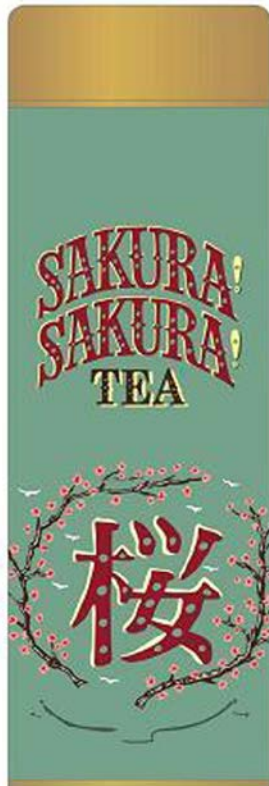


O/170/15

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO 2646529  
BY TWG TEA COMPANY PTE LTD TO REGISTER THE SERIES OF TWO  
TRADE MARKS



AND



IN CLASS 30

AND IN THE MATTER OF OPPOSITION  
THERE TO UNDER NO 400500  
BY MARIAGE FRÈRES, SOCIÉTÉ ANONYME

## **BACKGROUND AND PLEADINGS**

1) TWG Tea Company Pte Ltd (“the applicant”) applied to register the marks shown on the front cover of this decision in the UK on 18 December 2012. The application was accepted and published in the Trade Marks Journal on 5 April 2013 in respect of the various goods in Class 30 including teas and tea products.

2) Mariage Frères, Société anonyme (“the opponent”) opposes the mark on the basis of Section 3(6) of the Trade Marks Act 1994 (“the Act”). It argues that the opponent is a leading worldwide seller of tea products. One of its leading blends of tea is branded SAKURA and is a registered trade mark in France. The opponent has used marks that include SAKURA for at least ten years and such use includes use in the UK. Further, it also uses Japanese characters in association with its SAKURA branded teas. One of the founders of the applicant company, Mr Taha Bouqdib, is an ex-employee of the opponent who joined the company in 1993 and resigned in 2007. Shortly after, he set up the applicant company. During his time with the opponent he would have served SAKURA branded tea and because of his promotions within the business, he would have been in receipt of confidential and strategic information relating to the business. Consequently, the filing of the mark SAKURA SAKURA that also includes Japanese characters is an act of bad faith.

3) The applicant filed a counterstatement denying many of the claims made, including:

- that the opponent has a tea brand SAKURA, claiming that the word “sakura” is a description meaning cherry blossom and tea made from or including cherry blossom;
- that the applicant has a French registration for the mark SAKURA and also denies that the fact is relevant to the proceedings;
- that Mr Bouqdib established the applicant company shortly after leaving the opponent. Rather, it is claimed that it was established as a subsidiary of The Wellness Group by Mr Manoj Murjani in 2001 (some six years earlier than the opponent claims).

4) However, it is admitted that Mr Bouqdib was previously employed by the opponent approximately during the dates claimed.

5) Both sides filed detailed evidence. This will be summarised to the extent that it is considered appropriate/necessary. A Hearing took place on 14 January 2015, with the opponent represented by Mr Sanjay Kapur for Potter Clarkson LLP and the applicant by Mr Ian Bartlett for Beck Greener.

## Opponent's Evidence

6) This takes the form of two witness statements. The first of these is by Mr Kapur, the second by Mr Philippe Cohen-Tanugi, Head of the Legal Department of the opponent company.

7) Mr Kapur's statement consists mainly of submissions in support of the opponent's case. I will not detail these here. However, I note his reference to an extract from the note on sections originally published by the Patent Office (as it was then called) and based upon the "Notes on Clauses" provided to Parliament during the passage of the Trade Mark Bill in relation to Section 3(6) of the Act. This provided examples of where bad faith might be found and included the following that, it is submitted, is applicable in the current case:

"(ii) where the applicant was aware that someone else intends to use and/or register the mark, particularly where the applicant has a relationship, for example as employee or agent, with that other person, or where the applicant has copied a mark being used abroad with the intention of pre-empting the proprietor who intends to trade in the United Kingdom;"

8) At Exhibits SK1 and SK2, Mr Kapur provides both the applicant's tea list (dated 2007) and the three of the opponent's tea lists (dated 1994, 2007 and 2010 respectively) in an attempt to illustrate that the applicant has adopted other similar names to those used by the opponent. All four lists are long, the applicant's being the shortest with approximately 200 types of tea. "Grand Wedding Tea", "Happy Birthday Tea" and "Sakura Sakura Tea" are highlighted in the applicant's list as are teas identified as "Wedding" and "Birthday Tea" in its own 2007 list and "Wedding" and "Wedding Imperial" in its own 2010 list.

9) The main points to emerge from Mr Cohen-Tanugi's statement are as follows:

- The opponent was established in France in 1967 and is the successor in title of a wholesale and tea import/export business established in Paris in 1854;
- The opponent's first tea house was established in Paris in 1985;
- The opponent currently sells Mariage Frères branded tea in more than 60 countries and it has developed a very highly regarded reputation in the business of tea sales and the serving of tea in tea houses;
- It has sold tea in the UK "for a number of years and resellers [...] include Harrods and Selfridges." Its SAKURA branded tea has been sold in the UK since at least 2006;

- Exhibit MF3 consists of photocopies of 19 tea packages all in respect of the opponent's SAKURA tea dated between 2002 and 2013. All prominently carry the name SAKURA and also one of a number of marks bearing the Mariage Frères name. All these packages identify the contents as being green or white tea flavoured with cherry blossoms. From 2008, the packaging includes a notice that either SAKURA or SAKURA SAKURA is a registered mark. The primary language of the packaging is French, but English translations appear in smaller text under the French. One such example is shown below:



- The opponent holds two registrations in France that incorporate the word SAKURA. These are shown at Exhibit MF4. Both include tea in their specification of goods and one is for the word SAKURA alone;
- Thirteen invoices dated between 2008 and 2011, relating to sales to ten different purchasers in the UK, of SAKURA branded tea, are provided at Exhibit MF4. Whilst three invoices do not indicate the cost, they relate to the sale of a quantity of 84 items. The SAKURA tea element of the remaining invoices appears to amount to sales of less than €700;
- The applicant company was indeed incorporated in 2001 in Singapore, but it only changed its name to the current name on 12 December 2007. Mr Bouqdib signed the terms of his employment on 20 March 2007 before resigning his post with the opponent on 4 April 2007;
- SAKURA branded teas are amongst the opponent's best-selling teas and Mr Bouqdib will have known about the level of its popularity;
- Mr Bouqdib is CEO of the applicant company and also several employees from the opponent company left shortly after his resignation from the same. Two of these also have prominent positions within the applicant company. The first of these is Mr Philippe Langlois who joined the opponent company in 1993 and left in February 2008 and joined the applicant company as Executive Chef in charge of pastries in May 2008. The second, Mr Aum Stievenard, worked for the opponent company between 1997 and 2007 before joining the applicant in November 2007 as Director of Development, Tea Division;
- These three ex-Mariage Frères employees had a combined 35 years' experience with the opponent. It is claimed that they have used the information and knowledge gained whilst with the opponent and that at least Mr Bouqdib and Mr Aum Stievenard will have known the opponent's most popular brands and for this reason, they have used SAKURA without authorisation;
- The applicant has also copied the style and presentation of accessories such as teapots, tea tins and tea canisters. At Exhibit MF16 are a series of side by side photographs of various items used by the parties showing the alleged similarity of these goods. French price lists produced by both parties showing these goods being offered for sale are also exhibited, with the applicant's price list being dated 2011, three years later than the opponent's price list;
- A similar claim is made in respect of others of the opponent's brands, and in particular, reference is made to the applicant's registrations in respect of POLO CLUB TEA and GRAND WEDDING TEA in the UK when the

opponent has been using POLO CLUB and WEDDING to identify blends of tea in France “for a number of years”;

- The contested application contains elements that the opponent has been using for a number of years in respect of its SAKURA brand of teas. In Exhibit MF3, the SAKURA mark is sometimes shown with an exclamation mark appearing after the word and others show use of the words SAKURA SAKURA!. The opponent’s brand also includes the use of Japanese characters which are sometimes placed within a circle. The contested mark includes the word SAKURA repeated, an exclamation mark and Japanese characters presented in a circular device;
- At Exhibit MF15 is an article that appeared on the website forbes.com published on 14 December 2009. It recounts how the founder of the applicant company, Mr Murjani, met Mr Bouqdib in 2004. Mr Cohen-Tanugi surmises that they “had been plotting an idea [...]at least three years up to the time that Mr Bouqdib left [the opponent company] in 2007”;

### **Applicant’s evidence**

10) This takes the form of a witness statement by Mr Bouqdib in his capacity as director and CEO of the applicant company. He confirms that the applicant company was set up by Mr Murjani in 2001 as a subsidiary of the Wellness Group pte. He states that the Wellness Group had been involved in the tea business for some time prior to him joining the business in June 2007.

11) Mr Bouqdib refers to a market analysis commissioned in respect of legal proceedings in France where the applicant company was described as being “a luxury tea brand”; having 24 sales outlets mainly in Asia, but one in Harrods in London; its teas are distributed to 33 other countries; in 2012 its turnover was about £13 million, 79% of which was generated in Asia, and; its development strategy is to expand in Asia.

12) At Exhibit TB4 is a translation of a decision of the Paris District Court concerning another dispute between the parties. A supplementary decision in respect of these proceedings was issued on 14 January 2014 where it was found that the applicant’s mark did infringe the opponent’s French registration for SAKURA, but there was no suggestion by the court that the applicant’s use was dishonest.

13) Mr Bouqdib refutes Mr Cohen-Tanugi’s claim that the applicant has copied other of the opponent’s marks. In respect of the mark POLO CLUB, he points to Mr Cohen-Tanugi’s comment at paragraph 31 of his witness statement where he concedes that the opponent has only used the mark since 2007. Mr Bouqdib states that another subsidiary of The Wellness Group, namely Art of Tea was the

first to use the mark in 2007. Exhibit TW5 is an extract from the web site chubbyhubby.net, dated 5 November 2007 that states; “[...] there is something really soothing about ending one’s day [...] with a cup of your favourite brew. S’s current favourite is an amazing blend called Polo Club Tea, created by a relatively new [...] tea company called TWG Tea.”

14) In respect to the claim that the applicant has also copied the opponent’s WEDDING tea, Mr Bouqdib provides, at Exhibits TB7, TB8 and TB9, Internet hits illustrating other parties referring to its tea by reference to specific events, such as “Celebration Tea”, “Valentine Blend”, “Birthday Tea”, “Anniversary Tea” and also several other “Wedding Teas”. He states that this is common practice in the trade and that many of these products are available in the UK.

15) Mr Bouqdib states that the applicant has not copied any of the opponent’s marks or elements of its business model as claimed by Mr Cohen-Tanugi. In fact, Mr Bouqdib refers to the market analysis, referred to above at paragraph 11, commenting that the applicant’s business model is different. Mr Bouqdib states that most of the products illustrated in Mr Cohen-Tanugi’s Exhibit MF16 are not copied but “are classic designs not originated by Mariage Frères”. To support this, he provides examples of a range of such traditional, standard and third party products at Exhibit TB10. He further states that the tea services sold to the opponent are not designed or manufactured to the order of the opponent and it does not have any exclusive right over the distribution of these products. Mr Bouqdib provides examples of a number of suppliers of such products. He concludes that any similarities in these products is because they are traditional or standard designs.

16) In respect to the packaging of the respective tea products, Mr Bouqdib states that it is common in the tea trade for suppliers to package their tea in cylindrical or oblong shaped tea tins and packages and he provides illustrations of third party uses of the former at paragraph 42 of his witness statement.

17) In respect to use of SAKURA, Mr Bouqdib explains that it is descriptive of the Japanese Cherry Blossom tree, essence of which is used to flavour tea. At Exhibit TB13 he provides the Wikipedia entry for “Sakurayu” that is described as the Japanese for cherry blossom tea. At Exhibit TB14 are a number of articles that appeared in the UK national press that refer to cherry trees in Japan as “sakura trees” or to the blossom of such trees as “sukura”. Finally, Exhibit TB15 consists of Internet extracts showing third party use of Sakura in respect of cherry flavoured teas.

### **Opponent’s evidence in reply**

18) This consists of a witness statement by Kittichat Sangmansee, President of the Board and CEO of the opponent.

19) He claims that the content of Exhibit TB3 shows similarity of “get up” of the opponent company’s shops and tea houses. To support this, at Exhibit KS1 he provides two photographs of the opponent’s outlets and two corresponding photographs of the applicant’s outlets. He refers to the commonality of dark panelled wood, teas displayed in complementary canisters and that it, he claims, generally gives an impression of life in the mid-19<sup>th</sup> and early 20<sup>th</sup> century.

20) At Exhibit KS4 is an article that appeared on [www.asiaone.com.sg](http://www.asiaone.com.sg) on 20 October 2009. Mr Sangmansee characterises Mr Bouqdib’s comment in this article as that he commenced working on the TWG Tea project in 2003. Mr Bouqdib states “[.] it was a chance meeting [between Mr Murjani and Mr Bouqdib] in Paris in 2003 that the future of TWG began to take shape” and “The two become fast friends, and in 2007, business partners [...]”.

21) Mr Sangmansee states that Mr Bouqdib would have been aware of the impact upon sales and the enhancement to the opponent’s reputation resulting from its organising of an annual event promoting SAKURA tea and he claims that because of this, the applicant has copied the idea of promoting launches of updated SAKURA tea.

22) In reply to Mr Bouqdib’s Exhibit TB5 allegedly showing use of the POLO Club mark by the applicant in November 2007, Mr Sangmansee points out that the applicant company was not created until December 2007 and that the exhibit does not tie the applicant to the use shown.

23) In response to Mr Bouqdib’s evidence that other luxury tea companies sell teas such as “Celebration Collection” and “Birthday Tea”, Mr Sangmansee states that the opponent successfully took action against one such third party for infringement in France. He provides one decision from 2007 with a partial English translation at Exhibit KS10.

24) Mr Sangmansee cites the following as evidence that the applicant has acted dishonourably by conducting its business in a way that copies the opponent and by registering marks that are used by the opponent:

- By offering positions over a short space of time to the opponent’s key decision makers;
- Soliciting the opponent’s suppliers of tea canisters and engaging in business with them. At Exhibit KS11, he provides a copy of a French language judgment of the Paris Court of First Instance, and partial English translation, where the court found that tea canisters supplied to the applicant by one of the opponent’s suppliers amounted to infringement of one of the opponent’s registered designs;



- Soliciting and hiring the same designer of labels and tea canisters as used by the opponent and instructing him to design similar styled labels and tea canisters;
- Selecting crockery that is almost identical to that used in the opponent's tea rooms;
- Offering and selling tea pots and other products which are very similar to those offered by the opponent.

25) Mr Sangmansee concedes that the opponent has no exclusive right over the use of tea sets it offers, it is his opinion that it is no coincidence that the applicant stocks and sells similar products.

26) At Exhibit KS13, Mr Sangmanee provides a copy of a decision issued by the Paris Court of First Instance, dated 10 January 2014, together with a partial English translation where it held that SAKURA did not lack distinctive character and that the applicant's use of the SUKURA SUKURA TEA mark in France was an infringement of the opponent's SAKURA mark.

### **Applicant's additional evidence**

27) This takes the form of a second witness statement by Mr Bouqdib. He disputes that the look and feel of the applicant's tea salons are similar to those of the opponent. Rather than being late 19<sup>th</sup> or early 20<sup>th</sup> century, the applicant's style of tea salon is "modern Asian, being characterised by use of bright lights, gilding and gold mouldings, marble floors, glass shelves and marquetry furniture". Contrasting photographs are reproduced in paragraph 4 of his witness statement.

28) Whilst Mr Bouqdib does not dispute that he first met Mr Murjani in 2003, he states that "we did not seriously begin discussing the possibility of working together until much later".

29) In response to the accusation that the applicant has copied the idea of an annual launch of a new SAKURA tea from the opponent, he explains that there is a seasonal nature to SAKURA tea with the cherry blossoms used for the tea being harvested annually in the spring. He states that the applicant does not copy the opponent in refreshing its blend every year. He provides various articles at Exhibit TB16 to illustrate the seasonal nature of SAKURA tea.

30) The two other members of staff recruited from the opponent were a shop manager and a pastry chef and were not "key decision makers" as the opponent contends and had no key executive powers. Mr Bouqdib states that these two were not recruited to disrupt the opponent but because they were suitable for, and interested in the applicant's posts.

31) Mr Bouqdib denies that The Wellness Group adopted the name "Art of Tea" and he provides evidence of how common the term "The Art of ...." is generally and that there also "thousands of books based on the same construction" and that even in the area of tea there are several books available on Amazon UK which contain "Art of" in their titles. These are shown at paragraph 11 of his witness statement and include: "The Ancient Art of Tea: wisdom From the Ancient Chinese Tea Masters", "The Art of Tea and Friendship", Steeped in History: The Art of Tea", El Arte del te [a Spanish title translated as "The Art of Tea"] and "The Art of Taking Tea". Mr Bouqdib contends that the suggestion that The Wellness Group took the name from a book sold by the opponent is just untrue.

32) Mr Sangmanee refers to the applicant sourcing its tea canisters from the same company as the opponent. Mr Bouqdib states that this company, Lagache, is a leader in its field and supplies canisters to many tea competitors and refers to companies such as Hédiard, Fauchon, Kusmi Tea, Harrods, Betjeman & Barton and La Toute de Thé. He adds that the litigation between Lagache and the opponent regarding design infringement did not involve the applicant.

33) Mr Bouqdib denies that the applicant commissioned teapots, canisters and labels in a design similar to those used by the opponent. He states this is a mis-characterisation as the designer concerned, Mr Robert Aron Mizrahi, is known for his use of antique designs and Mr Mizrahi was asked to design canisters in his well-known personal style.

34) In response to Mr Sangmanee's [his para 32] claims relating to that sale of "historical Karawan teapot", Mr Bouqdib points out that this teapot design features in a collection of artefacts in London's Victoria and Albert Museum and dates from 1876. Royal Doulton have also made a teapot to this design at the turn of the twentieth century (see Exhibit TB19). Mr Bouqdib identifies other businesses that sell teapots in variations of this design, an example of which is provided at Exhibit TB20. This website extract from artbymisbah.wix.com is in English and carries a 2013 copyright notice.

35) Mr Bouqdib rejects the opponent's claim that it has copied its marks (including SAKURA! SAKURA!). He states that in the French litigation, the applicant was accused of copying about thirty of the opponent's marks but that all these claims were rejected by the court except for two (one of which was SAKURA! SAKURA!). He states that this supports his claim that there has been no systematic copying by the applicant. In respect to the SAKURA! SAKURA! mark, Mr Bouqdib, once again, refers to its meaning of tea made from cherry blossom and states that the applicant does not claim any exclusive right to the word "Sakura" or to "Sakura Sukura".

## DECISION

36) Section 3(6) of the Act states:

“(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith.”

37) The law in relation to section 3(6) of the Act (“bad faith”) was summarised by Arnold J. in *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch):

“130. A number of general principles concerning bad faith for the purposes of section 3(6) of the 1994 Act/Article 3(2)(d) of the Directive/Article 52(1)(b) of the Regulation are now fairly well established. (For a helpful discussion of many of these points, see N.M. Dawson, "Bad faith in European trade mark law" [2011] IPQ 229.)

131. First, the relevant date for assessing whether an application to register a trade mark was made in bad faith is the application date: see *Case C- 529/07 Chocoladenfabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH* [2009] ECR I-4893 at [35].

132. Secondly, although the relevant date is the application date, later evidence is relevant if it casts light backwards on the position as at the application date: see *Hotel Cipriani Srl v Cipriani (Grosvenor Street) Ltd* [2008] EWHC 3032 (Ch), [2009] RPC 9 at [167] and cf. *Case C-259/02 La Mer Technology Inc v Laboratoires Goemar SA* [2004] ECR I-1159 at [31] and *Case C-192/03 Alcon Inc v OHIM* [2004] ECR I-8993 at [41].

133. Thirdly, a person is presumed to have acted in good faith unless the contrary is proved. An allegation of bad faith is a serious allegation which must be distinctly proved. The standard of proof is on the balance of probabilities but cogent evidence is required due to the seriousness of the allegation. It is not enough to prove facts which are also consistent with good faith: see *BRUTT Trade Marks* [2007] RPC 19 at [29], *von Rossum v Heinrich Mack Nachf. GmbH & Co KG* (Case R 336/207-2, OHIM Second Board of Appeal, 13 November 2007) at [22] and *Funke Kunststoffe GmbH v Astral Property Pty Ltd* (Case R 1621/2006-4, OHIM Fourth Board of Appeal, 21 December 2009) at [22].

134. Fourthly, bad faith includes not only dishonesty, but also "some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined": see *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367 at 379 and *DAAWAT Trade Mark* (Case C000659037/1, OHIM Cancellation Division, 28 June 2004) at [8].

135. Fifthly, section 3(6) of the 1994 Act, Article 3(2)(d) of the Directive and Article 52(1)(b) of the Regulation are intended to prevent abuse of the trade mark system: see *Melly's Trade Mark Application* [2008] RPC 20 at [51] and *CHOOSI Trade Mark* (Case R 633/2007-2, OHIM Second Board of Appeal, 29 February 2008) at [21]. As the case law makes clear, there are two main classes of abuse. The first concerns abuse vis-à-vis the relevant office, for example where the applicant knowingly supplies untrue or misleading information in support of his application; and the second concerns abuse vis-à-vis third parties: see *Cipriani* at [185].

136. Sixthly, in order to determine whether the applicant acted in bad faith, the tribunal must make an overall assessment, taking into account all the factors relevant to the particular case: see *Lindt v Hauswirth* at [37].

137. Seventhly, the tribunal must first ascertain what the defendant knew about the matters in question and then decide whether, in the light of that knowledge, the defendant's conduct is dishonest (or otherwise falls short of the standards of acceptable commercial behaviour) judged by ordinary standards of honest people. The applicant's own standards of honesty (or acceptable commercial behaviour) are irrelevant to the enquiry: see *AJIT WEEKLY Trade Mark* [2006] RPC 25 at [35]-[41], *GERSON Trade Mark* (Case R 916/2004-1, OHIM First Board of Appeal, 4 June 2009) at [53] and *Campbell v Hughes* [2011] RPC 21 at [36].

138. Eighthly, consideration must be given to the applicant's intention. As the CJEU stated in *Lindt v Hauswirth*:

"41. ... in order to determine whether there was bad faith, consideration must also be given to the applicant's intention at the time when he files the application for registration.

42. It must be observed in that regard that, as the Advocate General states in point 58 of her Opinion, the applicant's intention at the relevant time is a subjective factor which must be determined by reference to the objective circumstances of the particular case.

43. Accordingly, the intention to prevent a third party from marketing a product may, in certain circumstances, be an element of bad faith on the part of the applicant.

44. That is in particular the case when it becomes apparent, subsequently, that the applicant applied for registration of a sign as a Community trade mark without intending to use it, his sole objective being to prevent a third party from entering the market.

45. In such a case, the mark does not fulfil its essential function, namely that of ensuring that the consumer or end-user can identify the origin of the product or service concerned by allowing him to distinguish that product or service from those of different origin, without any confusion (see, inter alia, Joined Cases C-456/01 P and C-457/01 P *Henkel v OHIM* [2004] ECR I-5089, paragraph 48)."

38) The relevant date for assessing the claim of bad faith is the filing date of the application for invalidation, namely, 18 December 2012.

39) In his witness statement, Mr Cohen-Tanugi claims, on behalf of the opponent, that by applying to register the mark, the applicant could not have been acting innocently and without the knowledge of the opponent's long and established interest in the SAKURA mark. It is claimed that Mr Bouqdib would have had knowledge of the opponent's use of the mark in the UK. There is a claim that the opponent has sold its SAKURA branded tea in the UK since at least since 2006, but it is telling that the opposition has not been additionally based upon a claim of passing off. The inference is that any such use is no more than trivial for the purposes of demonstrating that the mark identifies the opponent's goodwill. Evidence in support of use of the mark in the UK is restricted to invoices to ten different UK purchasers between 2008 and 2011. Whilst three of the invoices do not indicate the cost, the totality of the remaining invoices in respect to SAKURA tea is less than €700. There are two relevant observations. Firstly, Mr Bouqdib would have had no "inside knowledge" of these sales having already departed the opponent company in 2007. Secondly, the amount of sales demonstrated is very low. So low in fact that it raises the question of what benefit the applicant may have been expected to gain by copying elements of the opponent's mark (if that, indeed, is what it did). This also brings into doubt the claim that Mr Bouqdib was aware that SAKURA was one of the opponent's best selling brands, but even if he was aware that it was a best-selling brand elsewhere, there does not appear to be any significant sales under the mark in the UK at the relevant date or in the proceedings six years or so. Therefore, I cannot see any obvious gain, to the applicant in filing for the mark, at the expense of the opponent's business. Certainly, the evidence does not support the claim that, by filing the application, the applicant was intentionally targeting one of the opponent's best-selling brands. Therefore, I reject this demonstrates that the applicant acted in bad faith.

40) One of the applicant's defences is that the word SAKURA is descriptive and that the opponent's goods are not branded as SAKURA because the word merely indicates that the product is cherry blossom tea. From the evidence provided, it appears that the word SAKURA does, indeed, describe Japanese cherry blossom. Mr Sangmanee submits that this evidence (see Exhibits TB13 and TB14) carries no weight in the proceedings because it is clear that the opponent has trade mark rights in the word. It is important that the issue of

confusion and the issue of bad faith are not mixed up. To my mind, it is sufficient that SAKURA has a relevant meaning in respect of teas flavoured with essence of cherry blossom to cast doubt that the applicant adopted the word in bad faith. The evidence illustrates that its use is restricted to use in respect of cherry blossom tea and is therefore consistent with the defence that it was chosen because it indicates the flavour of the tea. Whether the UK consumer will perceive this descriptive meaning is not determinative of the bad faith issue, rather, it is sufficient that the choice of the word does not amount to bad faith. I remain unconvinced that the choice of words does demonstrate bad faith.

41) Mr Bartlett submitted at the hearing, it is not sufficient merely that the applicant has knowledge of the opponent's use of its mark in the territory concerned, in this case, the UK (see *Chocoladefabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH*, C-529/07, paragraph 40 and more recently in *Malaysia Dairy Industries Pte. Ltd v Ankenævnet for Patenter og Varemærker*, C-320/12. Paragraph 37). Even so, in this case it is not clear that the applicant even had this knowledge. Mr Kapur suggests that the contested application is pre-emptive in the sense that the applicant is aware that the opponent intends to use and/or register the mark in the UK (see paragraph 7 above). The opponent has had sales outlets in the Harrods (since 2009) and Selfridges (since 2012) department stores in the UK and claims use of its SAKURA mark in the UK since at least 2006. As I have already commented, this use appears to be very small because it is one of over 200 types of tea sold by the opponent from only one (it is not clear if the *Selfridges* outlet was operation before the relevant date of 18 December 2012) outlet and there is no suggestion that the opponent has imminent plans to expand its activities in the UK. Further, there is no suggestion by the opponent that it was intending filing an application to register the mark. In such circumstances, the claim that the application is pre-emptive must fail. It is not pre-emptive of use because the opponent had been using the mark in the UK for some six years before the filing of the contested mark. Neither can the application be pre-emptive of an application for the mark by the opponent because it had been trading under the mark for six years without applying and because there is no claimed intention by the opponent to file an application. As Mr Bartlett pointed out, mere knowledge of the opponent's use of its mark is not sufficient.

42) Mr Bartlett submits that there is nothing in the point that both the opponent's mark and the applicant's mark include Japanese letters. He submits that it merely indicates, in an attractive way, the heritage of the product. He further submits that the use of "circular device" around the Japanese letters is totally different to that used by the opponent. The comparison of both sides' packaging sheds little light on the issue of bad faith and it is not surprising that Japanese characters are used on a product that appears to have links to Japan (where the cherry blossom is grown and harvested). The use of exclamation marks and the repeating of the word SAKURA in the applicant's mark is perhaps less easily explained. The applicant submits that it was merely to emphasise the Cherry Blossom element

of the goods, but it is notable that it has chosen to emphasise this element in the same way that the opponent has done on some of its packaging (see the representation at the fifth bullet point, paragraph 9 above). Nevertheless, when assessing the impact upon my considerations of this, I keep in mind the territorial nature of trade marks and the absence of a claim by the opponent to any trade mark right in the UK. In light of this, together with my conclusion that there is nothing pre-emptive in the applicant's application, there appears to be nothing to prevent the applicant applying for a mark, containing such a presentation, in the UK.

43) The opponent also submits that the application is part of a pattern of behaviour that supports its claim that it was made in bad faith. This pattern of behaviour, it is alleged, includes:

- Offering positions to employees of the opponent;
- Soliciting the opponent's suppliers of tea canisters and engaging in business with them;
- Soliciting and hiring the same designer of labels and tea canisters as used by the opponent and allegedly instructing him to design similar styled labels and tea canisters;
- Selecting crockery that is almost identical to that used in the opponent's tea rooms;
- Offering and selling tea pots and other products which are very similar to those offered by the opponent;
- Adopting a style of shop and tea house that is similar to those of the opponent;
- Copying the idea of holding an annual launch event for the latest blend of SAKURA tea.

44) The applicant has provided an explanation or justification in respect to each and every one of these allegations, but I am able to consider the allegations collectively without the need to refer to these defences. It is clear that the opponent is unhappy with the global activities of the applicant and the information may, at worst, paint a picture of the applicant adopting practices that could be collectively described as being at the "sharp end" of acceptable business practices. At best, they indicate no more than a rival business operating in the same niche market of "high-end" teas accessing the same resources as the opponent solely because they were known to Mr Bouqdib from his time working for the opponent. In other words he was merely using his knowledge of the industry acquired whilst working for a previous employer.

45) The allegations amount to a claim that the applicant has adopted unfair competitive practices by aping the opponent's business model and activities. However, there is nothing before me to suggest that these activities, either individually or collectively, are contrary to any law in the UK. In light of this, even if I were to conclude that the applicant's activities, of which the filing of the contested application was one, amounted to some sort of sharp practice, in the absence of such activity being contrary to UK law, I cannot see that the application was made in bad faith. As I have already concluded, the opponent does not rely on any earlier right in the UK, despite providing evidence of a very small level of use, and consequently the applicant's mark does not infringe any earlier rights. Neither can it be said to be pre-emptive of use or an application to register the mark by the opponent.

46) The opponent also draws attention to a number of applications filed by the applicant in respect of marks that it claims are similar to some of the opponent's marks. These are all subject to separate proceedings, but it is not clear to me that the mere filing of these marks amount to bad faith. In these circumstances, such a finding is linked to whether these marks are found to be passing off the opponent's earlier rights. If not, it is difficult to see how the action of applying for the marks would amount to bad faith.

47) In summary, I dismiss the opponent's argument that the filing of the contested mark was part of a pattern of behaviour that amounted to bad faith on the part of the applicant.

48) I also comment as follows on other issues relied upon by the opponent:

*Applicant's offer to disclaim SAKURA*

49) By letter received shortly before the hearing date, the applicant has offered to disclaim any rights in the word SAKURA. This offer is noted, but it does not assist in assessing whether there is bad faith. One important aspect for assessing if the application was made in bad faith is to consider why the applicant chose to apply to register the mark. Mr Kapur submitted that making such a late request to disclaim the SAKURA elements of the mark is merely an attempt to disguise the bad faith intention and also points to a number of other registrations for food and drink to support the opponent's claim that the word does not lack distinctive character. The alternative position taken by the applicant is that it is prepared to disclaim the SAKURA element because it views it as descriptive and the offer to disclaim it is to make it clear that it does not wish to monopolise the term. Taking account of both sides' submissions it is my view that the act of offering to disclaim SAKURA could be consistent with either sides' claims and it is well established that evidence that could illustrate both good and bad faith cannot be taken as evidence of bad faith (see *BRUTT Trade Marks* [2007] RPC 19 at paragraph 29). I therefore dismiss this point.



### Impact of findings in the Paris District Court

50) Mr Bouqdib relies on the findings of the Paris District Court where the opponent's claims of copying, unfair competition and parasitism were rejected. As the opponent draws attention to, the issues in that case were many and diffuse and none were based upon bad faith. Secondly, they relate to a dispute in a different jurisdiction, namely France. Further, I am not bound by the findings of that court. Taking all of this into account, I must assess the case before me as it applies to the UK when considering whether the applicant was acting in bad faith when it filed the contested mark. The findings of the French court do not assist in this.

### Breach of fiduciary duty

51) The opponent also claims that there was a fiduciary duty upon Mr Bouqdib after leaving the opponent's employment and that he was in receipt of confidential and strategic information when he was working for the opponent. There is no evidence that Mr Bouqdib was constrained in his activities due to contractual clauses in his employment with the opponent. It is not clear to me that Mr Bouqdib had such information and certainly the evidence fails to support the accusation. Further, he left the opponent in April 2007 and the applicant did not apply for the contested marks until December 2012, some five and a half years later. In the absence of any contractual requirements, I do not see how Mr Bouqdib had any fiduciary duty from his previous employment more than five years after leaving. I dismiss this argument.

### Conclusion

52) In conclusion, I find that the applicant did not act in bad faith when filing the contested application. Whilst the applicant's mark may be confusingly similar with the opponent's claimed unregistered SAKURA mark in the UK, it does not follow that the applicant acted in bad faith. The applicant has provided evidence that the word "Sakura" has a meaning in respect to Japanese cherry blossom despite the average UK consumer of tea not necessarily being aware of such a meaning. However, the consumer targeted by the applicant (and opponent) are those interested in speciality teas and may be aware of the descriptive meaning. Even so, this is not conclusive that the applicant was acting in bad faith when it applied for registration of the mark. What is more convincing is that, regardless of the knowledge of the consumer, the word "Sakura" appears to be used in the trade to indicate tea with cherry blossom essence. In light of this, to apply for a mark incorporating the word "Sakura" and to use it in respect of tea flavoured with cherry blossom essence is not evidence of bad faith.

53) Further, there is no evidence or claim that the application infringes any existing earlier right held by the opponent in the UK. In light of the territorial

nature of trade marks and in the absence of any pre-emptive intention by the applicant, this also supports a finding that the applicant was free to file for the mark and in doing so was not acting in bad faith.

54) In summary, I find that the opposition fails.

## **COSTS**

55) The opposition has failed and the applicant is entitled to a contribution towards its costs. Mr Bartlett submitted that the case should not have been brought, that the pleadings did not identify a cause of action and that much irrelevant evidence has been submitted by the applicant. I agree that there have been some deficiencies in how the opponent presented its case, particularly the volume of evidence and the diffuse issues dragged into its claims. In light of this I award enhanced costs, in respect of the evidence, but this can be dealt with within the published scale published in Tribunal Practice Notice 4/2007. I award costs as follows:

Considering the statement and preparing the counterstatement	£300
Evidence	£1700
Preparing for and attending hearing	£1000
<b>Total:</b>	<b>£3000</b>

56) I order Mariage Frères, Société anonyme to pay TWG Tea Company Pte Ltd the sum of £3000 which, in the absence of an appeal, should be paid within seven days of the expiry of the appeal period.

**Dated this 15<sup>TH</sup> day of April 2015**

**Mark Bryant  
For the Registrar,  
the Comptroller-General**