

O/158/12

TRADE MARKS ACT 1994

**IN THE MATTER OF REGISTRATION No. 2470447
STANDING IN THE NAME OF
ERIC MACKAY**

AND

**IN THE MATTER OF A REQUEST FOR A DECLARATION
OF INVALIDITY THERETO UNDER No. 83959
BY CHADHA ORIENTAL FOODS LIMITED**




BACKGROUND


1) The following trade mark is registered in the name of Eric Mackay .

Mark	Number	Filing and Registration Dates	Class	Specification
SILK ROAD	2470447	24.10.07 / 25.04.08	33	Wine

2) By an application dated 16 February 2011 Chadha Oriental Foods Limited (hereinafter COF) applied for a declaration of invalidity in respect of this registration. The grounds are, in summary:

a) COF is the registered proprietor of the following trade marks:

Mark	Number	Filing and Registration Dates	Class	Specification
	CTM 7486211	22.12.2008 29.07.2009	29	Meat and meat products; fish and fish products; poultry and poultry products; game; meat extracts; preserved, dried and cooked fruits and vegetables; salads; preserves; pickles, vegetable purees and extracts, instant meals, prepared meals and ingredients therefor, snack foods, edible oils and fats.
			30	Bread, cereal and cereal preparations; flour, pastry and confectionery; preparations for making sauces; sauces; spices, condiments, essences, flavourings, instant meals, prepared meals and constituents for meals; snack foods.
			33	Alcoholic beverages; Chinese rice wine; spirits and liqueurs; alcopops; alcoholic cocktails
	CTM 4384608	12.04.2005 24.05.2006	29	Meat and meat products; fish and fish products; poultry and poultry products; game; meat extracts; preserved, dried and cooked fruits and vegetables; salads; preserves; pickles, vegetable purees and extracts, instant meals, prepared meals and ingredients therefor, snack foods, edible oils and fats.
			30	Bread, cereal and cereal preparations; flour, pastry and confectionery; preparations for making sauces; sauces; spices, condiments, essences, flavourings, instant meals, prepared meals and constituents for meals; snack foods.
	UK 2135809	13.06.1997 19.12.1997	29	Meat and meat products; fish and fish products; poultry and poultry products; game; meat extracts; preserved, dried and cooked fruits and vegetables; salads; preserves, pickles, vegetable purées and extracts, instant meals, prepared meals and ingredients therefor, snack foods, edible oils and fats.
			30	Bread, cereal and cereal preparations; flour, pastry and confectionery; preparations for making sauces; sauces; spices, condiments, essences,

				flavourings, instant meals, prepared meals and constituents for meals; snack foods.
 <p>A series of two marks.</p>	UK 2381055	23.12.2004	29	Meat and meat products; fish and fish products; poultry and poultry products; game; meat extracts; preserved, dried and cooked fruits and vegetables; salads; preserves; pickles, vegetable purees and extracts, instant meals, prepared meals and ingredients therefor, snack foods, edible oils and fats.
		07.10.2005	30	Bread, cereal and cereal preparations; flour, pastry and confectionery; preparations for making sauces; sauces; spices, condiments, essences, flavourings, instant meals, prepared meals and constituents for meals; snack foods.

b) COF relies upon the above registrations and states that the mark in suit is similar and that the goods are similar such that the mark in suit offends against Sections 5(2)(b) and 5(3) of the Act. COF also states that it has used the mark SILK ROAD and also a sign identical to trade mark 2135809 in the UK since 1998 on a range of Asian food and beverage products including meat, seafood products, preserved fruits and vegetables, edible oils and fats, rice, rice wine, snack foods, biscuits, confectionery, sauces, condiments, coconut milk, nuts, pre-prepared cooking powders and pastes. As such the mark in suit offends against Section 5(4)(a) of the Act.

3) Mr Mackay provided a counterstatement, dated 19 April 2011, in which he denies that the mark CTM 7486211 is an earlier mark, as it was filed on 2 December 2008 with no claim to seniority or priority. Whilst accepting that the opponent's marks contain the words SILK ROAD, it is denied that the words form a distinctive and dominant component of the opponent's marks. It is accepted that there is a high degree of aural similarity between the two parties' marks but it is denied that the marks are visually or conceptually similar. It is also denied that there is similarity between the goods of the two parties. It is denied that the opponent has used its marks since 1998 or that it enjoys any goodwill or reputation in the UK. The opponent is put to strict proof if use.

4) Both sides filed evidence. Both ask for an award of costs. Neither side wished to be heard but both provided written submissions which I shall refer to as and when required.

EVIDENCE OF COF

5) COF filed a witness statement, dated 19 July 2011, by Mr Alan Martin the Company Secretary of COF, a position he has held since April 1997. He states that COF was incorporated in 1980 and is part of Grace Foods Ltd which is one of the UK's most progressive food companies which supplies a range of speciality and ethnic food products to the retail, wholesale and foodservices sectors throughout the UK and Europe. He states that COF began using the mark SILK ROAD in June 1998, and since then have developed a range of food and drink products including rice, sauces, pastes, rice wine, fruit, vegetables, fortune cookies, oils and meat. He states that the first use of the mark SILK ROAD was upon bamboo shoots in June 1998. The products are sold in supermarkets and grocery stores and are also available on-line. Mr Martin provides the following sales and promotion figures which relate to sales of products under the SILK ROAD brand in the UK:

Year	Sales £	Promotional activity £
2005	2,569,525	64, 238
2006	2,711,651	67,791
2007	3,086,940	77,173
2008	3,989,187	99,729

6) Mr Martin states that the products are promoted using local, trade and national newspapers, display advertising and billboards, and also the internet. Mr Martin states that COF also attends international food trade shows and events, such as IFE in London in 2007 (he states that this is the UK's largest food and drink event and takes place every two years), and Anuga in Cologne in 2007 which is a premier European foodservice exhibition.

- Exhibit AM1: copies from COF's website showing use of the SILK ROAD brand on fortune cookies. It has a copyright date of 2004-2005 and so was produced at some point after 2005 but the only other date upon the exhibit is 16 June 2011.
- Exhibit AM2 & 3: A copy of COF's Product Range catalogue and Industrial List both of which show use of the SILK ROAD mark upon rice, sauces, pastes, rice wine, fruit, vegetables, fortune cookies, oils and meat. Mr Martin states that the mark is prominently displayed on the packaging of all the products offered. These show use on tinned fruit and vegetables, rice, fortune cookies, crackers, sauces, pastes, meat and nuts and rice wine. They also include a wide range of other products produced under other brands which is totally irrelevant. None of the pages of either document is dated. No details of to whom these items were sent is provided.
- Exhibit AM4: Copies of a selection of invoices, which are said to have been issued to customers throughout the UK.

Date	Item	Amount £	Location
09.09.03	Chilli sauce	857.50	Norway
20.02.04	Mushrooms	48.75	Middlesex
27.06.11	Fortune cookies	10.00	London
27.06.11	Bamboo shoots	4.95	London
27.06.11	Mushrooms	5.95	London
27.06.11	Water chestnuts	11.00	London
27.07.11	Rice	322.25	London
27.07.11	Bamboo shoots	15.90	London
27.07.11	Rice wine	53.00	London
26.08.11	Rice	870.00	London
26.08.11	Fortune cookies	11.95	London

- Exhibit AM5: Printouts from various websites of traders who offer the SILK ROAD products. These show fortune cookies with a "date first available on Amazon" of 26 August 2010, rice which was added to the sellers catalogue on 12 September 2010, tinned fruit and vegetables and sesame oil all of which only have the date of the search 30 June 2011.

- Exhibit AM6 & 7: Copies of various advertisements for SILK ROAD products. This includes a page, presumably from a 2008 Federation of Chinese Association of Manchester booklet, simply showing all nine sub brands of COF(including Silk Road), but only stating that COF supplies “specialist ingredients to the Chinese trade and community”. The same advertisement is used in the Manchester Evening News, dated 2009, and a brochure for the 2008 Edinburgh Chinese Open golf tournament held at Edinburgh. There are advertisements for fortune cookies, dated 2010, 31 January 2009 and 18 June 2005 in the FU Journal, West End Extra (a London newspaper) and The Grocer respectively. There is also an advertisement for COF with four sub-brands (Silk Road amongst them) as “Supplier of Authentic Oriental Ingredients” from Food and Drink in November 2008. There are also uses of Silk Road in what appear to be cash and carry warehouses where the mark is used *solus* or with the logo “A taste of the Orient”. Only once does a product feature and that is fortune cookies. Only one photograph has a date, and that shows five of COF’s brands including Silk Road, does not mention any particular products and is dated 23 September 2009.
- Exhibit AM8: Copies of various SILK ROAD labels during their development. These show fortune cookies, dated 23 November 2005, corn flour dated 16 January 1998, fish sauce dated 29 January 1998 and pork shoulder dated 17 November 2008.
- Exhibit AM9: Photographs of COF’s stand at the IFE event. The event took place from 18-21 March 2007. The photographs are of poor quality and some details are very hard to make out, however, it appears to show use of the Silk Road mark upon tinned fruit and vegetables, rice, pastes and sauces and fortune cookies.
- Exhibit AM10: Photographs of COF’s stand at the Anuga event. This event was in 2007 and the photographs simply show the mark in suit upon a stand, no details of the products can be seen.
- Exhibit AM11: Copies of various flyers produced to promote the brand. It is not clear when these were produced or distributed. The only ones which have hand written dates upon them show fortune cookies in January 2003, 2007 and December 2008
- Exhibit AM12: Photographs of various merchandising items which the company distributes. This includes a 2003 calendar which shows tinned vegetables with the Silk Road brand. No details were provided of who received these items.

EVIDENCE OF MR MACKAY

7) Mr Mackay provides two witness statements. The first, dated 6 November 2011, is by himself. He states that from March 2005 to 2007 he worked on getting an agreement with the Chinese government, and getting International accreditation for the wine produced via a wine expert. During this time he talked to Morrisons regarding his range of SILK ROAD wines. At exhibit EM1 he provides a delivery summary produced as part of the proposal to Morrisons, showing use of the mark in suit, and at exhibit EM2 documentation produced dated March 2007 which details the accreditation process and audits. He states

that in 2007 he received his first order from Morrisons for his Silk Road wine. At exhibit EM3 he provides a copy of an invoice, dated 17 September 2007, to Morrisons for 3,900 cases (6 bottles per case) of Silk Road wines. The invoice is from W3 Wines (a company licenced by Mr Mackay) and shows no value as owing.

8) Mr Mackay states that in 2008 he began presenting his wines to other potential purchasers as the deal with Morrisons was only subject to a six month exclusivity clause. At exhibit EM 4 he provides some of his presentation material which emphasises that the wine is produced in Northern China on the old silk road route. At the International Wine Challenge 2008, two of the Silk Road wines won awards. At exhibit EM5 he produces copies of the certificates and also a press release which mentions the awards and includes a photograph of the two bottles which shows use of the mark in suit.

9) Mr Mackay comments that the opponent has shown use on a rice wine which, from its packaging is clearly intended for use as a cooking ingredient, not as a table wine. He states that the opponent targets small to medium specialist independent retailers. At exhibit EM6 he provides copies of internet searches for Sainsbury, Tesco, Waitrose and Asda which all return a "nil return for the term "silk road".

10) The second witness statement, dated 8 November 2011, is by Paul Brandon a Trade Mark Attorney. He provides copies of the Registry Cross search lists for Classes 29, 30 and 33. Class 33 is not mentioned against Classes 29 and 30 and only Class 32 products are mentioned regarding Class 33 goods.

11) That concludes my review of the evidence. I now turn to the decision.

DECISION

12) Section 47 of the Trade Marks Act 1994 reads:

"47.-(2) The registration of a trade mark may be declared invalid on the ground -

- (a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or
- (b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration."

13) I shall first consider the ground of invalidity under Section 5(2)(b) which reads:

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

- (a)....
- (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.”

14) An “earlier trade mark” is defined in section 6, the relevant part of which states:

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

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

15) COF is relying upon its four trade marks listed in paragraph 2 above. Three of the marks CTM 4384608, UK 2135809 and UK 2381055 are clearly earlier trade marks. However, CTM 7486211 was filed on 22 December 2008 considerably after the mark in suit which was filed on 24 October 2007. No priority date was claimed for this mark and so it cannot be included as part of the Section 5(2)(b) ground.

16) Regarding Proof of Use in section 47 (grounds for invalidity of registration), after subsection (2) there shall be inserted –

“(2A) But the registration of a trade mark may not be declared invalid on the ground that there is an earlier trade mark unless –

- (a) the registration procedure for the earlier trade mark was completed within the period of five years ending with the date of the application for the declaration,
- (b) the registration procedure for the earlier trade mark was not completed before that date, or
- (c) the use conditions are met.

(2B) The use conditions are met if-

- (a) within the period of five years ending with the date of the application for the declaration 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) it has not been so used, but there are proper reasons for non-use.

(2C) For these purposes –

- (a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, 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.

(2D) In relation to a Community trade mark, any reference in subsection (2B) or (2C) to the United Kingdom shall be construed as a reference to the European Community.

(2E) 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.”

17) In these proceedings COF is relying upon its earlier marks which have registration dates of 24 May 2006 (CTM 4384608), 19 December 1997 (UK 2135809) and 7 October 2005 (UK 2381055). In the instant case the date of the application was 24 October 2007. Therefore, only UK 2135809 is subject to the proof of use conditions. However, I note that all three of the marks which are earlier marks have identical specifications and are, to my mind, effectively identical marks. The only differences between the marks is that the earlier mark has four Chinese characters whilst the later marks have an additional two characters in the middle of the previous four. I see no point in carrying out the proof of use test as the COF's strongest position will be under the full specification of CTM 4384608.

18) In my consideration of a likelihood of confusion, I take into account the guidance from the settled case law provided by the Court of Justice of the European Union (CJEU) in *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v Adidas AG & Adidas Benelux BV* [2000] E.T.M.R. 723, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH* C-120/04 and *Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) C-334/05 P (LIMONCELLO)*. In the recent case of *La Chemise Lacoste SA v Baker Street Clothing Ltd* [ALLIGATOR O/333/10] Mr Hobbs QC acting as the Appointed Person set out the test shown below which was endorsed by Arnold J. in *Och-Ziff Management Europe Ltd and Oz Management Lp v Och Capital LLP; Union Investment Management Ltd & Ochocki*, [2010] EWCH 2599 (Ch).

(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/ 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; 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;

(e) 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 in that mark;

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

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

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

(i) 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;

(j) if the association between the marks causes the public to wrongly believe that the respective goods or services come from the same or economically linked undertakings, there is a likelihood of confusion.

19) In essence the test under section 5(2)(b) is whether there are similarities in marks and goods which would combine to create a likelihood of confusion. In my consideration of whether there are similarities sufficient to show a likelihood of confusion I am guided by the judgments mentioned above. The likelihood of confusion must be appreciated globally and I need to address the degree of visual, aural and conceptual similarity between the marks, evaluating the importance to be attached to those different elements taking into account the degree of similarity in the goods, the category of goods in question and how they are marketed. Furthermore, I must compare COF's marks and Mr Mackay's mark on the basis of their inherent characteristics assuming normal and fair use of the marks on the goods listed at paragraph 23 below.

20) The effect of reputation on the global consideration of a likelihood of confusion under Section 5(2)(b) of the Act was considered by David Kitchin Q.C. (as he was then) sitting as the Appointed Person in *Steelco Trade Mark* (BL O/268/04). Mr Kitchin concluded at paragraph 17 of his decision:

"The global assessment of the likelihood of confusion must therefore be based on all the circumstances. These include an assessment of the distinctive character of the earlier mark. When the mark has been used on a significant scale that distinctiveness will depend upon a combination of its inherent nature and its factual distinctiveness. I do not detect in the principles established by the European Court of Justice any intention to limit the assessment of distinctiveness acquired through use to those marks which have become household names. Accordingly, I believe

the observations of Mr. Thorley Q.C in *DUONEBS* should not be seen as of general application irrespective of the circumstances of the case. The recognition of the earlier trade mark in the market is one of the factors which must be taken into account in making the overall global assessment of the likelihood of confusion. As observed recently by Jacob L.J. in *Reed Executive & Ors v. Reed Business Information Ltd & Ors*, EWCA Civ 159, this may be particularly important in the case of marks which contain an element descriptive of the goods or services for which they have been registered. In the case of marks which are descriptive, the average consumer will expect others to use similar descriptive marks and thus be alert for details which would differentiate one mark from another. Where a mark has become more distinctive through use then this may cease to be such an important consideration. But all must depend upon the circumstances of each individual case.”

21) The relevant date in this case is the date of application 24 October 2007. To my mind COF have singularly failed to show that by the relevant date, they had a significant reputation in the goods for which the marks are registered. They provided turnover figures for the period 2005-2007 inclusive which averaged approximately £2.7 million per annum. However, these figures were not broken down in relation to each product or even each class of good. Nor did they show any evidence of market share or any independent trade evidence. Most of the evidence dates from after the relevant date, and even then lacks detail as to whom it was sent, numbers distributed etc. I note that the range was said to have been developed from 1998, but no details have been provided as to precisely what has been put on sale and when sales of each product began. Of the invoices provided only one was prior to the relevant date in relation to sales in the UK. This showed a sale of £48.75 of tinned mushrooms. Therefore, COF cannot benefit from an enhanced reputation. However, I do regard the words “SILK ROAD” as being inherently highly distinctive for goods in Classes 29 and 30.

22) I must now determine the average consumer for the goods of the parties, which are broadly, food and drink. To my mind the average consumer would be the average UK citizen, with the caveat that Mr Mackay’s goods could only be purchased by those over eighteen. To my mind the average consumer will take some care in selecting foodstuffs given the emphasis placed upon e.g. calorie intake and the high incidence of allergies which seem to be prevalent. Similarly, a bottle of wine will be carefully selected in order that the preference of the purchaser (white/red, sweet/dry) is met. I must always take into account the doctrine of imperfect recollection.

23) As stated earlier, I shall use the specification of CTM 4384608. The goods of both parties are shown below for ease of reference:

Mr Mackay’s specification	COF’s specification
Class 33: Wine	Class 29: Meat and meat products; fish and fish products; poultry and poultry products; game; meat extracts; preserved, dried and cooked fruits and vegetables; salads; preserves; pickles, vegetable purees and extracts, instant meals, prepared meals and ingredients therefor, snack foods, edible oils and fats.
	Class 30: Bread, cereal and cereal preparations; flour, pastry and confectionery; preparations for making sauces;

	sauces; spices, condiments, essences, flavourings, instant meals, prepared meals and constituents for meals; snack foods.
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24) The accepted test for comparing goods is that set out by Jacob J. in *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 28 TREAT, which was effectively endorsed by the Advocate General in *Canon*; ETMR 1. The factors to be taken into account are:

- a) The respective uses of the respective goods;
- b) The respective users of the respective goods;
- c) The physical nature of the goods;
- d) The respective trade channels through which the goods 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 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 in the same or different sectors.

25) The opponent contends that goods of both parties are food and beverage items, and that wine and alcohol is often used in cooking to add flavour. Clearly, wine is a drink whilst the specification of COF consists of food, therefore the uses are different, one being to assuage hunger, the other to quench one's thirst. The users will be broadly the same, albeit only those who imbibe alcohol and are over the age of eighteen will partake or purchase the goods of Mr Mackay. The physical nature of the products is obviously different and they will be in different areas of a supermarket or shop and whilst they can share part of a trade channel they also have different ones. The goods are not competitive. Overall, the goods are dissimilar.

26) COF also contended that:

"It is a well established fact that wine and alcohol is used when cooking meals to add flavour, and so the respective goods are clearly complementary in their nature".

27) The question of complementary goods/services has been considered by the CFI in *Boston Scientific Ltd v Office for Harmonization in the Internal Market* (Trade Marks and Designs) (OHIM) Case T- 325/06 the CFI stated:

"It is true that goods are complementary if there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking (see, to that effect, Case T-169/03 Sergio Rossi v OHIM – Sissi Rossi (SISSI ROSSI) [2005] ECR II-685 , paragraph 60, upheld on appeal in Case C-214/05 P Rossi v OHIM [2006] ECR I-7057 ; Case T-364/05 Saint-Gobain Pam v OHIM – Propamsa (PAM PLUVIAL) [2007] ECR II-757 , paragraph 94; and Case T-443/05 El Corte Inglés v OHIM – Bolaños Sabri (PiraÑAM diseño original Juan Bolaños) [2007] ECR I-0000 , paragraph 48)."

28) Clearly wine is not indispensable with regard to food. Whilst it might be used as an ingredient in a foodstuff, this does not make them similar. I rely upon *Les Editions Albert Rene Sarl v OHIM Case C-16/06* [2009] E.T.M/R. 21 where it was held that:

“...the mere fact that a particular item is used as a part, element or component of another does not suffice to show that the finished goods containing that item are similar since their nature, intended purpose and intended customers may be completely different.”

29) Nor have COF shown that wine is important for the use of food such that the average consumer may think that the responsibility for the wine lies with those responsible for the food. COF have not shown any instances of food producers who use the same brand upon wine. In my opinion, as much wine is likely to be drunk without food as with food, equally, given the number of consumers who abstain and others who would describe themselves as “social” drinkers I would suggest that the vast majority of food is consumed without wine in it or in a glass alongside it. The goods are not complementary.

30) I shall now compare the marks of the two parties. As stated earlier I shall only be using one of COF’s marks as I regard them as effectively identical and believe that CTM 4384608 is a fine representation of them.

Mr Mackay’s mark	COF’s mark 4384608
SILK ROAD	

31) There are obvious visual and aural similarities as both marks contain the two words SILK ROAD. The only differences are the Chinese characters and border in COF’s mark. To my mind these will simply add to the Chinese “flavour” of COF’s mark. The border has a distinct pagoda shape. Many consumers will be aware of the trading route between China and the West known as the Silk Road. Before the advent of ships seaworthy enough to sail round the Cape of Good Hope the only way for goods from the Far East to reach Europe was overland, hence the establishment of the Silk Road. But some consumers will not be aware of this. Overall the marks are very similar.

32) When determining whether there is a likelihood of confusion I have to take a number of factors into consideration. There is the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods and vice versa. I must consider whether the opponent’s trade marks have a distinctive nature, the average consumer for the goods, the nature of the purchasing process and the issue of imperfect recollection. I must also take into account that these goods will be chosen with a degree of care. In the instant case the opponent’s marks do have a high degree of inherent distinctiveness. To my mind, although there are obvious similarities between the marks, the differences in the goods is such that there is no likelihood of confusion on the part of the public, or a

likelihood of association with the earlier trade mark. The ground of opposition under Section 5(2)(b) fails.

33) I now turn to consider the ground of invalidity under Section 5(4)(a) which reads:

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

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

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.”

34) In deciding whether the mark in question offends against this section, I intend to adopt the guidance given by the Appointed Person, Mr Geoffrey Hobbs QC, in the *WILD CHILD* case [1998] RPC 455. In that decision Mr Hobbs stated that:

“The question raised by the grounds of opposition is whether normal and fair use of the designation WILD CHILD for the purposes of distinguishing the goods of interest to the applicant from those of other undertakings (see section 1(1) of the Act) was liable to be prevented at the date of the application for registration (see Article 4(4)(b) of the Directive and section 40 of the Act) by enforcement of rights which the opponent could then have asserted against the applicant in accordance with the law of passing off.

A helpful summary of the elements of an action for passing off can be found in Halsbury’s Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165. The guidance given with reference to the speeches in the House of Lords in *Reckitt & Colman Products Ltd v. Borden Inc.* [1990] R.P.C. 341 and *Erven Warnink BV v. J. Townend & Sons (Hull) Ltd* [1979] AC 731 is (with footnotes omitted) as follows:

‘The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

- (1) that the plaintiff’s goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
- (2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by the defendant are goods or services of the plaintiff; and
- (3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant’s misrepresentation.

The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House.

This latest statement, like the House's previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal definition of passing off, and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House.'

Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:

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

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

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

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

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

(a) the nature and extent of the reputation relied upon;

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

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

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

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

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

35) I also note the comments of Pumfrey J in *South Cone Incorporated v JackBessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* case, in which he said:

“27. There is one major problem in assessing a passing off claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the Registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent’s reputation extends to the goods comprised in the applicant’s specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under Section 11 of the 1938 Act (See *Smith Hayden (OVAX)* (1946) 63 RPC 97 as qualified by *BALI* [1969] RPC 472). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed at the relevant date. Once raised the applicant must rebut the prima facie case. Obviously he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of possibilities that passing off will occur.”

36) I must also keep in mind the comments of Mr Justice Floyd in *Minimax GMBH & Co KG and Chubb Fire Limited* [2008] EWHC 1960 (Pat) in which he says of the above:

“Those observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be answered of passing off. I do not understand Pumfrey J to be laying down any absolute requirements as to the nature of evidence which needs to be filed in every case. The essential is that the evidence should show, at least prima facie, that the opponent’s reputation extends to the goods comprised in the application in the applicant’s specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application.”

37) First I must determine the date at which Mr Mackay’s claim is to be assessed; this is known as the material date. In this regard, I note the judgment of the General Court (GC) in *Last Minute Network Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM) Joined Cases T-114/07 and T-115/07. In that judgment the GC said:

“50 First, there was goodwill or reputation attached to the services offered by LMN in the mind of the relevant public by association with their get-up. In an action for passing off, that reputation must be established at the date on which the defendant began to offer his goods or services (*Cadbury Schweppes v Pub Squash* (1981) R.P.C. 429).

51 However, according to Article 8(4) of Regulation No 40/94 the relevant date is not that date, but the date on which the application for a Community trade mark was filed, since it requires that an applicant seeking a declaration of invalidity has

acquired rights over its non registered national mark before the date of filing, in this case 11 March 2000.”

38) The relevant date is the date of the application 24 October 2007. Mr Mackay claims to have begun using the mark in 2005, however this is not supported by the evidence and so I shall use only the relevant date.

39) COF has filed evidence regarding their activities. However, much of the evidence relates to other marks in their portfolio and not to their SILK ROAD marks. Also much of the evidence is either undated or dated after the relevant date. It is also very generalised and lacks specificity. For instance, whilst the first use in 1998 is said to be on bamboo shoots the introduction dates for other products is not provided. It is merely stated that the product range was developed. Hence, although turnover and promotional figures are provided it is not clear what goods or even what classes of goods these relate to. The figures are not put into context of market share and there is no independent trade evidence. There is only a single invoice for 24 tins of mushrooms with a value of £48.75 which COF can point to as direct evidence of goodwill. I accept that Mr Mackay did not seek to cross examine COF’s witness but he did point out the paucity of COF’s evidence in his own witness statement and in his submissions. I find that COF’s evidence is not sufficient for me to find that as at 24 October 2007 they had goodwill in their SILK ROAD marks. As such COF fails at the first hurdle of the section 5(4)(a) question and so the application for invalidity also fails.

40) In case I am wrong in finding that COF had no goodwill in its marks in October 2007, I will go on to consider the passing off action further. I accept that COF have significant sales figures, however there is no evidence of what goods these figures relate to. The best that COF could contend is that they have goodwill in foodstuffs. It is well established that it is not necessary for the parties to a passing-off action to be in the same area of trade or even a related area of trade. The point can be supported by reference to the following passage from Millet L.J.’s judgment in *Harrods Ltd v Harrodian School Ltd* [1996] RPC 697:

“There is no requirement that the defendant should be carrying on a business which competes with that of the plaintiff or which would compete with any natural extension of the plaintiff’s business. The expression “common field of activity” was coined by Wynn-Parry J. in *McCulloch v May* [1948] 65 RPC 58 when he dismissed the plaintiff’s claim for want of this factor. This was contrary to numerous previous authorities (see, for example, *Eastman Photographic Materials Co. Ltd v John Griffiths Cycle Corporation Ltd* (1898) 15 RPC 105 (cameras and bicycles); *Walter v Ashton* (1902) 2 Ch. 282 (The Times Newspaper and bicycles) and is now discredited. In the *Advocaat* case Lord Diplock expressly recognised that an action for passing-off would lie although “the plaintiff and the defendant were not competing traders in the same line of business”. In the *Lego* case Falconer J. acted on evidence that the public had been deceived into thinking that the plaintiffs, who were manufacturers of plastic toy construction kits, had diversified into the manufacture of plastic irrigation equipment for the domestic garden. What the plaintiff in an action for passing-off must prove is not the existence of a common field of activity but likely confusion among the common customers of the parties.

The absence of a common field of activity, therefore is not fatal; but it is not irrelevant either. In deciding whether there is a likelihood of confusion, it is an important and highly relevant consideration.”

41) Also:

“It is not in my opinion sufficient to demonstrate that there must be a connection of some kind between the defendant and the plaintiff, if it is not a connection which would lead the public to suppose that the plaintiff has made himself responsible for the quality of the defendant’s goods or services.”

42) And:

“Passing off is a wrongful invasion of a right of property vested in the plaintiff, but the property which is protected in an action for passing off is not the plaintiff’s proprietary right in the name or get-up which the defendant has misappropriated but the goodwill and reputation of the business which is likely to be harmed by the defendant’s misrepresentations.”

43) The issue therefore is whether the average consumer will assume that COF have diversified into wines and therefore be misled into believing that the Mr Mackay’s wines are produced by or under licence/permission from COF. No evidence has been adduced to show that food producers expand their business into wine under the same brand or vice versa. Nor has it been shown that the average consumer, in the absence of any prior examples of such expansion to educate them into the possibility, will be misled into assuming an association. Therefore, the ground of invalidity under Section 5(4)(a) would fail.

44) Lastly I turn to the ground of invalidity based upon Section 5(3) which, in its original form reads:

"5-(3) A trade mark which -

(a) is identical with or similar to an earlier trade mark, and

(b) is to be registered for goods or services which are not similar to those for which the earlier mark is protected,

shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a Community trade mark, in the European Community) 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."

45) By virtue of regulation 7 of the Trade Mark (Proof of Use, etc) Regulations 2004, Section 5(3)(b) has now been repealed. The equivalent provision in Section 10 of the Act dealing with infringement has also been amended. As the explanatory note indicates:

"These amendments implement the decision of the European Court of Justice in *Davidoff & Cie SA and Zino Davidoff SA v Gofkid Ltd* of 9th January 2003 (C-

292/00) which was confirmed by its decision in *Adidas-Salomon AG and Adidas Benelux BV v Fitnessworld Trading Ltd* of 23rd October 2003 (C- 408/01). Those decisions determined that Article 5(2) of the Directive, which on the face of it, grants a right to the proprietor of a trade mark to prevent third parties from using an identical or similar trade mark in relation to goods or services which are *not similar* where the earlier trade mark has a reputation and use of that sign takes unfair advantage or is detrimental to the distinctive character of that earlier trade mark, also applies to goods or services which are similar or identical to those for which the earlier trade mark is registered."

46) The scope of the Section has been considered in a number of cases notably *General Motors Corp v Yplon SA (Chevy)* [1999] ETMR 122 and [2000] RPC 572, *Premier Brands UK Limited v Typhoon Europe Limited (Typhoon)* [2000] RPC 767, *Daimler Chrysler v Alavi (Merc)* [2001] RPC 42, C.A. *Sheimer (M) Sdn Bhd's TM Application (Visa)* [2000] RPC 484 *Valucci Designs Ltd v IPC Magazines (Loaded)* O/455/00 and, more recently *Mastercard International Inc and Hitachi Credit (UK) Plc* [2004] EWHC 1623 (Ch) and *Electrocoin Automatics Limited and Coinworld Limited and others* [2005] FSR 7. Guidance in relation to reputation under Section 5(3) has been set out in *General Motors Corporation v Yplon SA* in paragraphs 23 to 27. Paragraphs 26 & 27 indicate the standard that must be reached:-

"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."

47) The onus is upon an opponent to prove that its earlier trade mark enjoys a significant reputation or public recognition and it needs to furnish the evidence to support this claim. I have outlined the issues with the evidence which COF have filed (see paragraphs 21 and 39 above). COF have failed to provide any credible evidence of reputation in the UK at the relevant date. To my mind the opponent has failed to clear the first hurdle, and so the opposition under Section 5(3) fails.

CONCLUSION

48) The invalidity action under Sections 5(2)(a), 5(3) and 5(4)(a) have all failed. Mr Mackay's mark therefore remains on the Register unaltered.

COSTS

49) The registered proprietor has been successful and it is therefore entitled to a contribution towards its costs.

Preparing a statement and considering the other side's statement	£300
Preparing evidence and considering and commenting on the other side's evidence	£1000

TOTAL	£1,300
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50) I order Chadha Oriental Foods Limited to pay Mr Mackay the sum of £1,300. This sum to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 16th day of April 2012

**G W Salthouse
For the Registrar
the Comptroller-General**