

O/668/19

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. UK00003311585 BY
PILGRIM SPIRIT LTD
TO REGISTER THE FOLLOWING MARK:**



**NORTHUMBERLAND
SPIRIT COMPANY**

IN CLASS 33

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER NO. 414226 BY
NORTHUMBERLAND SPIRIT COMPANY LTD**

BACKGROUND AND PLEADINGS

1. On 17 May 2018, Pilgrim Spirit Ltd (“the applicant”) applied to register the trade mark shown on the cover page of this decision in the UK. The application was published for opposition purposes on 3 August 2018 and registration is sought for the following goods:

Class 33 Spirits.

2. The application is opposed by Northumberland Spirit Company Ltd (“the opponent”) based upon section 5(4)(a) of the Trade Marks Act 1994 (“the Act”). The opponent relies on the following sign:



3. The opponent claims that it has used the sign throughout the UK since 22 October 2016 in respect of “Alnwick Gin 50cl, Williams Expedition Gin 50cl, Alnwick Gin 20cl, Alnwick Sloe Gin 50cl, Alnwick Gin Emergency G&T pack, Alnwick Gin Rhubarb and Strawberry Liqueur, Alnwick Gin Raspberry and Vanilla Liqueur, Alnwick Gin Lime and Ginger Liqueur, Alnwick Gin Triple Tipple”.

4. The applicant filed a counterstatement denying the claims made.

5. Both parties are unrepresented. The opponent filed evidence in the form of the witness statement of Neil Jeremy Osborne dated 21 May 2019. No evidence was filed

by the applicant. No hearing was requested and neither party filed written submissions in lieu. This decision is taken following a careful perusal of the papers.

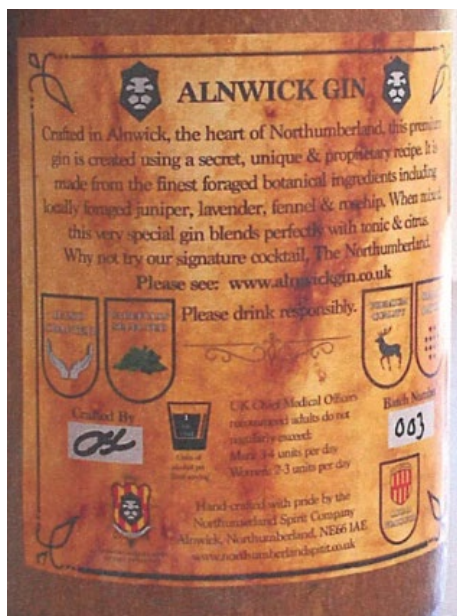
EVIDENCE

6. Mr Osborne is the Managing Director of the opponent. He founded the opponent along with Mr Andrew John Petherick on 26 June 2016. Mr Osborne explains that Mr Petherick designed the sign in issue for the opponent between 26 June and 21 October 2016.¹

7. Mr Osborne states that, to date, between 20,000 and 25,000 products have been sold under the sign by the opponent.²

8. Mr Osborne explains that Mr Petherick established the applicant on 9 October 2017 and resigned as a director of the opponent on 22 December 2017.³

9. The sign appeared, in the colours shown in the application, on the opponent's first Alnwick Gin product as follows:⁴



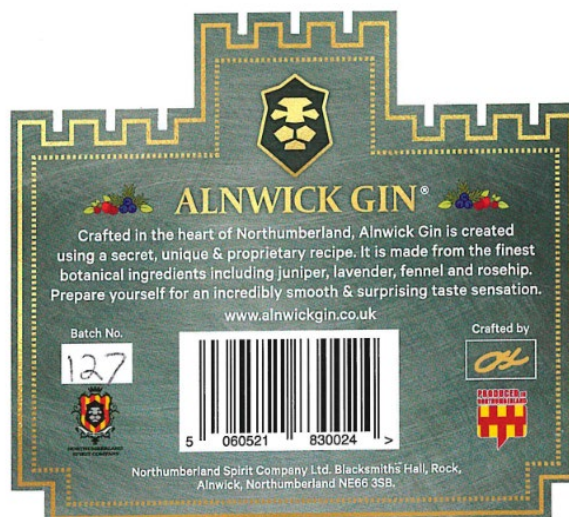
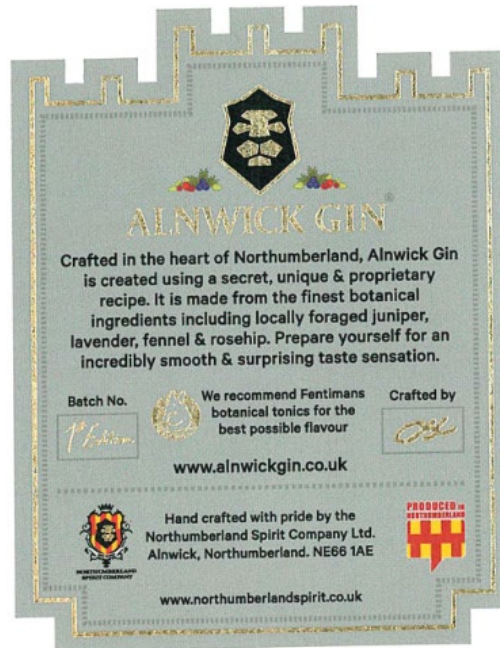
¹ Witness statement of Mr Osborne, para. 2

² Witness statement of Mr Osborne, para. 3

³ Witness statement of Mr Osborne, para. 5

⁴ Exhibit NSC1

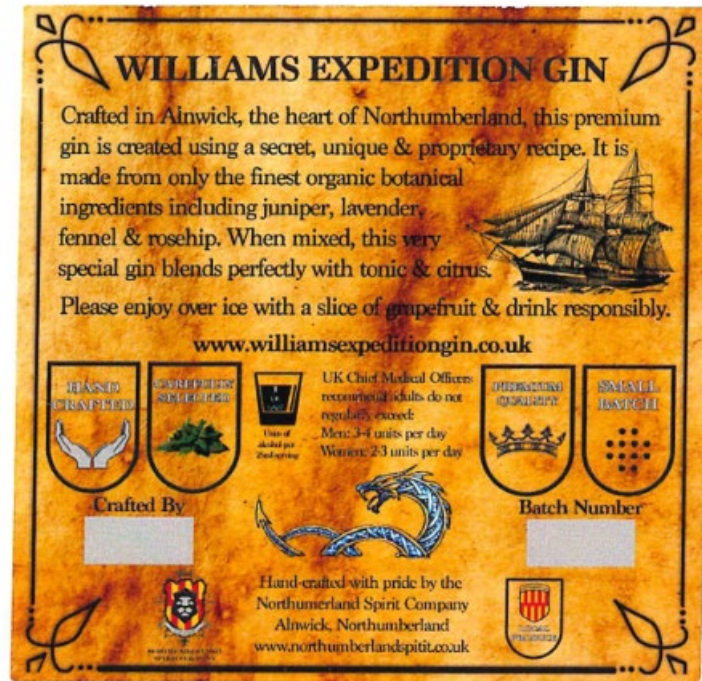
10. Mr Osborne confirms that the sign in this form appeared on the product between October 2016 and May 2017, when a new label design was introduced.⁵ Following the label change in May 2017, the sign continues to appear on the product as follows:⁶



⁵ Witness statement of Mr Osborne, para. 8

⁶ Exhibits NSC3 and NSC6

11. The sign also appeared, in the colours shown in the application, on the opponent's Williams Expedition Gin from December 2016 and May 2017 as follows:⁷



12. The sign has also been used on the opponent's fruit liqueur and sloe gin products as follows, between May 2017 and December 2018, and September 2017 and October 2018 respectively:⁸



⁷ Exhibit NSC2 and witness statement of Mr Osborne, para. 9

⁸ Exhibit NSC4 and Exhibit NSC5



PRELIMINARY ISSUE

13. In its Form TM7, the opponent referred to the fact that it believes the applicant's mark has been filed in bad faith and contrary to public policy. However, neither bad faith nor public policy objections have been pleaded. The Registry wrote to the opponent to confirm that if it wanted to rely on additional grounds then it should file a Form TM7G. However, no Form TM7G was filed by the opponent. Consequently, I can only consider those matters that are pertinent to an opposition based upon section 5(4)(a) of the Act.

DECISION

14. Section 5(4)(a) of the Act states as follows:

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

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

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”.

15. In *Discount Outlet v Feel Good UK*, [2017] EWHC 1400 IPEC, Her Honour Judge Melissa Clarke, sitting as a deputy Judge of the High Court, conveniently summarised the essential requirements of the law of passing off as follows:

“55. The elements necessary to reach a finding of passing off are the ‘classical trinity’ of that tort as described by Lord Oliver in the *Jif Lemon* case (*Reckitt & Colman Product v Borden* [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

56. In relation to deception, the court must assess whether “*a substantial number*” of the Claimants' customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21).”

16. Whether there has been passing off must be judged at a particular point (or points) in time. The applicant company was established in October 2017, some 7 months before the application in issue. However, there is no suggestion that the applicant was actually trading or using its mark prior to the date of the application. The relevant date for assessing whether section 5(4)(a) applies is, therefore, the date of the application which is the subject of these proceedings i.e. 17 May 2018.

Goodwill

17. The House of Lords in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL) provided the following guidance regarding goodwill:

“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 customers. It is the one thing which distinguishes an old-established business from a new business at its first start.”

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

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.”

19. 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.”

20. The opponent's evidence could, certainly, be clearer. For example, no invoices, sales records or turnover figures have been provided for goods sold under the sign. However, it is Mr Osborne's unchallenged evidence that between 20,000 and 25,000 units of products bearing the sign have been sold. It is also Mr Osborne's unchallenged evidence that the sign has appeared in the form shown on the examples of labels provided, which Mr Osborne states, date back to October 2016. I see no reason not to take this evidence at face value. Goodwill arises from trading activities and, taking the evidence as a whole into account, I am satisfied that the opponent has demonstrated a small degree of goodwill in relation to gin and gin products. Even a small business which has more than trivial goodwill can protect signs which are distinctive of that business under the law of passing off⁹. I am satisfied that the opponent's goodwill is more than trivial and, therefore, protectable.

21. I recognise that some of the examples of the sign in use in the opponent's evidence differ slightly to the sign relied upon by the opponent in these proceedings. However, they only differ in minor decorative elements (such as the swirling devices surrounding the crest). The majority of the sign is the same in all of the examples shown. I am satisfied that the sign was distinctive of the opponent's goodwill at the relevant date.

⁹ *Stacey v 2020 Communications* [1991] FSR 49

Misrepresentation and damage

22. In *Neutrogena Corporation and Another v Golden Limited and Another* [1996] RPC 473, Morritt L.J. stated that:

“There is no dispute as to what the correct legal principle is. As stated by Lord Oliver of Aylmerton in *Reckitt & Colman Products Ltd. v. Borden Inc.* [1990] R.P.C. 341 at page 407 the question on the issue of deception or confusion is

“is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the public will be misled into purchasing the defendants' [product] in the belief that it is the respondents' [product]”

The same proposition is stated in Halsbury's Laws of England 4th Edition Vol.48 para 148. The necessity for a substantial number is brought out also in *Saville Perfumery Ltd. v. June Perfect Ltd.* (1941) 58 R.P.C. 147 at page 175; and *Re Smith Hayden's Application* (1945) 63 R.P.C. 97 at page 101.”

And later in the same judgment:

“... for my part, I think that references, in this context, to “more than *de minimis*” and “above a trivial level” are best avoided notwithstanding this court's reference to the former in *University of London v. American University of London* (unreported 12 November 1993). It seems to me that such expressions are open to misinterpretation for they do not necessarily connote the opposite of substantial and their use may be thought to reverse the proper emphasis and concentrate on the quantitative to the exclusion of the qualitative aspect of confusion.”

23. *Halsbury's Laws of England* Vol. 97A (2012 reissue) provides further guidance with regard to establishing the likelihood of deception. In paragraph 309, 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 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.”

24. I have found the opponent to have a small degree of goodwill in relation to gin and gin products. I have found the sign to be distinctive of that goodwill. I recognise that it is not essential under the law of passing off for the parties to be engaged in the same fields of business activity (see *Harrods Limited v Harrodian School Limited* [1996] RPC 697 (CA)). However, the closeness of the parties’ respective fields is a factor which must be taken into account. The goods for which the opponent has demonstrated goodwill would fall within the broader category of “spirits” for which the applicant seeks registration. Clearly, the parties’ fields of activity are identical. It follows that the opponent does not face an exceptionally heavy burden of proof of misrepresentation and damage as per *Harrods*.

25. The applicant’s mark and the sign are clearly identical or highly similar. Both consist of the same complex crest device containing the words HAND CRAFTED presented above the words NORTHUMBERLAND SPIRIT COMPANY. The sign is inherently distinctive to at least a medium degree.

26. The applicant has not engaged in these proceedings, other than to file a counterstatement denying the claim made. No explanation is provided as to why the applicant sought to register a sign that, according to Mr Osborne’s unchallenged evidence, he designed for the opponent. As director of the opponent Mr Petherick was, presumably, well aware that it had been using the sign on its products since October 2016. In the circumstances, as Mr Petherick is now a director of the applicant, it seems likely to me that there was an intention on the part of the applicant to benefit from the goodwill of the opponent.

27. The House of Lords stated in *Office Cleaning Services v. Westminster Office Cleaning* (1964) 63 RPC 39 that:

“Confusion innocently caused will yet be restrained. But if the intention to deceive is found, it will be readily inferred that deception will result. Who knows better than the trader the mysteries of his trade?”

28. In *Specsavers v Asda* [2012] EWCA Civ 24, Kitchen LJ cited *Slazenger & Sons v Feltham & Co* (1889) 6 R.P.C. (Lindley J) as follows:

“It has long been established that if it is shown that a defendant has deliberately sought to take the benefit of a claimant’s goodwill for himself the court will not ‘be astute to say that he cannot succeed in doing that which he is straining every nerve to do.’”

29. Taking all of the circumstances into account, I find that there is a likelihood that a substantial number of the opponent’s customers, or potential customers, for its gin and gin products would, at the relevant date, have believed that the goods covered by the application were the goods of the opponent. Damage could arise in a number of ways, as articulated by Warrington LJ in *Ewing v Buttercup Margarine Company Limited* [1917] 2 Ch. 1 (COA):

“To induce the belief that my business is a branch of another man’s business may do that other man damage in various ways. The quality of goods I sell, the kind of business I do, the credit or otherwise which I enjoy are all things which may injure the other man who is assumed wrongly to be associated with me.”

30. Given the identical fields of activity and the identical or highly similar marks, there is potential for customers of the opponent to be lost to the applicant. Damage is, therefore, made out.

31. The opposition under section 5(4)(a) succeeds in its entirety.

CONCLUSION

32. The opposition is successful, and the application is refused.

COSTS

33. The opponent has been successful and is entitled to a contribution towards its costs. The opponent is unrepresented and has submitted a costs proforma outlining the number of hours spent on these proceedings.

34. I consider that the time claimed for filing the Notice of Opposition and considering the applicant's Counterstatement to be high.

35. The opponent has also claimed time spent at, and travelling to, legal meetings and in "other expenses" costs for a barrister and solicitor. These are not recoverable costs. There is no legal representative on the record for the opponent and, consequently, no costs can be recovered for any legal advice received or for time spent obtaining that legal advice.

36. The opponent has claimed 18.5 hours for studying trade mark law and proceedings and 15 hours for preparing and submitting evidence. Whilst I accept that a degree of research would be required for a litigant in person to undertake activities such as filing a Notice of Opposition and preparing evidence in these proceedings, that time will be covered by the award I make in respect of those stages. I also consider the amount of time claimed in respect of the preparation and filing of evidence to be high. The evidence filed in these proceedings was far from extensive, with the opponent filing only a two-page witness statement and six, one-page exhibits.

37. I consider a costs award for the following number of hours to be reasonable:

• Completing a Notice of Opposition	2 hours
• Considering Counterstatement	1 hour
• Preparing and filing witness statement	3 hours
Total	6 hours

38. In relation to the hours expended, I note that The Litigants in Person (Costs and Expenses) Act 1975 (as amended) sets the minimum level of compensation for

litigants in person in Court proceedings at £19.00 an hour. I see no reason to award anything other than this. I therefore award the opponent the sum of £114 (6 hours at £19 per hour) plus the official fee of £200, totalling **£314**.

39. I hereby order Pilgrim Spirit Ltd to pay Northumberland Spirit Company Ltd the sum of £314. This sum should be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.

Dated this 1st day of November 2019

S WILSON

For the Registrar