0-217-13

#### **TRADE MARKS ACT 1994**

IN THE MATTER OF APPLICATION NO. 2593624 BY PETFACE LIMITED TO REGISTER THE TRADE MARK

## **PRECIOUS PAWS**

AND THE OPPOSITION THERETO UNDER NO. 102881 BY ROSEWOOD PET PRODUCTS LIMITED

AND

IN THE MATTER OF APPLICATION NO. 2599018 BY ROSEWOOD PET PRODUCTS LIMITED TO REGISTER THE TRADE MARK

# **PRECIOUS PAWS**

AND THE OPPOSITION THERETO UNDER NO. 103343 BY PETFACE LIMITED

### Background and the issues in dispute

1. These proceedings concern two trade mark applications by two different applicants, each of which has opposed the other's application. The earlier of the two applications, number 2593624 for the mark Precious Paws, was filed on 7 September 2011 by Petface Limited ("PF") in respect of the following goods:

Class 18: Articles made from leather and/or imitation leather; pet collars and leads; coats and clothing for animals; back packs and bags for animals; parts and fittings for all the aforesaid goods.

Class 20: Animal bedding, hard beds and baskets, upholstered mats, cushions, mattresses and bedding, all for household pets; kennels, hutches and carriers for animals; scratching posts and pads; pet doors and cat flaps (non metal); pet runs; nesting boxes for household pets; parts and fittings for all aforesaid goods.

Class 28: Toys and playthings for animals; parts and fittings for the aforesaid goods.

2. The application was published in the *Trade Marks Journal* on 14 October 2011 and was subsequently opposed by Rosewood Pet Products Limited ("RW") on the ground that registration would be contrary to section 5(4)(a) of the Trade Marks Act 1994 ("the Act"). Section 5(4)(a) states:

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

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

3. RW opposes PF's application on the grounds that it has an earlier right in the sign PRECIOUS PAWS and in the following sign:



RW states that these signs have been used throughout the UK since at least as early as 2005 on pet toys and pet accessories, and that RW has acquired a significant goodwill and reputation in the signs. Use of Precious Paws on identical or similar goods would amount to misrepresentation; damage would follow because of harm to RW's reputation, and diversion of sales.

4. Meanwhile, RW had applied for the mark PRECIOUS PAWS, number 2599018, on 24 October 2011, for the following goods:

Class 18: Articles of leather and imitations of leather; clothing and coverings for pets; pet collars, pet leads and pet harnesses; back packs and bags for pets; leg pads and leg protectors for animals; rugs for animals.

Class 20: Furniture, baskets, cushions, beds and bedding all being for pets; carriers for transporting domestic pets; cat flaps; nesting boxes for animals; kennels for pets; animal hutches; feeding mats for pets; scratching posts and pads; pet runs.

Class 28: Toys, games and playthings for animals.

5. The application was published on 17 February 2012 and was subsequently opposed by PF, under sections 5(1), 5(2)(a) and 5(2)(b) and of the Act, which state:

**"5.**—A trade mark shall not be registered if it is identical with an earlier trade mark and the goods or services for which the trade mark is applied for are identical with the goods or services for which the earlier mark is protected."

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

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

PF bases these grounds upon the existence of its application for Precious Paws (which is opposed by RW). In essence, PF claims that the marks and the goods are identical or, in the alternative, if the goods are not identical there is high similarity between them, leading to a likelihood of confusion on the part of the public.

6. Both sides filed counterstatements denying each other's grounds. PF puts RW to proof of its claim to goodwill and reputation, and denies that RW has used its signs throughout the UK since 2005 in relation to pet toys and pet accessories. PF also denies that the goods which it has applied for are identical and similar to the goods of interest to RW, and denies that its application is identical to the RW's 'paw' sign. PF denies misrepresentation and damage.

7. RW denies that PF's application is an earlier trade mark because RW has opposed it<sup>1</sup>. RW also puts PF to proof that the goods are similar and to substantiate its claim to a likelihood of confusion.

<sup>&</sup>lt;sup>1</sup> This is technically wrong: PF's application is an earlier mark unless RW succeeds in its opposition against PF's application.

8. The proceedings were consolidated by the Trade Marks Registry. Both parties filed evidence. Neither side wished for a hearing but, instead, asked that the decision be made on the basis of the papers filed. PF filed submissions alongside evidence. RW filed written submissions in lieu of a hearing. All papers have been fully considered in reaching this decision.

### Evidence

9. RW has filed evidence from Rosanne Jenkins and Carl Walker. Mr Walker is RW's Commercial Manager. Ms Jenkins is a trade mark attorney with the firm Barker Brettell LLP, RW's professional representatives in these proceedings. She states that RW is the parent company of Walkapet Limited. Her reason for stating this is because Mr Walker's evidence includes an exhibit showing use of PRECIOUS PAWS products with Walkapet Limited labels. Ms Jenkins exhibits<sup>2</sup> two annual reports and unaudited financial statements from May 2010 and May 2011 to support her statement. The reports are for Walkapet Limited and there is a note at the bottom of the balance sheets which says "The ultimate parent company is Rosewood Pet Products Limited".

10. Mr Walker states that RW has used PRECIOUS PAWS for a range of pet toys in the UK since June 2004 (the date as set out in RW's notice of opposition against PF's application is 2005). Exhibit B is headed "Precious Paws Product List 2004". There are several pages of pictures of toys, such as Precious Paws Santa, Precious Paws Snuggle Dog toy, Precious Paws large Snowflake Frisbee Dog toy, Precious Paws Teaser Cat toy and Precious Paws Mice 4 pack. Each item has a corresponding "RW" code, a name, a description, a column headed "The date you bought" and the quantity. Quantities run into the several thousands for each item. The earliest date is July 30 2004, for "Precious Paws MT Ralph The Reindeer" and "Precious Paws Bunjee Snowman/Santa" (12,000 of each type). The dates run consistently through to September 2010. At the end of the exhibit is a picture of packaging showing the Precious Paws plus 'paw' sign, together with safety information and "RPP, Shropshire". Mr Walker states that all the product labels show RW, except where space is limited, in which case the label says RPP (as an abbreviation for Rosewood Pet Products Limited). The exception to this are labels shown in exhibit I, which say "Walkapet Ltd; this was the reason for Ms Jenkins' evidence, as described above. Other labels visible in that exhibit show RPP.

11. The relevance of the heading "The date you bought" can be explained by Mr Walker's statement that all the pet toys are exclusive to Morrison's supermarket chain, so, presumably, this is a list for Morrison's showing the history of its purchases from RW. Mr Walker states that RW's Precious Paws pet toys and pet products have been sold by Morrison's since 2004. He states that Morrison's is the 4<sup>th</sup> largest supermarket in the UK, with an 11.7% market share, over 420 stores<sup>3</sup>, and an average weekly footfall of 9 million shoppers. As exhibit E to Mr Walker's witness statement is a witness statement from Ms Flo Li, who previously worked as a buyer for Morrison's in 2004 and is now an account manager for RW (since May 2011). She states:

<sup>&</sup>lt;sup>2</sup> Exhibit RJ1.

<sup>&</sup>lt;sup>3</sup> Exhibit C, from Wikipedia. Exhibit D is a list of Morrison's stores from Morrison's website.

"2. ...I worked as a buyer for WM Morrison Supermarkets PIc for 22 months, between January 2004 and October 2005. My role at WM Morrison Supermarkets PIc involved buying Petcare and Household products.

3. Acting in my capacity as a buyer at WM Morrison Supermarkets Plc, I can confirm that we started ordering Rosewood PRECIOUS PAWS pet toys and pet products through the intermediary, Pet Brokers (UK) Limited from March 2004 and March 2005. I understand that the PRECIOUS PAWS pet toys and pet products originated from Rosewood Pet Products Limited."

Ms Li goes on to state that the goods were distributed nationally, and that they were advertised in store and by Christmas promotional materials.

12. Exhibit F is a witness statement from Robert Wilson, director of Pet Brokers (UK) Ltd, mentioned by Ms Li in her witness statement. He states that his company has, since 2004, acted as an intermediary for the order of PRECIOUS PAWS pet tovs and pet products by Morrison's and their supply by RW. Morrison's place their orders with Mr Wilson's company, which passes the orders to RW, the latter then fulfilling the orders with PRECIOUS PAWS pet toys and pet products. Mr Walker explains that RW delivers its products directly to Morrison's, having received the orders from Pet Brokers (UK) Limited. Exhibit G shows numerous copies of orders and invoices reflecting the above since 2005. Details of PRECIOUS PAWS pet toys and pet products are shown listed on the orders and invoices. Mr Walker explains that, due to limitations on cell space on RW's invoices, the name PRECIOUS PAWS does not appear, but that all the other information including dates, order numbers and quantities all match the information on the orders from Morrison's and Pet Brokers. For example, an order from Pet Brokers dated 27 October 2009 shows Precious Paws Xmas Cat toy, reference 60388, with a reference to Morrison's order numbers in addition. The same details, minus the Precious Paws name, are shown on the corresponding RW invoice to Pet Brokers, dated 28 October 2009. The orders and invoices are all in respect of pet toys (for dogs and cats) and the transactions took place in 2008, 2009 and 2010. Deliveries were made to Morrison's depots, including those in Bristol, Wakefield, Kent and Bellshill (Scotland).

13. Mr Walker states that, since 2004, approximately 850,000 Precious Paws pet products have been sold in the UK. He sets out the details of individual products in a table which accords with the information in exhibit B, examples of which I have described above. The pictures of toys have been enlarged in the table and the labels show the words Precious Paws with the paw sign. Turnover figures are as follows:

Year	£
2004-5	100,000
2005-6	150,000
2006-7	250,000
2007-8	50,000
2008-9	17,000
2009-10	205,000
2010-11	165,000

Since RW's Precious Paws goods are sold exclusively through Morrison's, Mr Walker states that RW has not produced any promotional literature, although the goods were advertised in store (as per Ms Li's statement).

14. Exhibit H is an article dated 28 March 2011 by the Pet Food Manufacturer's Association, detailing the results of a survey into the most common UK pets. Mr Walker states that the Association comprises over sixty member companies, accounting for over 90% of the UK pet food market. The article gives figures of 7.3 million pet dogs and 7.3 million pet cats. Mr Walker states that all of RW's Precious Paws products are aimed at cats and dogs and that sales of 850,000 products means that, in theory, at least 5% of the dogs and cats in the UK have had a Precious Paws toy or product bought for them.

15. PF has filed evidence from Heather Williams, John Pullen, Sue Shaw and Fiona Brown. Ms Williams is a trade mark attorney with the firm Appleyard Lees, PF's professional representatives in these proceedings. Ms Williams adduces the results of a trade mark search which she undertook on 26 July 2012 for pending and registered trade marks in the name of RW, protected in the UK. Exhibit HJW/1 shows the results: 24 trade marks. PF explains the relevance of this evidence as being to counter a statement by Mr Walker that RW takes the protection and enforcement of its trade marks seriously. She submits this cannot be so as its 24 registrations do not include PRECIOUS PAWS.

16. The other witness statements were filed after PF had seen Mr Walker's evidence explaining that Precious Paws products are sold exclusively in Morrison's. Mr Pullen, Ms Shaw and Ms Brown are all pet product industry buyers and they have all filed evidence to say that they have never been offered Precious Paws by RW to sell in their stores. This is not surprising, given Mr Walker's evidence. Mr Pullen is the purchasing director of Jolleys, which he states to be one of the largest chains of pet food superstores across the UK and Northern Ireland, with 54 superstores. He states that Jolleys has never stocked RW's Precious Paws pet toys and it is not a brand which Mr Pullen recognises. Ms Shaw, who is PF's marketing director, used to be Senior Buying Manager for Pets at Home, the largest pet shop in the UK. She states that RW was one the largest suppliers during her time there, between 2007 and 2011, but that RW never showed her Precious Paws products. She also disputes Mr Walker's figure of 5% market share of pet products and puts it at more like 0.05%, which she states is insignificant within the pet industry. She states that a dog owner will buy a toy for a dog every two weeks (because they get quickly chewed), based upon Pets at Home research. Ms Brown was employed as a buyer for Pets at Home between 2008 and 2011 and states that RW was one of the largest suppliers, but she was never shown Precious Paws products and was not aware of the existence of Precious Paws.

17. RW has filed evidence to counter PF's criticisms made of its first set of evidence. I will not summarise the criticisms (made in PF's written submissions), but will refer to them later, as necessary. They have all been borne in mind. Mr Walker's second witness statement clarifies the supply relationship with Morrison's, because some of the invoices do not show RW's details, only Pet Brokers' and Morrison's. He states that Morrison's place orders with purchase orders to Pet

Brokers; Pet Brokers forward the order, purchase order and a delivery note to RW; RW then delivers the products to Morrison's referencing the Pet Brokers' delivery note to enable the delivery to be matched with the order on the Morrison's system. RW invoices Pet Brokers for the work, and Pet Brokers subsequently invoices Morrison's.

18. Mr Walker confirms that Walkapets Limited is a subsidiary of RW (this is to meet the point about some labels showing this name rather than RW).

19. Mr Walker states that a decision was made not to ask Morrison's to provide evidence because RW did not want to jeopardise their working relationship. In addition, Mr Walker's main contacts at Morrison's have moved on, and only Ms Li was available (she now works for RW). Mr Walker states that sales of PRECIOUS PAWS products to Morrison's have been temporarily suspended since January 2012 because of the current proceedings. RW contacted PF in October 2011, once it had discovered the conflict, and suspended sales to Morrison's once it realised a settlement could not be reached. The last sales to Morrison's took place in December 2011 (evidenced at exhibit CW1).

20. The final piece of evidence is from Ms Jenkins to show that Morrison's uses a large M on packaging to indicate goods from its own-brand range.

### Decision

21. I will start with RW's section 5(4)(a) opposition to PF's application, since PF's application is the earlier of the two. If RW succeeds, PF's opposition will fall away; if RW partially succeeds, this will define the extent to which PF may rely upon its mark against RW's application.

22. The requirements to succeed in a passing off action are well established and are summarised in *Halsbury's Laws of England* 4th Ed. as being that:

i) the claimant's goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;

ii) there is a misrepresentation by the defendant (whether or not intentional) which is likely to deceive the public into believing that the defendant's goods or services are those of the claimant; and

iii) the claimant has suffered or is likely to suffer damage as a result of the erroneous belief created by the defendant's misrepresentation.

The date of application is the relevant date in relation to section  $5(4)(a)^4$ . However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made. If the

<sup>&</sup>lt;sup>4</sup> See the comments of Mr Daniel Alexander QC, sitting as the Appointed Person in *MULTISYS* BL O/410/11.

applicant was not passing off when it commenced trading under the sign, a continuation of the same trade under the same sign will not amount to passing off at the relevant date. The applicant could show evidence which could establish that it was the senior user and that the existing position should not be disturbed and so its use would not be liable to be prevented by the law of passing-off<sup>5</sup>. In this case, the applicant has not claimed it has used its mark prior to the application date, 7 September 2011, so this is the relevant date.

#### Goodwill

23. RW must prove that it has goodwill in the signs relied upon, in relation to the goods it lists in its notice of opposition, in the mind of the purchasing public. The concept of goodwill was explained in *Inland Revenue Commissioners v Muller & Co's Margerine Ltd* [1901] AC 217 at 223:

"What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start."

24. Whether the opponent has the requisite goodwill has to be deduced from the evidence which it has filed. In *Reef Trade Mark* [2002] RPC 19, Pumfrey J said:

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

and

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

<sup>&</sup>lt;sup>5</sup> See, for instance: *Croom's Trade Mark Application* [2005] RPC 2 and *Daimlerchrysler AG v Javid Alavi (T/A Merc)* [2001] RPC 42.

25. In *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat), Floyd J, building upon Pumfrey J's observations, said:

"8 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."

26. PF criticises RW's invoices for not showing the mark PRECIOUS PAWS. This is not fatal, however, because I have been easily able to match item descriptions, dates, item numbers and order numbers between Morrison's orders and Pet Brokers' orders and invoices, which do show the words PRECIOUS PAWS, and RW's invoices. In relation to the Walkapet Ltd issue, Mr Walker states that it is a subsidiary of RW, and this is supported by the exhibit filed by Ms Jenkins. It does not follow that the goodwill generated by a subsidiary automatically accrues to the parent company (see the comments of Professor Christopher Wadlow, in *The Law of Passing Off, 4<sup>th</sup> Edition* at 3-166 to 3-170), it depends on the facts. However, I do not find it necessary to decide the point because RW has adduced more evidence relating to RW than to Walkapet Ltd.

27. PF also submits that if anyone owns the goodwill, it is Morrison's because it is in Morrison's that the consumer buys the goods. It is immaterial whether the consumer knows who is the owner of the goodwill; what matters is that there is an attractive force 'attached' to the sign which brings in the consumer's custom, as per *The Birmingham Vinegar Brewery Co Ltd v Powell* [1897] AC 710, "the customer does not know or care who the manufacturer is, but it is a particular manufacture that he desires". The signs are those relied upon (PRECIOUS PAWS and PRECIOUS PAWS and the paw device).

28. PF criticises RW's turnover figures as constituting only 0.05% of the market. RW considers that 5% of UK cats and dogs have had a Precious Paws toy bought for them. Neither party's estimation is statistically sound<sup>6</sup>. Nevertheless, it is the unchallenged evidence of RW that it has sold 850,000 Precious Paws pet toys since 2004 or 2005, with sales every year which amount to nearly a million pounds by the date of application. A small amount of goodwill, as long as it is not trivial, can be evidence of an attractive force which brings in custom<sup>7</sup>. PF criticises RW's sales as being only to one supermarket chain and submits "[t]here is no evidence which demonstrates Morrisons' customers represent a significant proportion of UK consumers of pet toys and pet products. Rather, we submit that the typical customer

<sup>&</sup>lt;sup>6</sup> For instance, I think it is probable that owners who buy toys for their pet will make repeated purchases for the same pet, rather than 5% of dogs and cats all receiving a single toy.

<sup>&</sup>lt;sup>7</sup> A trivial goodwill will not accrue protection (*Hart v Relentless Records* [2002] EWHC 1984); however a small goodwill can give rise to protection (e.g. *Stannard v Reay* [1967] FSR 140).

at Morrisons is shopping for groceries rather than pet toys". Morrison's has a footfall of 9 million customers a week, an 11.7% market share, and is the fourth largest supermarket in the UK. UK purchasers of pet toys and pet products shop in supermarkets. 9 million customers a week must include a fair number of pet owners, and a fair number of those must buy pet toys and pet products in supermarkets; all the major supermarkets, in my experience, sell pet products. In relation to PF's submission that there is no evidence of geographical spread, the Morrison's depots to where RW's goods were delivered cover the length and breadth of the country and it is a reasonable inference, Morrison's being a national supermarket chain, that sales of Precious Paws goods took place nationwide.

29. There is no requirement that to accrue goodwill one must have sold goods in a multiplicity of outlets owned by different entities. Marks and Spencer-labelled goods are only available in its own stores. PF also criticises the apparent seasonal nature of much of RW's sales, submitting that there is insufficient scope for consumers to make repeat purchases and therefore little scope to build up goodwill. If that were true, sellers of Christmas trees and calendars would find it difficult to protect the goodwill in their businesses. RW's Precious Paws sales have taken place every year. Although relatively small in what the pet accessory market, this turnover is not trivial and the pattern of trade is consistent. RW may rely on the goodwill it had at the date of application for pet toys, under both signs (dating from July 2004).

#### **Misrepresentation**

30. In *Woolley & Anr v. Ultimate Products Ltd & Anr* [2012] EWCA Civ 1038, Lady Justice Arden said:

"3. The second requirement for the tort of passing off is that there must be a misrepresentation by the defendant that his goods emanate from the claimant. It is not enough to show that purchasers were merely confused as to the provenance of the defendant's goods: purchasers must be led to believe that the goods emanate from the claimant (see per Lord Jauncey, with whom the other members of the House also agreed, in the *Jif Lemon* case at 510-1). There is some flexibility in this. As Lord Jauncey explained, it is enough that the defendant:

"misrepresents his goods in such a way that it is a reasonably foreseeable consequence of the misrepresentation that the plaintiff's business or goodwill will be damaged. Thus a misrepresentation by B that his inferior goods are of a superior quality, which is that of A's goods, whereby people buy B's goods instead of A's, is actionable."

4. The misrepresentation must be more than transitory: it is not sufficient that a purchaser is misled initially but his misunderstanding is dispelled before any material step is taken (see *Cadbury-Schweppes Pty Ltd v Pub Squash* [1981] <u>1 WLR 193</u>, PC). In this case, for example, trade purchasers who were confused as to HENLEYS watches checked the position with Mr Woolley so that any misrepresentation to them was not operative.

5. Misrepresentation must operate to mislead a substantial number of members of the public. Substantiality is not a question of counting heads. It is relative to the product and market in question. The judge has to make both a qualitative and quantitative assessment of substantiality: *Neutrogena Corpn v Golden Ltd* [1996] RPC 473. The judge found that there was little direct evidence of misrepresentation in this case. There is an issue as to whether he gave adequate consideration to the need for substantiality and whether it was satisfied.

6. Misrepresentation must be "the right way round", that is to say, members of the public must be confused into believing that the goods of the defendant are goods of the claimant. It is not enough for them to be misled into thinking that goods of the claimant are goods of the defendant. This is "the wrong way round", or "reverse misrepresentation", as I shall call it. It may suffice for trade mark infringement but not for passing off."

31. In deciding whether a substantial number of the opponent's customers (and potential customers) will merely wonder if there is a connection between the parties, or whether they will assume that there is a connection and thereby be deceived, the following factors from Halsbury's Laws, cited in *WILD CHILD* [1998] RPC 455 by Geoffrey Hobbs QC, sitting as the Appointed Person, are helpful:

"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 relation to (d), there is no evidence of prior use by PF, so this is a *quia timet* action.)

32. Although PF's specifications go far wider than pet toys, all the terms in the application cover goods for pets, including the wide term *articles made from leather and/or imitation leather,* which includes the specified goods which follow it, *pet collars and leads* and *coats and clothing for animals.* The field of activity is pet goods. PF, in its counterstatement, states that its applied-for goods are not identical or similar to those of RW. PF has cover for toys and playthings for animals, so this cannot be the case. If it means such things as bedding for animals, pet doors and leads, then these are all pet items, which belong to a common field of activity with RW's goods. Pet accessories are found together in supermarket aisles and in pet superstores.

33. In the present case, there is not much room for merely 'wondering' if there is a connection. As explained by lain Purvis QC, sitting as a deputy judge of the Patents County Court in *W.S. Foster & Son Limited v. Brooks Brothers UK Limited* [2013] EWPCC 18, 'wondering' arises more where there are similarities between the signs which could be put down to coincidence. Here, they are identical (at least, in the case of RW's word-only sign). There is no distance between them and the same field of activity is common to both parties. There are no differences between PF's mark and RW's word-only sign to which RW's customers can point and conclude that the differences indicate different traders. A substantial number of RW's customers will believe that PF's goods are those of RW. Deception will occur.

### <u>Damage</u>

34. I have found that the first two legs of the test identified above, goodwill and misrepresentation, have been satisfied in favour of RW. I conclude that damage will follow as an inevitable consequence<sup>8</sup>; to adopt the phrasing of Slade LJ in *Chelsea Man Menswear Ltd v Chelsea Girl Ltd* [1987] R.P.C. 189, at p.202:

- (a) by diverting trade from RW to PF;
- (b) by potentially injuring the trade reputation of RW if there were any failings in the goods of PF;
- (c) "by the injury which is inherently likely to be suffered by any business when on frequent occasions it is confused by customers or potential customers with a business owned by another proprietor or is wrongly connected with that business."

35. PF is liable to be prevented from use of the trade mark under the law of passingoff and so RW's section 5(4)(a) ground succeeds. I have considered whether PF should be invited to restrict the scope of its term *articles made from leather and/or imitation leather*, as per Tribunal Practice Notice 1/2012. However, I conclude that to do so would bring the proceedings within the scope of the latter part of paragraph 3.2.2 (d) of that notice:

"c) If the Hearing Officer considers that the proceedings are successful against only some of the goods/services, but the result of the proceedings cannot be clearly reflected in the application through the simple deletion of particular descriptions of goods/services, or by adding a "save for" type exclusion, then the Hearing Officer may indicate the extent to which the proceedings succeed in his/her own words. The parties will then be invited to provide submissions/proposals as to the appropriate wording for a list of goods/services that reflects his/her findings and after considering the parties' submissions, the Hearing Officer will determine a revised list of goods/services. Subject to appeal, the trade mark will be, or remain, registered for this list of goods/services.

<sup>&</sup>lt;sup>8</sup> W.S. Foster & Son Limited v. Brooks Brothers UK Limited, paragraph 55.

d) This third approach will be taken when a Hearing Officer considers that there is real practical scope to give effect to Article 13, having due regard to the factors in each individual case. For example, the original specification of the international trade mark registration which was the subject of Giorgio Armani SpA v Sunrich Clothing Ltd (cited above) was clothing, shoes, headgear. The successful opposition only opposed the registration to the extent that it covered "men's and boys' clothing", thereby leaving other goods covered by the specification as unobjectionable. Such an outcome could not be reflected in changes to the specification via either the 'blue pencilling' approach or the 'save for' type of exclusion. The specification was reworded and the international registration was eventually protected for a specification reading Clothing for women and girls, shoes and headgear. Generally speaking, the narrower the scope of the objection is to the broad term(s), compared to the range of goods/services covered by it, the more necessary it will be for the Hearing Officer to propose a revised specification of goods/services. Conversely, where an opposition or invalidation action is successful against a range of goods/services covered by a broad term or terms, it may be considered disproportionate to embark on formulating proposals which are unlikely to result in a narrower specification of any substance or cover the goods or services provided by the owner's business, as indicated by the evidence. In these circumstances, the trade mark will simply be refused or invalidated for the broad term(s) caught by the ground(s) for refusal."

36. PF's name and all the other goods listed in its classes 18, 20 and 28 point towards an inevitable inference that its business is pet goods. To invite submissions on goods other than those for pets is unlikely to cover the goods of interest to PF and may give rise to questions about intention to use across the scope (see the comments of Mr Alexander QC in *Multisys*). PF's application is therefore refused for all the goods for which it has applied.

37. The effect of the refusal of PF's application is that PF cannot rely on its application as an earlier mark against RW's application. The consequence of this is that PF's opposition against RW's mark fails because the mark relied upon in PF's opposition is not an earlier mark on which to base its opposition under either section 5(1), 5(2)(a) or 5(2)(b) of the Act.

#### Outcome

- 38. (i) RW's opposition succeeds. PF's application is refused.
  - (ii) PF's opposition fails. RW's application is to be registered.

#### Costs

39. RW has been successful in both oppositions. Taking into account the consolidation, I award costs on the following basis<sup>9</sup>:

Opposition filing fee, statement of case, considering PF's opposition and filing counterstatement	£500
Filing evidence and considering PF's evidence/submissions	£800
Written submissions	£300
Total	£1600

40. I order Petface Limited to pay Rosewood Pet Products Limited the sum of  $\pounds$ 1600. This sum is 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 22nd day of May 2013

Judi Pike For the Registrar, the Comptroller-General

<sup>&</sup>lt;sup>9</sup> As per the published scale in Tribunal Practice Notice 4/2007.