevitable. But that risk must be run unless the first user is allowed unfairly to monopolise the words. The Court will accept comparatively small differences as sufficient to avert confusion. A greater degree of discrimination may fairly be expected from the public where a trade name consists wholly or in part of words descriptive of the articles to be sold or the services to be rendered.”
65. The Appellant argues that the Hearing Officer misdirected herself as to the effect of this authority, and should have concluded that there were no small differences in the respective verbal elements that were sufficient to avoid confusion, and that the use of virtually identical words in the Respondent’s mark would lead the public to believe that the goods or services that might be offered by the Respondent were the goods and services of the Appellant and, by reason of that erroneous belief, would be likely to cause damage to the goodwill of the Appellant’s business.
66. So far as this was an argument that the Hearing Officer was wrong in the distinction which she drew between the two marks, I have already dealt with that argument in relation to the seventh ground of appeal. The only difference I can see in the eighth ground of appeal is the argument that the Hearing Officer misapplied the *Office Cleaning* case. I cannot see however that there was any misapplication of this authority. Contrary to what is asserted by the Appellant the Hearing Officer did not find that there were small differences in the verbal elements of the respective marks which were, on the authority of *Office*

Cleaning, sufficient to distinguish the two marks. To the contrary, the Hearing Officer decided that the verbal elements of the two marks were “*virtually identical*”. This was why, if distinctiveness was to be found between the two marks, viewed globally, such distinctiveness had to be found in the non-verbal devices included in the marks. For the reasons which she gave, the Hearing Officer found the requisite distinctiveness was achieved by the respective non-verbal devices in the marks. For the reasons which I have already given, I do not think that the judgment of the Hearing Officer on that question of distinctiveness can be faulted.

67. I suppose it might be contended that reference to *Office Cleaning* was unnecessary, given the terms of the reasoning in Paragraph 26. I do not think however that such a criticism would be justified. It seems to me that it was relevant to make the point that, as in *Office Cleaning*, the verbal elements of the two marks contained words in common use; namely “*wine/wines*” and “*app*”. Neither word had acquired any secondary meaning in the Appellant’s mark. It therefore followed that, in considering the non-verbal elements of each mark, the Hearing Officer was not in a situation where, by virtue of a secondary meaning in the verbal element of Appellant’s mark, a distinction between the non-verbal elements of the mark might be reduced in importance. Instead, the way was clear for the Hearing Officer to reason as she did in Paragraph 26, in relation to the non-verbal elements of the respective marks.
68. The ninth ground of appeal asserts that the Hearing Officer failed to make a qualitative comparison between the non-verbal devices in the respective marks. It is argued that if the Hearing Officer had made this qualitative comparison between the two marks, she would have been obliged to conclude that there was a high degree of visual and conceptual similarity which would lead the public to believe that the goods or services that might be offered by the Respondent were the goods and services of the Appellant and, by reason of that erroneous belief, would be likely to cause damage to the goodwill of the Appellant’s business.
69. The Hearing Officer did however make such a qualitative comparison, in Paragraph 26. The outcome of her qualitative comparison was her conclusion that there was no misrepresentation because there was sufficient distinctiveness achieved by the non-verbal devices in the marks.
70. Before me Mr. Pearson sought to argue that the Hearing Officer had failed to make a sufficiently detailed analysis of the respective devices, and had thus failed to detect the high degree of visual and conceptual similarity which existed between the two devices and which would lead the public to believe that they were engaging the services of the Appellant when they were in fact engaging the service of the Respondent. In support of this argument, and more generally in support of his arguments, Mr. Pearson referred me to both domestic and EU cases where the relevant court had had to consider questions of similarity between names or non-verbal devices. Mr. Pearson laid particular stress on *The British Diabetic Association v The Diabetic Society and others* [1996] F.S.R. 1, in which the use of the word “*Society*” in the name of the British Diabetic

Society was found to be deceptively similar to the use of the word “*Association*” in the name of the British Diabetic Association.

71. Mr. Harris contended that trade mark cases were irrelevant in the present case, which is a passing off case, and that I should pay no attention to the EU cases cited, which were trade mark cases. I have my doubts that this is correct. It seems to me that in considering questions of similarity between names or marks in a passing off case, decisions made in trade mark cases may well involve similar issues and may well, for that reason, have relevance. It is not however necessary for me to decide this point, and I do not do so. The reason for this is that authorities which deal with questions of similarity between names or non-verbal devices would only be of assistance in this case if they indicated that the Hearing Officer in the present case had made some error of principle in her approach to the question of misrepresentation, or had reached a conclusion which was plainly wrong. The cases relied upon by Mr. Pearson do not seem to me to demonstrate either of these things.
72. It is essentially for this reason that I doubt that much turns on the point made by Mr. Harris that the present case involves a claim in passing off, rather than a claim for infringement of a registered trade mark.
73. This leaves the tenth ground of appeal, which is that the Hearing Officer should have concluded that the misrepresentation arising from the device elements was increased by the virtual identity of the verbal elements and vice versa, or alternatively that the Hearing Officer should have concluded that the misrepresentation arising from the device elements was increased by the Hearing Officer’s earlier findings that the mark relied upon was distinctive of the Appellant’s goodwill and that the distinctiveness of both marks emanated from the use of the respective non-verbal device elements.
74. This is however simply a reiteration of the argument that the Hearing Officer was wrong to decide that sufficient distinctiveness was achieved between the two marks by the non-verbal devices. For the reasons which I have already set out, it seems to me that this argument fails.
75. I therefore conclude that the final three grounds of appeal fail.
76. As I have said, the fourth ground of appeal only arises if the Hearing Officer was wrong in her conclusion on misrepresentation. Given that I do not think that the Hearing Officer was wrong in her conclusion on misrepresentation, it follows, as the Hearing Officer stated at the end of Paragraph 26, that there can be no damage. The fourth ground of appeal does not therefore arise.
77. There remains the overall argument of the Appellant that the Hearing Officer was clearly wrong in the conclusion which she reached. There are two difficulties with this overall argument.
78. First, and for the reasons which I have already set out, I cannot see any error of principle or law made by the Hearing Officer. It seems to me that the Hearing Officer directed herself correctly as to the law of passing off, and as to how she

should approach the questions of whether the Appellant had demonstrated the required elements of goodwill and misrepresentation. On the basis of that self-direction the Hearing Officer then made her evaluation of the evidence in the case, and reached conclusions which were plainly, and on any view of the matter, conclusions which she was entitled to reach.

79. Second, and in the absence of a distinct and material error of principle, it is clear from *REEF* that I should show a real reluctance to interfere with the Decision. Even if therefore, I was inclined to disagree with the conclusion of the Hearing Officer, it does not seem to me to be right that I should interfere.
80. I should add, for the avoidance of doubt, that I do not in fact disagree with the conclusion of the Hearing Officer. In my view, the Hearing Officer reached the correct conclusion, on the evidence before her, and was right to reject the Appellant's objection to the application to register the Respondent's mark. If therefore I was rehearing the application to register the Respondent's mark, I would reach the same conclusion as the Hearing Officer. As it is, I am reviewing the Decision. The outcome of that review is that I can see no reason to interfere with the Decision.

Conclusion

81. The outcome of the appeal is that the appeal fails, and falls to be dismissed. The Decision stands.
82. I will hear the parties separately on any matters consequential upon this judgment, if and to the extent that the terms of the consequential order cannot be agreed between the parties.