

O-197-16

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 501078
BY SUN MARK LIMITED
FOR REVOCATION OF TRADE MARK No. 1268523
STANDING IN THE NAME OF
A.G.BARR PLC**

**AND IN THE CONSOLIDATED MATTER OF
APPLICATION NO. 3058844
BY SUN MARK LIMITED TO REGISTER
SCOTS-BRU
IN CLASS 32**

**AND
IN THE MATTER OF OPPOSITION
THERE TO UNDER No.403803 BY
A.G.BARR PLC**


BACKGROUND

1) On 6 June 2014 Sun Mark Limited (hereinafter SML) applied to register the trade mark SCOTS-BRU under no. 3058844 in respect of the following goods in Class 32: Beers; non-alcoholic beverages, namely energy drinks and fruit flavoured energy drinks; syrup and preparation for making beverages namely energy drinks.

2) The application was examined and accepted, and subsequently published for opposition purposes on 21 November 2014 in Trade Marks Journal No.2014/048.

3) On 20 February 2015 A.G. Barr Plc (hereinafter AGB) filed a notice of opposition. The grounds of opposition are in summary:

a) AGB is the proprietor of the following trade marks:

Mark	Number	Dates of Registration	Class	Goods
IRN-BRU	649974	18.07.46	32	Non-alcoholic drinks included in class 32 and preparations for making such drinks
 <p>Shades of orange, blue, purple, red, black and white.</p>	CTM 5828173	23.06.09	32	Beers; non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparations for making beverages; soft drinks; carbonated beverages; but not including spring water, natural spring water, natural mineral water and colourless, unflavoured mineral water.
BRU The mark consists of a French word meaning "Daughter-in law".	1268523	27.06.97	32	Non-alcoholic beverages and preparations for making such beverages; all included in Class 32; but not including spring water, natural mineral water and colourless, unflavoured mineral water and not including any such goods being brewed.

b) AGB contends that the marks and goods of the two parties are identical and /or similar such that the mark in suit offends against section 5(2)(b) of the Act.

c) AGB contends that its marks are famous as having a Scottish heritage. It claims that the mark in suit will cause its marks to lose their distinctiveness and that the applicant is seeking to ride upon its coat tails gaining goodwill and custom from the

attractive force of the opponent's marks. The mark in suit therefore offends against section 5(3) of the Act.

- d) AGB also claims to have used its mark IRN-BRU since 1 January 1947, and its mark BRU since 1 October 2008 in relation to non-alcoholic beverages. As a result of this use it claims that it has considerable goodwill and reputation in the UK under both signs and that use of the mark in suit would result in misrepresentation with consumers assuming that the applicant's products originate from the opponent or are licensed or connected to the opponent. The opponent would therefore suffer damage to its goodwill as well as potential divergence of business. The mark in suit offends against Section 5(4)(a) of the Act.

4) On 27 April 2016 SML filed a counterstatement which basically states that the marks and goods are different and denies AGB's claims. It puts AGB to strict proof of use of its mark No 1268523.

5) By an application dated 14 December 2015 SML applied for the revocation of registration UK 1268523 under the provisions of Section 46(1)(b) claiming there has been no use of the trade mark on the goods for which it is registered in the five year period 5 June 2009 – 4 June 2014. A revocation date of 5 June 2014 is sought. Although the revocation action was filed without formal warning the possibility was clearly foreshadowed in the earlier action between the parties.

6) On 30 December 2015 AGB filed its counterstatement contending that its mark has been used during the specified period.

7) The opposition and revocation cases were consolidated.

8) Both sides filed evidence. The matter came to be heard on 4 April 2016 when AGB was represented by Mr Aikens of Counsel instructed by Messrs Rouse IP Limited; and SML was represented by Mr Ranger a director of the company.

AGB'S EVIDENCE

9) AGB filed two witness statements. The first, dated 7 September 2015, is by Stephen David Ruairidh Taylor the in-house solicitor of AGB. He states that he has access to the records of AGB. He states that AGB is one of the UK's leading manufacturers of non-alcoholic drinks and that IRN-BRU is AGB's biggest selling brand. He states that the brand was launched in 1901 as IRON BREW, but was changed to IRN BRU in 1947. He states that competitors adopted IRON BREW which has become the generic term for orange coloured carbonated soft drinks in much the same way that "cola" is used for dark carbonated soft drinks. He states that the mark IRN-BRU is used throughout the UK and is sold via wholesalers, retailers as well as in restaurants, pubs and other eateries.

10) Mr Taylor states that, in 2013, AGB was the seventh largest supplier of soft drinks in the UK with a market share of 5% in relation to off-trade sales and 2% of on-trade sales. The UK market on 2012 amounted to £11.2 billion. He provides the following turnover of IRN-BRU in the UK, and also advertising figures (although these do not state that they relate solely to IRN-BRU as opposed to AGB's other brands).

Year	Irn-Bru Turnover £million	Cases sold in UK 12-24 bottles/cans per case	Advertising £million
2008	101	20 million	n/a
2009	104	20 million	n/a
2010	109	21 million	3
2011	112	21 million	4
2012	113	20 million	3
2013	118	21 million	3
2014	119	21 million	3

11) He states that the brand has also been advertised on television, on YouTube in supermarkets, on AGB's own website and on social media. He provides a number in respect of "views" for these but many are not confined to the UK, and no explanation is provided as to how they are calculated. He states that the brand has been the subject of press articles and he provides examples at exhibit SDRT16. He states that the company has sponsored events such as the Commonwealth Games in 2014 (23 July -3 August), the Scottish Football League from 2007-2013 and the Scottish Rugby Union in 2014. He states that AGB have won awards for its brand awareness and its advertising campaigns, particularly in Scotland.

12) Mr Taylor moves on to comment on the use of the mark "BRU". He states that this mark was first used in the UK in 2009 in relation to a small 250ml bottle of IRN-BRU. He states that during the period 2009-2014 sales of these bottles amounted to almost £5 million and contends that the marks IRN-BRU and BRU are "inextricably linked with Scotland. He states that the product is often referred to as Scotland's national drink in press articles and achieves high sales overseas particularly where there are a large number of ex-pat Scots. He also provides exhibits as follows:

- SDRT3: A large number of pages which show use of the mark EUTM 5828173. The document makes a number of claims regarding market share and awareness, however these are mostly undated and so of little value.
- SDRT4: A copy of a web page from the Tesco on-line store dated 28 September 2014 which shows a bottle of IRN-BRU for sale under the mark EUTM 5828173. This is after the relevant dates.
- SDRT5: a report by the Competition Commission dated July 2013 into the acquisition of Britvic plc by AGB.
- SDRT7: Examples of advertising in Scottish trade magazines/papers dated 2006 – 2014. Those dated 2008 – 2014 all appear to use EUTM 5828173. A few of the adverts state that the product is "brewed in Scotland".
- SDRT8: This consists of a CD with various advertisements upon it. Only two are dated, one being March 2013 the other being 2015 (after the relevant dates). All the advertisements use mark EUTM 5828173. There is an obvious "Scottish link" in most of the advertisements. Mr Taylor provides dates for some of the advertisements with one in 2006 (Snowman), one in 2008 (IF), one in 2009 (High School musical), one in

2011 (Cut Outs), one in 2012 (Fanny), two in 2013 (Mum & New Fella) and one in 2015 (Train).

- SDRT9: This shows use of Raymond Brigg's "Snowman" under licence in Asda stores in 2011 & 2014. Mention is also made regarding the use of the Snowman advertisement on the television. It shows use of EUTM 5828173.
- SDRT10: photographs of displays in various stores. These are mostly dated between October 2014 and January 2015, although five photographs are dated July to October 2012; five in July to October 2013 and two in April 2014. From the store names and postcodes it would appear that these are all in the UK. All show use of EUTM 5828173.
- SRDT11: A screenshot dated September 2015 from AGB's website showing use of EUTM 5828173. This is after the relevant dates.
- SDRT13: Pages from Facebook dated 2015. These are after the relevant dates.
- SDRT14: Screenshots from YouTube dated 3 September 2015, after the relevant dates.
- SDRT16: Examples of press articles mentioning the brand, in particular in 2014 in respect of the Commonwealth Games. All seem to be from Scottish newspapers.
- SDRT17: Images from the Commonwealth Games showing an image from the opening ceremony where outsize cans of IRN-BRU were used as part of a prop, and also images of the pop-up shop selling IRN-BRU merchandise.
- SDRT18: Press articles covering sponsorship deals with Scottish football in 2013, Scottish Rugby in August 2014.
- SDRT19: This is said to show articles from retail and advertising magazines referring to awards won by AGB for its advertising campaigns. In fact there is a single report, dated 2014, which shows that the brand IRN-BRU was number one in respect of consumers of the product mentioning it on social media. It also shows that the mark was the number one Scottish Grocery Brand in 2014 for the fourth year running. It is not clear how this award is calculated.
- SDRT20 documents re BRU showing turnover per annum for the period 2009-2014 inclusive. The figures are reasonably consistent and show sales averaging approximately £750,000 per annum. The exhibit also contains invoices, however these all refer to IRN-BRU with one exception which refers to "WEE BRU". Also included are images of cartons of bottles in packaging which shows use of EUTM 5828173. Included in smaller print are the words "The wee BRU". There is a sheet which shows images of bottles with "wee-Bru" upon them. This is said to relate to a 2009 point of sale campaign. There are also images of a 2012 promotion which shows bottles and cartons of bottles and cans with EUTM 5828173 upon them, but in addition the use of the term "BRU-JET with a globe image to promote a competition

where flights could be won. Similar competitions were held under the titles “BRU-ISLAND” (also in 2012), and “BRU-SKIES” (2013).

- SDRT21: Press articles associating IRN-BRU with Scotland. Of the four articles, two are dated February 2015 and November 2014 after the relevant dates. One is undated and one does not identify which newspaper or magazine it is from.
- SDRT22: So called Scottish celebrities photographed with a can of IRN-BRU.
- SDRT23: The Scottish Tourist authority on its website dated 27 April 2014, under the heading for AGB mentions that the company makes IRN-BRU and that it is “known as Scotland’s second national drink”.
- SDRT25: An article on the Mirror newspaper website, dated 22 September 2014, mentions that the soda is now also manufactured in England.
- SDRT26: A Google search showing that the term SCOTS BRU generates results regarding IRN-BRU. However, this only shows that the terms “scots” and “bru” both appear somewhere in the link.
- SDRT27: Advertising campaigns emphasising the Scottish origin of IRN-BRU. One relates to the Commonwealth Games in Glasgow (2014) the other is dated 29 December 2014 (after the relevant dates).

13) The second witness statement, dated 10 September 2015, is by Richard Alan May, AGB’s Trade Mark Attorney. He states that SML has a history of attempting to register “me too” marks which are very close to well-known brands. Four such cases are listed all of which have been decided against SML. Copies of correspondence between the parties are provided, in which SML states:

“Besides IRN-BRU has been in the market since 1901 – over a century- and as a result its name and reputation is embedded in the minds of consumers. You will also agree it is not just the name people go for, it is also the taste which they have acquired and have become accustomed to over the years.”

SML’S EVIDENCE

14) SML filed a witness statement, dated 10 December 2015, by Raminder Ranger a Director of SML. He refers to the witness statement of Mr Taylor where Mr Taylor states that the opponent “only used BRU as a trade mark to support the separate mark IRN-BRU”. Mr Ranger makes the point that in his view it is unacceptable and an abuse of the trade mark registration process to be able to file a defensive trade mark in bad faith in order to block any future applications. He also points out that the legal adviser to AGB previously acted for SML and therefore there is a conflict of interest. He states that Rouse IP Ltd only ceased to act on behalf of SML in August 2015. The information referred to by Mr May was obtained when acting on behalf of SML. He also provides a range of submissions regarding the likelihood of confusion and factors involved in reaching that decision. He includes as an exhibit an email from Rouse IP Ltd stating that they will cease to act on behalf of SML on 15 August 2015.

AGB'S EVIDENCE IN REPLY

15) AGB filed two witness statements. The first, dated 8 February 2016, is by Mr Taylor who has previously provided evidence in this case. For the most part this consists of submissions and comments on the witness statement of Mr Ranger. He supplies the following exhibits:

- SDRT29: A report by the Competition Commission dated 9 July 2013. It states at paragraph 5:

“5. There are two broad categories of soft drinks; carbonated soft drinks (CSDs) and still drinks. CSDs include drinks such as colas, fruit flavoured carbonates and lemonade as well as carbonated energy drinks.”
- SDRT30: This consists of a letter, dated 22 January 2016, from the British Soft Drinks Association (BSDA) in which the Director General states that his association categorises energy drinks as a CSD because they are in close competition in terms of pricing, ingredients, consumers, points of sale and consumer perception.
- SDRT31: Consists of a copy of the 2014 report of the BSDA which states that sports and energy drinks are included regarded as still and carbonated respectively.

16) The second witness statement, dated 5 February 2016, is by Mr May who has previously provided evidence in these proceedings. He states that his company originally acted for Sun Oil Ltd until 2008. In 2008 Sun Oil changed its name to Sun Mark Ltd. In 2015 Rouse IP Ltd decided to cleanse its database and so sent out letters to companies still on its database informing them that they would no longer be represented by Rouse. He states that Rouse had not contacted SML for seven years prior to the letter being sent out in 2015. At exhibit RAM4 he provides a copy of a letter sent to OHIM on 5 June 2008 which stated that Rouse no longer represented Sun Oil Ltd. He denies that his company has advised SML in relation to the instant case and states that it has not used Sun Oils confidential information.

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

DECISION

18) I shall first consider the revocation action which is based under Section 46(1) of the Act which states that:

“The registration of a trade mark may be revoked on any of the following grounds-

- (a) ...
- (b) that such use has been suspended for an uninterrupted period of five years, and there are no proper reasons for non-use;
- (c)...
- (d)...

(2) For the purpose of subsection (1) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and use in the United Kingdom includes affixing the

trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(3) The registration of a trade mark shall not be revoked on the ground mentioned in subsection (1)(a) or (b) if such use as is referred to in that paragraph is commenced or resumed after the expiry of the five year period and before the application for revocation is made: Provided that, any such commencement or resumption of use after the expiry of the five year period but within the period of three months before the making of the application shall be disregarded unless preparations for the commencement or resumption began before the proprietor became aware that the application might be made.

(4) An application for revocation may be made by any person, and may be made to the registrar or to the court, except that –

(a) if proceedings concerning the trade mark in question are pending in the court, the application must be made to the court; and

(b) if in any other case the application is made to the registrar, he may at any stage of the proceedings refer the application to the court.

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

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

(a) the date of the application for revocation, or

(b) if the registrar or court is satisfied that the grounds for revocation existed at an earlier date, that date.”

19) I also take into account Section 100, which reads:

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

20) In determining the issue I look to *The London Taxi Corporation Limited v Frazer-Nash Research Limited & Ecotive Limited*, [2016] EWHC 52, where Arnold J. summarised the case law on genuine use of trade marks. He said:

“I would now summarise the principles for the assessment of whether there has been genuine use of a trade mark established by the case law of the Court of Justice, which also includes Case C-442/07 *Verein Radetsky-Order v Bunderversammlung Kamaradschaft 'Feldmarschall Radetsky'* [2008] ECR I-9223 and Case C-609/11 *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR 7, as follows:

- (1) Genuine use means actual use of the trade mark by the proprietor or by a third party with authority to use the mark: *Ansul* at [35] and [37].
- (2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Centrotherm* at [71]; *Leno* at [29].
- (3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Centrotherm* at [71]; *Leno* at [29].
- (4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].
- (5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71].
- (6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34]; *Leno* at [29]-[30], [56].
- (7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72]; *Leno* at [55].
- (8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32].”

21) When considering the evidence provided I take into account the comments of Mr Daniel Alexander Q.C. as the Appointed Person in *Awareness Limited v Plymouth City Council*, Case BL O/230/13, where he stated:

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

and further at paragraph 28:

“28. I can understand the rationale for the evidence being as it was but suggest that, for the future, if a broad class, such as “tuition services”, is sought to be defended on the basis of narrow use within the category (such as for classes of a particular kind) the evidence should not state that the mark has been used in relation to “tuition services” even by compendious reference to the trade mark specification. The evidence should make it clear, with precision, what specific use there has been and explain why, if the use has only been narrow, why a broader category is nonetheless appropriate for the specification. Broad statements purporting to verify use over a wide range by reference to the wording of a trade mark specification when supportable only in respect of a much narrower range should be critically considered in any draft evidence proposed to be submitted.”

22) I also note that in *Dosenbach-Ochsner Ag Schuhe Und Sport v Continental Shelf 128 Ltd*, Case BL O/404/13, Mr Geoffrey Hobbs Q.C. as the Appointed Person stated that:

“21. The assessment of a witness statement for probative value necessarily focuses upon its sufficiency for the purpose of satisfying the decision taker with regard to whatever it is that falls to be determined, on the balance of probabilities, in the particular context of the case at hand. As Mann J. observed in *Matsushita Electric Industrial Co. v. Comptroller- General of Patents* [2008] EWHC 2071 (Pat); [2008] R.P.C. 35:

[24] As I have said, the act of being satisfied is a matter of judgment. Forming a judgment requires the weighing of evidence and other factors. The evidence required in any particular case where satisfaction is required depends on the nature of the inquiry and the nature and purpose of the decision which is to be made. For example, where a tribunal has to be satisfied as to the age of a person, it may sometimes be sufficient for that person to assert in a form or otherwise what his or her age is, or what their date of birth is; in others, more formal proof in the form of, for example, a birth certificate will be required. It all depends who is asking the question, why they are asking the question, and

what is going to be done with the answer when it is given. There can be no universal rule as to what level of evidence has to be provided in order to satisfy a decision-making body about that of which that body has to be satisfied.

22. When it comes to proof of use for the purpose of determining the extent (if any) to which the protection conferred by registration of a trade mark can legitimately be maintained, the decision taker must form a view as to what the evidence does and just as importantly what it does not 'show' (per Section 100 of the Act) with regard to the actuality of use in relation to goods or services covered by the registration. The evidence in question can properly be assessed for sufficiency (or the lack of it) by reference to the specificity (or lack of it) with which it addresses the actuality of use."

23) In the instant case, AGB filed an invoice showing sales of "WEE BRU" and also examples of packaging and the bottles themselves. They also provided images of competitions where the mark "BRU" was used in conjunction with terms such as "JET", "ISLAND" and "SKIES" where these clearly related to the prize on offer which were essentially holidays. AGB also provided turnover figures for the period 2001-2014 which average at approximately £750,000 per annum. To my mind, the use of the word "WEE" will be seen as descriptive as it relates to a small version of the drink BRU. It is a well-known Scottish term meaning "small" and commonly used.

24) In reaching this view I take into account the case of *Colloseum Holdings AG v Levi Strauss & Co.*, Case C-12/12, which concerned the use of one mark with, or as part of, another mark, the Court of Justice of the European Union found that:

"31. It is true that the 'use' through which a sign acquires a distinctive character under Article 7(3) of Regulation No 40/94 relates to the period before its registration as a trade mark, whereas 'genuine use', within the meaning of Article 15(1) of that regulation, relates to a five-year period following registration and, accordingly, 'use' within the meaning of Article 7(3) for the purpose of registration may not be relied on as such to establish 'use' within the meaning of Article 15(1) for the purpose of preserving the rights of the proprietor of the registered trade mark.

32. Nevertheless, as is apparent from paragraphs 27 to 30 of the judgment in *Nestlé*, the 'use' of a mark, in its literal sense, generally encompasses both its independent use and its use as part of another mark taken as a whole or in conjunction with that other mark.

33. As the German and United Kingdom Governments pointed out at the hearing before the Court, the criterion of use, which continues to be fundamental, cannot be assessed in the light of different considerations according to whether the issue to be decided is whether use is capable of giving rise to rights relating to a mark or of ensuring that such rights are preserved. If it is possible to acquire trade mark protection for a sign through a specific use made of the sign, that same form of use must also be capable of ensuring that such protection is preserved.

34. Therefore, the requirements that apply to verification of the genuine use of a mark, within the meaning of Article 15(1) of Regulation No 40/94, are analogous to those

concerning the acquisition by a sign of distinctive character through use for the purpose of its registration, within the meaning of Article 7(3) of the regulation.

35 Nevertheless, as pointed out by the German Government, the United Kingdom Government and the European Commission, a registered trade mark that is used only as part of a composite mark or in conjunction with another mark must continue to be perceived as indicative of the origin of the product at issue for that use to be covered by the term 'genuine use' within the meaning of Article 15(1)". (emphasis added)

25) SML contend that AGB filed the mark BRU to support its IRN-BRU mark. It is true that Mr Taylor made this comment in his witness statement. However, there is nothing intrinsically wrong in filing a mark which supports an earlier mark by being part of a family of marks if one then goes onto use said mark. Which is exactly what appears to have occurred. I note that AGB has not relied upon the family of marks argument in its pleadings, but that does not mean that its registration of the mark "BRU" was anything other than correct.

26) The revocation action therefore fails.

27) I next turn to consider the ground of opposition 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."

28) 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 for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks."

29) AGB is relying upon its trade marks listed in paragraph 3 above which are all, clearly, earlier trade marks. SML requested that AGB provide proof of use of UK 1268523 and, given the interplay between the dates of both parties' marks, the mark is subject to proof of use. However, the revocation action above considered whether the mark had been used in the period 5 June 2009 – 4 June 2014. This overlaps with the proof of use period which is based upon the publication date of 3058844 which was 21 November 2014. The proof of use period would therefore be 22 November 2009 - 21 November 2014. I found that SGB's mark 1268523 had been used throughout the revocation period which by extension means that it was used for the vast majority of the proof of use period. There is therefore no need

to carry out a separate test. As I believe that SGB's mark 1268523 provides it with its strongest case I will deal with this mark first in the comparisons.

30) When considering the issue under section 5(2)(b) I take into account the following principles which are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

- (a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors;
- (b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;
- (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;
- (d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;
- (e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;
- (f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;
- (g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;
- (h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;
- (i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;
- (j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

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

The average consumer and the nature of the purchasing decision

31) As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective parties' goods; I must then determine the manner in which these goods are likely to be selected by the average consumer in the course of trade. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

“60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median.”

32) Both parties have specifications, broadly speaking, of soft drinks although SML's specification also includes the term “beers” which could be alcoholic as well as non-alcoholic. The average consumer will be a member of the general public, including businesses. Most of the specifications are non-alcoholic so the consumers can be of any age, albeit the alcoholic goods would only be sold to those who are over the age of eighteen. The goods are made available through a variety of trade channels including, inter alia, a shop, supermarket and off-licence. The selection is likely to be made by the consumer from a shelf or from a website or mail-order catalogue, where the consumer will also select the goods visually. The goods may also be sold through bars, clubs and public houses, where the goods may be requested orally, from a member of staff. In considering this point I bear in mind the comments of the Court of First Instance (now the General Court) in *Simonds Farsons Cisk plc v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM case T3/04) when it said:

“In that respect, as OHIM quite rightly observes, it must be noted that, even if bars and restaurants are not negligible distribution channels for the applicant's goods, the bottles are generally displayed on shelves behind the counter in such a way that consumers are also able to inspect them visually. That is why, even if it is possible that the goods in question may also be sold by ordering them orally, that method cannot be regarded as their usual marketing channel. In addition, even though consumers can order a beverage without having examined those shelves in advance they are, in any event, in a position to make a visual inspection of the bottle which is served to them.”

33) Consequently, even though the purchase of these goods in a bar may involve an aural element, the selection will be made, primarily, from the display of goods on shelves, in fridges and on optics at the back of the bar. Accordingly, the purchase of all of the goods at issue is primarily visual, though I do not discount an aural element. In any event the level of attention paid will be that necessary to achieve inter alia, the correct flavour/variety and

possibly ingredients. At the hearing SML contended that the average consumer was not a naïve individual, they know what they like and they will buy what tastes good to them. I will take these views into account. Accordingly, despite the relatively low price of the average beverage and the fact that these are frequent purchases, I believe that the average consumer will pay a reasonable level of attention.

Comparison of goods

34) In the judgment of the CJEU in *Canon*, Case C-39/97, the court stated at paragraph 23:

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary”.

35) The relevant factors, identified by Jacob J. (as he then was) in the *Treat* case [1996] R.P.C. 281, for assessing similarity are:

- a) The respective users of the respective goods or services;
- b) The physical nature of the goods or acts of services;
- c) The respective trade channels through which the goods or services reach the market;
- d) 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;
- e) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

36) I also take into account the comments in *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T- 133/05, where the GC stated that:

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

37) The specifications of the parties' marks are as follows:

AGB's goods	SML's goods
Non-alcoholic beverages and preparations for making such beverages; all included in Class 32; but not including spring water, natural mineral water and colourless, unflavoured mineral water and not including any such goods being brewed.	Class 32: Beers; non-alcoholic beverages, namely energy drinks and fruit flavoured energy drinks; syrup and preparation for making beverages namely energy drinks.

38) Clearly the term “non-alcoholic beverages and preparations of making such beverages; all included in class 32” in AGB’s specification encompasses the terms “non-alcoholic beverages, namely energy drinks and fruit flavoured energy drinks; syrup and preparation for making beverages namely energy drinks” which are found in the specification of SML. These goods must therefore be regarded as identical. This just leaves the term “Beers” in SML’s specification. AGB contend:

“20. Beers’ are similar to ‘Non-alcoholic drinks included in class 32’ because, put very simply, they are both thirst-quenching drinks. More particularly, the end users are the same (members of the public over the age of 18), they are sold in similar forms (i.e. cans and bottles), and they appear very close to each other at the point of sale, for example on shelves in convenience stores and in bars. They are in competition with each other in the sense that they are both drinks which quench the thirst. ‘Beers’ and “non-alcoholic beverages” were held by the IPO to be similar in *Batman v Batsman* O-504-12 and ‘Beers’ and ‘non-alcoholic drinks’ were held to have a moderate degree of similarity in *Suso v Sosyo* O-514-14.”

39) In *Suso v Sosyo* the Hearing Officer stated:

“52. The remaining goods in the application are beers. The opponent’s specification includes ‘non-alcoholic drinks’, which may include non-alcoholic equivalents of alcoholic drinks such as beers. Non-alcoholic beer is clearly a drink which contains no alcohol. As such it may be considered to be equivalent to a soft drink. However, in making a comparison I must construe the words of the trade mark specification in the context of the way in which the product is regarded for the purposes of trade. A non-alcoholic beer is exactly that, a beer without alcohol, and will be marketed as such. These goods may be sold in close proximity to low alcohol beers and alcoholic beers, and at some level, are in competition with each other. They are likely to be displayed in the same or similar shelves or areas of a website. In my experience, they may also be offered by the same undertaking and supplied via the same distribution channels. Taking all of these factors into account I find there to be a moderate degree of similarity between these goods.”

40) I adopt the above reasoning. **In summary I come to the conclusion that SML Class 32 goods “non-alcoholic beverages, namely energy drinks and fruit flavoured energy drinks; syrup and preparation for making beverages namely energy drinks” are identical to AGB’s class 32 specification of “non-alcoholic beverages and preparations of making such beverages; all included in class 32”; SML’s class 32 specification of “Beers” is similar to a medium to low degree to the class 32 specification of AGB.**

Comparison of trade marks

41) The trade marks to be compared are:

SML's trade mark	AGB's trade mark
SCOTS-BRU	BRU The mark consists of a French word meaning "Daughter-in law".

42) Visually, the marks differ in that SML's mark begins with the word "Scots" however, the whole of AGB's mark is incorporated into SML's mark. There is at least a medium degree of similarity. Aurally, the same issues arise, there is a difference but overall still at least a medium degree of similarity. Conceptually, SML contends that AGB's mark will be seen as having the meaning of a daughter in law whereas it contends its mark will be seen as a young Scottish juvenile. I do not accept that either mark will be seen in this way. It is well documented that the average UK consumer lacks linguistic ability in foreign languages. The term "bru" will not, I believe, be one which is recognised as being the French for "daughter in law". Such definitions do not go into the marketplace, and I must judge the effect of the average consumer seeing just the mark without the additional explanation. It will be seen for what it is, a misspelling of the word "brew" as in concoction /drink or bevvy. So one will be viewed as referring to a Scots drink the other simply a drink. They therefore have at least a medium degree of conceptual similarity. Overall the marks are at least similar to a medium degree.

Distinctive character of the earlier trade mark

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

"22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51)."

44) Whilst in *Kurt Geiger v A-List Corporate Limited*, BL O-075-13, Mr Iain Purvis Q.C. as the Appointed Person pointed out that the level of 'distinctive character' is only likely to

increase the likelihood of confusion to the extent that it resides in the element(s) of the marks that are identical or similar. He said:

“38. The Hearing Officer cited *Sabel v Puma* at paragraph 50 of her decision for the proposition that ‘the more distinctive it is, either by inherent nature or by use, the greater the likelihood of confusion’. This is indeed what was said in *Sabel*. However, it is a far from complete statement which can lead to error if applied simplistically.

39. It is always important to bear in mind what it is about the earlier mark which gives it distinctive character. In particular, if distinctiveness is provided by an aspect of the mark which has no counterpart in the mark alleged to be confusingly similar, then the distinctiveness will not increase the likelihood of confusion at all. If anything it will reduce it.’

40. In other words, simply considering the level of distinctive character possessed by the earlier mark is not enough. It is important to ask ‘in what does the distinctive character of the earlier mark lie?’ Only after that has been done can a proper assessment of the likelihood of confusion be carried out”.

45) AGB’s earlier trade mark is possessed of a reasonable to high degree of inherent distinctive character. AGB has filed evidence of the use it has made of its earlier trade mark in the UK. However, I am not willing to accept that AGB’s use of “BRU” *solus* is enough for it to benefit from enhanced distinctiveness through use in respect of its marks in respect of the UK.

Likelihood of confusion

46) In determining whether there is a likelihood of confusion, a number of factors need to be borne in mind. The first 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. As I mentioned above, it is also necessary for me to keep in mind the distinctive character of AGB’s trade mark as the more distinctive this trade mark is, the greater the likelihood of confusion. I must also keep in mind the average consumer for the goods, the nature of the purchasing process and the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them he has retained in his mind. Earlier in this decision, I concluded that:

- the average consumer is likely to pay a reasonable degree of attention to the selection of goods in class 32;
- All of the class 32 goods are identical with the exception of the term “beers” in SML’s specification. However, this is similar to a medium to low degree to the class 32 specification of AGB.
- there is a medium level of visual, aural and conceptual similarity between the marks;
- AGB’s earlier trade mark is possessed of a reasonable to high degree of inherent distinctive character, but cannot benefit from enhanced distinctiveness.

47) I also take into account the comments of Mr Iain Purvis Q.C, acting as the Appointed Person in *L.A. Sugar Limited v By Back Beat Inc* (BL-O/375/10), where he commented on the difference between direct and indirect confusion in the following terms:

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

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

(a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right (“26 RED TESCO” would no doubt be such a case).

(b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as “LITE”, “EXPRESS”, “WORLDWIDE”, “MINI” etc.).

(c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension (“FAT FACE” to “BRAT FACE” for example).”

48) In my opinion, taking all the factors above into account, there is a likelihood of consumers being directly confused into believing that the class 32 goods of SML are those of AGB or provided by some undertaking linked to them. At the very least there would be indirect confusion. **The opposition under Section 5(2) (b) therefore succeeds in respect of all the class 32 goods.**

49) I now turn to consider the ground of opposition under section 5(4)(a) which states:

“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

(b) [.....]

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of “an earlier right” in relation to the trade mark.”

50) When considering this ground I take into account Halsbury’s Laws of England (4th Edition) Vol. 48 (1995 reissue) which at paragraph 165 provides the following analysis of the law of passing off. The analysis is based on guidance given in 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. It 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.”

51) I must first determine the relevant date. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC as the Appointed Person considered the relevant date for the purposes of s.5(4)(a) of the Act and concluded as follows:

“39. In *Last Minute*, the General Court....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.’

40. Paragraph 51 of that judgment and the context in which the decision was made on the facts could therefore be interpreted as saying that events prior to the filing date were irrelevant to whether, at that date, the use of the mark applied for was liable to be prevented for the purpose of Article 8(4) of the CTM Regulation. Indeed, in a recent case before the Registrar, *J Sainsbury plc v. Active: 4Life Ltd* O-393-10 [2011] ETMR 36 it was argued that *Last Minute* had effected a fundamental change in the approach required before the Registrar to the date for assessment in a s.5(4)(a) case. In my view, that would be to read too much into paragraph [51] of *Last Minute* and neither party has advanced that radical argument in this case. If the General Court had meant

to say that the relevant authority should take no account of well-established principles of English law in deciding whether use of a mark could be prevented at the application date, it would have said so in clear terms. It is unlikely that this is what the General Court can have meant in the light of its observation a few paragraphs earlier at [49] that account had to be taken of national case law and judicial authorities. In my judgment, the better interpretation of *Last Minute*, is that the General Court was doing no more than emphasising that, in an Article 8(4) case, the *prima facie* date for determination of the opponent's goodwill was the date of the application. Thus interpreted, the approach of the General Court is no different from that of Floyd J in *Minimax*. However, given the consensus between the parties in this case, which I believe to be correct, that a date prior to the application date is relevant, it is not necessary to express a concluded view on that issue here.

41. There are at least three ways in which such use may have an impact. The underlying principles were summarised by Geoffrey Hobbs QC sitting as the Appointed Person in *Croom's TM* [2005] RPC 2 at [46] (omitting case references):

- (a) The right to protection conferred upon senior users at common law;
- (b) The common law rule that the legitimacy of the junior user's mark in issue must normally be determined as of the date of its inception;
- (c) The potential for co-existence to be permitted in accordance with equitable principles.

42. As to (b), it is well-established in English law in cases going back 30 years that the date for assessing whether a claimant has sufficient goodwill to maintain an action for passing off is the time of the first actual or threatened act of passing off: *J.C. Penney Inc. v. Penneys Ltd.* [1975] FSR 367; *Cadbury-Schweppes Pty Ltd v. The Pub Squash Co. Ltd* [1981] RPC 429 (PC); *Barnsley Brewery Company Ltd. v. RBNB* [1997] FSR 462; *Inter Lotto (UK) Ltd. v. Camelot Group plc* [2003] EWCA Civ 1132 [2004] 1 WLR 955: "date of commencement of the conduct complained of". If there was no right to prevent passing off at that date, ordinarily there will be no right to do so at the later date of application.

43. In *SWORDERS TM* O-212-06 Mr Alan James acting for the Registrar well summarised the position in s.5(4)(a) proceedings as follows:

'Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. 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.'

52) The filing date of the application (6 June 2014) is, therefore, the material date. However, if SML had used its trade mark prior to this, then this use must also be taken into account. It could, for example, establish that SML is the senior user, or that there had been common law acquiescence, or that the status quo should not be disturbed; any of which could mean that SML's use would not be liable to be prevented by the law of passing-off – the comments in *Croom's Trade Mark Application* [2005] RPC 2 and *Daimlerchrysler AG v*

Javid Alavi (T/A Merc) [2001] RPC 42 refer. There is no evidence that SML has used its mark. **The relevant date is therefore 6 June 2014.**

53) I must first consider whether AGB has goodwill in its mark “BRU”. In *Inland Revenue Commissioners v Muller & Co’s Margarine Ltd* [1901] AC 217 (HOL) it was stated:

“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.”

54) In *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 (HC), Pumfrey J. stated:

“27. There is one major problem in assessing a passing of 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.

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 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.”

55) However, in *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat) Floyd J. (as he then was) stated that:

“[The above] 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.”

56) In *Hart v Relentless Records* [2002] EWHC 1984 (Ch), Jacob J. (as he then was) stated that:

“62. In my view the law of passing off does not protect a goodwill of trivial extent. Before trade mark registration was introduced in 1875 there was a right of property

created merely by putting a mark into use for a short while. It was an unregistered trade mark right. But the action for its infringement is now barred by s.2(2) of the Trade Marks Act 1994. The provision goes back to the very first registration Act of 1875, s.1. Prior to then you had a property right on which you could sue, once you had put the mark into use. Even then a little time was needed, see per Upjohn L.J. in BALI Trade Mark [1969] R.P.C. 472. The whole point of that case turned on the difference between what was needed to establish a common law trade mark and passing off claim. If a trivial goodwill is enough for the latter, then the difference between the two is vanishingly small. That cannot be the case. It is also noteworthy that before the relevant date of registration of the BALI mark (1938) the BALI mark had been used “but had not acquired any significant reputation” (the trial judge's finding). Again that shows one is looking for more than a minimal reputation.”

57) A small business which has more than a trivial goodwill can protect signs which are distinctive of that business under the law of passing off even though its reputation may be small. In *Stacey v 2020 Communications* [1991] FSR 49, Millett J. stated that:

“There is also evidence that Mr. Stacey has an established reputation, although it may be on a small scale, in the name, and that that reputation preceded that of the defendant. There is, therefore, a serious question to be tried, and I have to dispose of this motion on the basis of the balance of convenience.”

58) AGB have provided evidence of use of the mark BRU solus (see exhibit SDRT 20). To my mind, this is sufficient for AGB to show that it has goodwill in the mark BRU and overcome the first hurdle.

59) I accept that the test for misrepresentation is different to that of confusion. There is one possible difference between the position under trade mark law and the position under passing off law. In *Marks and Spencer PLC v Interflora*, [2012] EWCA (Civ) 1501, Lewinson L.J. cast doubt on whether the test for misrepresentation for passing off purposes came to the same thing as the test for a likelihood of confusion under trade mark law. He pointed out that it is sufficient for passing off purposes that “a substantial number” of the relevant public are deceived, which might not mean that the average consumer is confused. As both tests are intended to be normative measures intended to exclude those who are unusually careful or careless (per Jacob L.J. in *Reed Executive Plc v Reed Business Information Ltd* [2004] RPC 40), it is doubtful whether the difference between the legal tests will (all other factors being equal) produce different outcomes.

60) Whilst 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 (*Harrods Ltd v Harrodian School Ltd* [1996]) earlier in this decision I determined that the goods of the two parties were identical or similar. I also found that the marks of the two parties overall were similar to a medium degree and that use of the mark in suit, actual or on a fair and notional basis would result in confusion with AGB's mark. Accordingly, it seems to me that the necessary misrepresentation required by the tort of passing off will occur.

61) The applicant has not provided any evidence that it has used its mark. In a *quia timet* action it is clearly not possible to show that damage has been suffered. In *Draper v Trist and Trisbestos Brake Linings Ltd* 56 RPC 429 Goddard L.J. stated:

“But in passing-off cases, the true basis of the action is that the passing-off by the defendant of his goods as the goods of the plaintiff injures the right of property in the plaintiff, that right of property being his right to the goodwill of his business. The law assumes, or presumes, that if the goodwill of a man’s business has been interfered with by the passing-off of goods, damage results therefrom. He need not wait to show that damage has resulted, he can bring his action as soon as he can prove passing-off; because it is one of the class of cases in which the law presumes that the Plaintiff has suffered damage. It is in fact, I think, in the same category in this respect as an action for libel. We know that for written defamation a plaintiff need prove no actual damage. He proves his defamation. So, with a trader; the law has always been particularly tender to the reputation and goodwill of traders. If a trader is slandered in the way of his business, an action lies without proof of damage.”

62) Consequently, in the instant case, as AGB has established a goodwill and shown deception will occur then damage can be considered as the automatic sequitur in relation to the goods in class 32 and the three elements of the classic trinity of passing-off will have been established. The use of the mark in suit in relation to the goods in class 32 will erode the distinctiveness of the earlier mark and/or result in a loss of control of the goodwill associated with BRU. **The opposition under Section 5(4) therefore succeeds in respect of all goods in class 32.**

63) Given the above I do not need to consider the opposition under section 5(3).

CONCLUSION

64) I have found that:

- **AGB has shown use of its mark 1268523 in respect of the whole of its registered specification and as such the revocation action must fail.**
- **The opposition under Sections 5(2)(b) and 5(4)(a) both succeed in respect of all the class 32 goods.**

COSTS

65) AGB has been successful in its opposition and is entitled to a contribution towards its costs.

Preparing a statement and considering the other side’s statement x2	£600
Expenses	£200
Preparing evidence and considering and commenting on the other side’s evidence	£900
Preparing for and attending a hearing	£1200
TOTAL	£2900

66) I order Sun Mark Limited to pay A.G. Barr plc the sum of £2900. 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 19th day of April 2016

**George W Salthouse
For the Registrar,
the Comptroller-General**