

**O/263/20**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF TRADE MARK APPLICATION NO. 3296113 BY  
TWEED INC  
TO REGISTER:**

**SUNSET**

**AS A TRADE MARK IN CLASSES 5, 31 & 34**

**AND**

**IN THE MATTER OF THE OPPOSITION THERETO  
UNDER NO. 413675 BY  
MASTRONARDI PRODUCE LTD**

## BACKGROUND AND PLEADINGS

1. TWEED INC (“the applicant”) applied to register **SUNSET** as a trade mark in the United Kingdom on 12 March 2018 for the following goods:

Class 5

*Medical marijuana, cannabis, cannabis oils, and cannabis derivatives.*

Class 31

*Live cannabis plants.*

Class 34

*Dried marijuana and cannabis.*

2. The application was accepted and published on 8 June 2018. It is based on Canadian Trade Mark No. 1857126, with a priority date of 12 September 2017.

3. On 7 September 2018, the application was opposed by Mastronardi Produce Ltd (“the opponent”). The opposition is based on sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”) and concerns all goods in the application.

4. With regards to its claim based on sections 5(2)(b) and 5(3) of the Act, the opponent is relying upon EU Trade Mark No. 12776662:



5. This mark was applied for on 9 April 2014 and registered on 16 December 2014 in respect of the following goods, all of which the opponent states it is relying on under section 5(2)(b) of the Act:

Class 31

*Fresh fruits and vegetables, namely tomatoes, peppers, cucumbers, eggplants.*

6. The opponent claims that the marks are highly similar and that the goods are similar, and that, as a result, the average consumer will “inevitably” be confused into believing that the applicant’s goods originate from, or are economically linked to, the opponent.

7. Additionally, or alternatively, the opponent claims that:

- use of the applicant’s mark for all the goods in the application would take unfair advantage of the reputation of the earlier mark by riding on the coat-tails of the opponent’s reputation in relation to fresh fruit and vegetables; and
- such use would be detrimental to the reputation of the earlier mark, given the association of the applicant’s goods with the illegal drug cannabis. The opponent believes that consumers will be deterred from buying its fresh fruit and vegetables because of this connection.

8. Under section 5(4)(a) of the Act, the opponent claims that use of the applicant’s mark for all the goods in the application is liable to be prevented under the law of passing off, owing to its goodwill attached to the sign **SUNSET**, which it claims to have used throughout the UK since 23 May 2014 in respect of *fresh fruit and vegetables*.

9. The applicant filed a defence and counterstatement denying all the grounds. The applicant accepts that the earlier mark contains the word “SUNSET” but denies that the marks, and the goods, are similar. In response to the section 5(3) claim, the applicant denies that the average consumer would make the required link between the marks. The applicant also denies the opponent’s section 5(4)(a) claim. It does not believe that the opponent can show that it has built up protectable goodwill in the name “SUNSET” in respect of fruit and vegetables.

10. Both parties filed evidence in these proceedings. This will be summarised to the extent that is considered necessary.

11. The opponent filed written submissions on 29 July 2019 and 28 November 2019 and the applicant filed written submissions on 30 September 2019.

12. A hearing was held before me on 5 March 2020. The opponent was represented by Michael Tennant of Tennant IP Limited, instructed by Astrum ElementOne Limited. The applicant did not attend and made no further submissions. It has been represented by Shepherd and Wedderburn LLP.

## **EVIDENCE**

### **Opponent's evidence**

13. The opponent's evidence comes from Dr Gillian Whitfield, of Astrum ElementOne Limited, the opponent's representatives. It is dated 29 July 2019 and Dr Whitfield states that all the information in it has been provided by the opponent.

14. Dr Whitfield says that the opponent supplies a range of fresh fruit and vegetables under the mark, including courgettes, tomatoes, peppers and cucumbers. Its biggest retailer is Costco UK which manages around 800 boxes of goods bearing the opponent's mark per week. UK sales figures of goods bearing the opponent's mark are set out in the table below:

<b>Year</b>	<b>UK Sales of Fresh Fruit bearing the earlier mark (USD)</b>
2014	1,259,971
2015	5,224,017
2016	7,124,024
2017	7,790,140
2018	6,625,647

At the hearing, the opponent was not certain whether these figures related only to the goods covered by the registration, or to a broader range of fruit and/or vegetables.

15. Exhibit GW4 contains three sample purchase orders from Costco, with delivery dates of 1, 5 and 14 October 2014. The sales volumes are as follows:

	1 October	5 October	14 October
Tomatoes (6 kg trays)	110	110	40
Mixed peppers (packs of 6)	125	90	45
Mini cucumbers (cases)	157	91	48
Aubergines <sup>1</sup> (cases)	63	57	30
Baby sweet peppers (cases)	60	45	22
Beef tomatoes (packs of 6)	317	219	106

16. Dr Whitfield states that the opponent has invested heavily in PR and marketing, but gives no figures. Exhibit GW6 contains the following articles:

- “Mastronardi Produce announces partnership with Soho Produce”, [www.producegrower.com](http://www.producegrower.com), dated May 2019;<sup>2</sup>
- “Mastronardi unveils new European venture”, [www.perishablenews.com](http://www.perishablenews.com), dated 28 May 2019;
- “BerryWorld expands into US with new JV”, [www.fruitnet.com](http://www.fruitnet.com), dated 8 September 2019

17. The opponent has won Superior Taste Awards for its tomatoes and peppers from the International Taste and Quality Institute in Belgium in 2014.<sup>3</sup> A further undated article states that the same institute gave an award to another variety of tomato.

18. The remaining exhibits contain images of packaging artwork (these are undated), the goods on sale (dating from 2014 to 28 September 2018), undated printouts from the opponent’s website, and screenshots from its social media accounts. They show that the opponent had 15.3k followers on Twitter and 120,332 on Facebook; however,

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<sup>1</sup> i.e. eggplants.

<sup>2</sup> The date is not entirely clear, but the month and year are discernible.

<sup>3</sup> Exhibit GW7

the screenshots are undated. A final screenshot shows advertising on Costco's Facebook account. The earlier mark appears in the bottom right-hand corner of a still from a video. The post is dated 10 January, but no year is shown.

### **Applicant's evidence**

19. The applicant's evidence comes from Mr Paul Carlyle, partner at Shepherd and Wedderburn LLP, and the applicant's representative. Attached to the witness statement are documents relating to the examination of the earlier mark at the European Intellectual Property Office (EUIPO) (then the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)). I shall return to these later in my decision.

### **Applicant's submissions on the opponent's evidence**

20. The applicant made the following submissions regarding the opponent's evidence:

"... the Applicant points out that it is not clear how Dr. Gillian Whitfield is able to speak to the purported facts set out in her witness statement. Dr Whitfield's stated qualification is as the instructed attorney for the Opponent and, therefore, without further supporting information, it is not clear how this qualification would give her a basis for stating some of the purported facts in her statement as evidence. In relation to financial or trading history and information relating to the business of the Opponent there is no explanation of the basis on which an external advisor is in a position to give such evidence. The witness may be repeating facts as told to her. Without supporting documentation, such statements are 'hearsay' at best and to the extent such statement can be admitted to evidence at all, they attract minimal evidential weight."<sup>4</sup>

21. Dr Whitfield states that she received the information directly from the opponent and that to the best of her knowledge it is accurate and correct. She is saying that, in

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<sup>4</sup> Applicant's written submissions, paragraph 34.

the words of the applicant, she is repeating facts as told to her. I agree that this makes them hearsay but it does not necessarily follow that they should be given minimal weight.

22. Section 4 of the Civil Evidence Act 1995, which is quoted in the Tribunal Work Manual Section 4.8.10, is as follows:

“(1) In estimating the weight (if any) to be given to hearsay evidence in civil proceedings the court shall have regard to any circumstances from which any inference can reasonably be drawn as to the reliability or otherwise of the evidence.

(2) Regard may be had, in particular, to the following:

(a) whether it would have been reasonable and practicable for the party by whom the evidence was adduced to have produced the maker of the original statement as a witness;

(b) whether the original statement was made contemporaneously with the occurrence or existence of the matters stated;

(c) whether the evidence involves multiple hearsay;

(d) whether any person involved had any motive to conceal or misrepresent matters;

(e) whether the original statement was an edited account, or was made in collaboration with another or for a particular purpose;

(f) whether the circumstances in which the evidence is adduced as hearsay are such as to suggest an attempt to prevent proper evaluation of its weight.”

23. While it would have been preferable for the witness statement to have come from the opponent itself, Dr Whitfield has stated that it provided the information to her, and,

in the absence of a challenge from the applicant to this particular statement, I must take that as true. The applicant refers to a lack of supporting documentation, but it is not unusual for sales figures disaggregated by region or country to be presented in witness statements without corroborating exhibits. There are, however, gaps in the evidence that I will return to where appropriate in my decision, and throughout I shall keep in mind that Dr Whitfield is relaying what she has been told by the opponent. Where statements are not supported by exhibits, I will take this into account. Overall, it seems to me that I should give more than minimal weight to Dr Whitfield's statement, although that weight should not be at the highest level.

## **DECISION**

### **Section 5(2)(b) ground**

24. Section 5(2)(b) of the Act states that:

“A trade mark shall not be registered if because –

...

(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.”

25. An “earlier trade mark” is defined in section 6(1) of the Act:

“In this Act an ‘earlier trade mark’ means –

(a) a registered trade mark, international trade mark (UK) or European Union trade mark or international trade mark (EC) 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.”

26. The registration upon which the opponent relies qualifies as an earlier trade mark under the above provision. In this opposition, the opponent is relying upon all the goods for which this earlier mark is registered. As the mark was registered within the five years before the date on which the applicant’s mark was published, it is not subject to the proof of use requirements in section 6A of the Act and the opponent is therefore entitled to rely on all the goods for which the mark stands registered.

27. In considering the opposition under this section, I am guided by the following principles, gleaned from the decisions of the Court of Justice of the European Union (CJEU) 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 BV* (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-334/05 P) and *Bimbo SA v OHIM* (Case C-519/12 P):

(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. The average consumer is deemed to be reasonably well informed and reasonably circumspect and observant, but someone 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 greater 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.

### ***Comparison of goods***

28. When comparing the goods, all relevant factors should be taken into account, per *Canon*:

“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 complementary.”<sup>5</sup>

29. Guidance was also given by Jacob J (as he then was) in *British Sugar Plc v James Robertson & Sons Limited (“Treat”)* [1996] RPC 281. At [296], he identified the following relevant factors:

- “(a) The respective uses of the respective goods or services;
- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or acts of service;
- (d) The respective trade channels through which the goods or services reach the market;
- (e) In the case of self-serve consumer items, where in practice they are respectively found, or likely to be found, in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
- (f) The extent to which the respective goods 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.”

30. The goods to be compared are shown in the table below:

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<sup>5</sup> Paragraph 23.

Opponent's Goods	Contested Goods
<p><u>Class 31</u>  <i>Fresh fruits and vegetables, namely tomatoes, peppers, cucumbers, eggplants.</i></p>	<p><u>Class 5</u>  <i>Medical marijuana, cannabis, cannabis oils, and cannabis derivatives.</i></p> <p><u>Class 31</u>  <i>Live cannabis plants.</i></p> <p><u>Class 34</u>  <i>Dried marijuana and cannabis.</i></p>

31. The opponent submits that the goods are similar, and the fact that the Class 5 and Class 34 goods are derived from *Live cannabis plants* in Class 31 should have some relevance. At the hearing, Mr Tennant went further and submitted that the goods should be considered together and that if I find similarity for one, I should find similarity for all. It is permissible to consider goods as a group if they are sufficiently comparable to be assessable for registration in essentially the same way for essentially the same reasons: see *Separode Trade Mark*, BL O/399/10, paragraph 5. However, as will become apparent, it is my view that this condition does not apply here.

32. I shall begin by considering the applicant's *Live cannabis plants*. They are identical in nature to the opponent's goods, being vegetable matter, and there is some overlap in the users, as the opponent's goods are purchased by the general public. While the purposes of the opponent's goods are to provide nutrition and satisfy hunger, the purpose of the applicant's goods is to provide an ingredient that has therapeutic, pain-relieving or psychoactive effects. They are not, therefore, in competition. The distribution channels are different. The opponent's goods are sold in a wide variety of retail outlets accessible to the general public: markets, supermarkets, grocery stores, and so on. The applicant has provided no evidence on the distribution channels of its goods, but it seems to me well-known that the sellers of tomatoes, peppers, cucumbers and eggplants do not generally also sell cannabis plants.

33. The opponent submits that

“... the cultivation process means that it is not implausible for growers of fresh fruit and vegetables to also have the tools to grow fresh cannabis, namely through cultivation through industrial greenhouses or similar processes in the agricultural sector”<sup>6</sup>

and consequently that the average consumer could reasonably believe that the same undertaking was responsible for both parties' goods.

34. In *Sanco SA v OHIM*, Case T-249/11, the General Court (GC) stated that:

“... the complementarity between the goods and services in the context of a likelihood of confusion does not rely on the existence of a connection between the goods and services at issue in the mind of the relevant public from the point of view of their nature, their method of use and their distribution channels but on the close connection between those goods and services, in the sense that one is indispensable or important for the use of the other in such a way that the public might think that the responsibility for the production of those goods or provision of those services lies with the same undertaking.”<sup>7</sup>

35. Applying this case law, I find that the goods are not complementary. The only similarity lies in the nature and users. Given that the users of the opponent's goods are the public at large, it seems to me that the similarity between the goods is low.

36. The remaining goods are derived from live cannabis plants and have all undergone some form of processing, in most cases altering their physical nature. Their purpose and distribution channels are also different from those of the opponent's goods, and they are neither complementary nor in competition. I find that the Class 5 and Class 34 goods are dissimilar to the opponent's goods. For the section 5(2)(b) ground to succeed there must be some similarity between the goods. The opposition based on section 5(2)(b) fails with regard to the following goods:

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<sup>6</sup> Opponent's skeleton argument, paragraph 28.

<sup>7</sup> Paragraph 36.

Class 5

*Medical marijuana, cannabis, cannabis oils, and cannabis derivatives.*

Class 34

*Dried marijuana and cannabis.*

**Average consumer and the purchasing process**

37. In *Hearst Holdings & Anor v A.V.E.L.A. Inc & Ors* [2014] EWHC 439 (Ch), Birss J described the average consumer in these terms:

“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 word ‘average’ denotes that the person is typical. The term ‘average’ does not denote some form of numerical mean, mode or median.”<sup>8</sup>

38. The average consumer of the opponent’s goods is a member of the general public who will buy the goods frequently as part of a regular shop from a supermarket, convenience store, other food retailer, or online. The goods are inexpensive and the consumer will select them themselves. The visual element will therefore be the most significant aspect of the mark. The consumer will, in my view, be paying an average degree of attention as they will be examining the condition of the goods.

39. The average legal consumer of the applicant’s goods will be a business that processes the cannabis plant so that it, or its derivatives, can be used in goods such as medicinal or cosmetic preparations. They will obtain the plants from specialist suppliers and will, in my view, be paying an above average degree of attention during the purchasing process as they will want to ensure that the plants they have bought

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<sup>8</sup> Paragraph 60.

meet their quality and consistency requirements. The applicant has adduced no evidence that tells me whether the visual or aural element is more significant.


### **Comparison of marks**

40. It is clear from *SABEL* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The CJEU stated in *Bimbo* that:

“... it is necessary to ascertain in each individual case, the overall impression made on the target public by the sign for which the registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”<sup>9</sup>

41. It would be wrong, therefore, artificially to dissect the marks, although it is necessary to take into account their distinctive and dominant components and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.

42. The respective marks are shown below:

Earlier mark	Contested mark
	SUNSET

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<sup>9</sup> Paragraph 34.

43. The contested mark is the word “SUNSET” in a standard font and capital letters. The overall impression of the mark lies in that word.

44. The earlier mark is presented in monochrome and consists of the word “SUNSET” in large black capitals in a standard font on a white shallow-curved band. Above the arch is a white semicircle with a serrated edge. These are set on a large shaded circle, with two borders, the inner white, and the outer dark. The opponent submits that the word is the dominant element of this mark.

45. The applicant, on the other hand, disputes this position:

“There is a clear thought-out design which forms the core component of the Earlier Registered Mark. To the extent that the Earlier Registered Mark does have any distinctive character, it is the design element that gives the distinctive character and not the word ‘SUNSET’.”<sup>10</sup>

46. The applicant goes on to submit that it is relevant to consider the correspondence in Exhibits PC1-PC3, which, it will be recalled, relate to the examination of the earlier mark:

“... In that letter [Exhibit PC2], the Opponent’s representatives explained in great detail that the figurative elements are ‘catchy and memorable’ and that a consumer will ‘recognize shapes and figures and colours more than a word which is contained in the sign’. This contradicts the Opponent’s position in the Opponent’s submissions that ‘SUNSET’ is the dominant element of the Earlier Registered Mark. The opposition being founded on the Earlier Registered Mark granted by the EUIPO in response to these proceedings in 2014, the Applicant submits that the Opponent is estopped from making a contrary argument in these Opposition Proceedings.”<sup>11</sup>

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<sup>10</sup> Applicant’s written submissions, paragraph 16.

<sup>11</sup> Applicant’s written submissions, paragraph 19.



47. I have difficulty in seeing how the doctrine of estoppel applies here. It is not clear whether there was a response to the letter in Exhibit PC2 and in any case the overall impression of the mark is not an issue that has been decided by a court of competent jurisdiction. I do not accept the applicant's submission that the opponent may not make a contrary argument in these proceedings.

48. Neither do I consider it necessarily the case that the average consumer will recognise shapes, figures and colours more than a word in a mark. In the present case, it seems to me that the figurative elements of the earlier mark are banal and merely decorative, with the serrated semicircle at most reinforcing the message of the word "SUNSET". I note that the applicant submits, following the opponent's own arguments in Exhibit PC2, that the semicircle may also be interpreted as a rising star, but I consider that this is unlikely. The serrated edge of the semicircle will, in my view, bring to mind the rays of the sun. The presentation of the word "SUNSET" is also rather banal: the font is a standard one and the only stylisation is the shallow curve. Consequently, I find that the dominant and distinctive element of the earlier mark is the word "SUNSET".

#### *Visual and aural comparison*

49. The textual elements of the marks are identical, but the additional figurative elements in the earlier mark, although they are banal, lead me to find that the marks are similar to at least a medium degree. These figurative elements cannot be articulated, and so I agree with the opponent that the marks are aurally identical.

#### *Conceptual comparison*

50. The word "SUNSET" has a clear meaning for the average English-speaking consumer, and the opponent submits that the figurative elements of the earlier mark relate to this concept. As I have already noted, I agree with the opponent and so find that the marks are conceptually identical.

### ***Distinctiveness of the earlier mark***

51. There is, as I have already noted, a greater likelihood of confusion if the earlier mark is highly distinctive. The CJEU provided guidance on assessing a mark's distinctive character in *Lloyd Schuhfabrik Meyer*:

“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 1989 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).”

52. The opponent confirmed at the hearing that it was not claiming that the distinctiveness of the earlier mark had been enhanced through use. Therefore I have only the inherent distinctiveness to consider.

53. The applicant again submits that the circumstances surrounding the registration of the earlier mark are relevant. Exhibit PC1 shows that the application for the earlier

mark<sup>12</sup> was initially refused on the grounds of descriptiveness and lack of distinctive character, as “SUNSET” is a name used for varieties of fruit and vegetables. The opponent objected to this decision in Exhibit PC2, but in a second letter restricted the specification of the mark to that shown in paragraph 5 of this decision.<sup>13</sup> The mark was subsequently registered.

54. In my view, this correspondence does not help the applicant’s case as much as it submits. It tells only part of the story, and there is no evidence that the matter came to a final determination. Besides, the very fact that the earlier mark was registered means that I must assume that it has at least some distinctive character: see *Formula One Licensing BV v OHIM*, Case C-196/11 P, paragraph 44.

55. “SUNSET” is a commonly used word in the English language, but does not describe peppers, cucumbers or eggplants. I note that “SUNSET” is a denomination of a variety of tomato plant,<sup>14</sup> but there is no evidence that this would be known by the average consumer buying tomatoes to eat. I find that the mark has a medium degree of inherent distinctiveness.

### ***Conclusions on likelihood of confusion***

56. In assessing the likelihood of confusion, I must adopt the global approach set out in the case law to which I have already referred in paragraph 27 of this decision. Such a global assessment is not a mechanical exercise. I must keep in mind the average consumer of the goods and the nature of the purchasing process. I remind myself that it is generally accepted that marks are rarely recalled perfectly, the consumer relying instead on the imperfect picture they have kept in their mind: see *Lloyd Schuhfabrik Meyer*, paragraph 27. The distinctiveness of the earlier mark must also be taken into account.

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<sup>12</sup> The application originally was for *Fresh fruit and vegetables* in Class 31.

<sup>13</sup> Exhibit PC3.

<sup>14</sup> Exhibit PC1.

57. In *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17, Mr James Mellor QC, sitting as the Appointed Person, gave helpful guidance on making a global assessment:

“81.2 ... in my view it is important to keep in mind the purpose of the whole exercise of a global assessment of a likelihood of confusion, whether direct or indirect. The CJEU has provided a structured approach which can be applied by tribunals across the EU, in order to promote a consistent and uniform approach. Yet the reason why the CJEU has stressed the importance of the ultimate global assessment is, in my view, because it is supposed to emulate what happens in the mind of the average consumer on encountering, for example, the later mark applied for with an imperfect recollection of the earlier mark in mind. It is not a process of analysis or reasoning, but an impression or instinctive reaction.

81.3 Third, when a tribunal is considering whether a likelihood of confusion exists, it should recognise that there are four options:

81.3.1 The average consumer mistakes one mark for the other (direct confusion);

81.3.2 The average consumer makes a connection between the marks and assumes that the goods or services in question are from the same or economically linked undertakings (indirect confusion);

81.3.3 The various factors considered in the global assessment lead to the conclusion that, in the mind of the average consumer, the later mark merely calls to mind the earlier mark (mere association);

81.3.4 For completeness, the conclusion that the various factors result in the average consumer making no link at all between the marks, but this will only be the case where either there is no or

very low similarity between the marks and/or significant distance between the respective goods or services;

81.3.5 Accordingly, in most cases, it is not necessary to explicitly set out this fourth option, but I would regard it as a good discipline to set out the first three options, particularly in a case where a likelihood of indirect confusion is under consideration.”

58. I found the dominant and distinctive element of the earlier mark to be identical to the contested mark, and the figurative elements of that mark to be banal and merely decorative. Considering the earlier mark as a whole, I found that it had a medium degree of visual similarity and aural and conceptual identity to the contested mark. I recall that the average customers were not the same, the opponent’s average consumer being a member of the general public and the applicant’s being a specialist business, with the latter paying an above average level of attention during the purchasing process. The level of attention being paid by the applicant’s average consumer, together with the low level of similarity of the goods, lead me to find that they are unlikely to mistake one mark for the other, despite their similarities, and so there is no likelihood of direct confusion.

59. I will now consider whether there is a likelihood of indirect confusion. In *Duebros*, Mr Mellor stated that such a finding should not be made merely because the two marks share a common element. It is plausible that a single business or connected undertakings would use slightly different marks when selling goods to different groups of consumers, with a greater use of figurative elements when the general public select the goods themselves from a shelf in a retail outlet. Given that the applicant’s and the opponent’s goods are likely to be cultivated in similar conditions, it seems to me that the average consumer would assume that the undertakings are connected, if not the same. To my mind, this is more than mere association and so there is a likelihood of indirect confusion.

***Outcome of the section 5(2)(b) ground***

60. The section 5(2)(b) ground succeeds in respect of *Live cannabis plants*.

## Section 5(3)

61. Section 5(3) of the Act states that a trade mark which is identical with or similar to an earlier trade mark

“shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a European Union trade mark or international trade mark (EC), in the European Union) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.”

62. The conditions of section 5(3) are cumulative:

- 1) The opponent must show that the earlier mark has a reputation on the application date of the contested mark (in this case, 12 March 2018);
- 2) The level of reputation and the similarities between the marks must be such as to cause the public to make a link between the marks; and
- 3) One or more of three types of damage (unfair advantage, detriment to distinctive character or detriment to repute) will occur.

It is not necessary for the goods to be similar, although the relative distance between them is one of the factors which must be assessed in deciding whether the public will make a link between the marks.

63. The CJEU gave guidance on the assessment of reputation in *General Motors Corp v Yplon SA* (Case C-375/97):

“24. The public amongst which the earlier trade mark must have acquired a reputation is that concerned by the trade mark, that is to say, depending on the product or service marketed, either the public at large or a more specialised public, for example traders in a specific sector.

25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.

26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.

27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.”

64. As the earlier mark is an EUTM, the territory in which the opponent must show that it had a reputation at the relevant date is the EU. The sales figures, however, relate to the UK. In *Whirlpool Corporation & Ors v Kenwood Limited* [2009] ETMR 5 (HC), Mr Geoffrey Hobbs QC, sitting as a Deputy Judge of the High Court, held that the UK could be regarded as a substantial part of the EU.

65. Reputation is a knowledge test, and the relevant public who must possess this knowledge are, in this instance, the public at large. Dr Whitfield states that the opponent’s major customer in the UK is Costco, with 29 stores.<sup>15</sup> Judging by the purchase orders and the images in Exhibit GW2 of the goods on sale, Costco appears to be primarily a wholesaler.<sup>16</sup> The extent to which the public at large is exposed to the mark is unclear. The news articles in Exhibit GW6 were published after the relevant date and appear to be from trade publications: Produce Grower, PerishableNews.com and fruitnet.com. The evidence does not indicate how well known the awards won by the opponent are among the general public. Finally, it is unclear how many of the opponent’s 15.3k Twitter followers or 12k Facebook followers are based in the EU. I

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<sup>15</sup> Exhibit GW3.

<sup>16</sup> The purchase orders are headed “COSTCO WHOLESALE” and “COSTCO.CO.UK”.

find that the opponent has not shown that the earlier mark has a reputation in the EU and so the section 5(3) ground fails.

### **Section 5(4)(a)**

66. Section 5(4)(a) of the Act states that:

“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 or 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’.”

67. It is settled law that for a successful finding of passing off, three factors must be present: goodwill, misrepresentation and damage. HHJ Melissa Clarke, sitting as deputy Judge of the High Court, conveniently summarised the essential requirements of the law in *Jadebay Limited, Noa and Nani Limited Trading as The Discount Outlet v Clarke-Coles Limited Trading as Feel Good UK* [2017] EWHC 1400 IPEC:

“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 these 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).”

68. *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 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.”

69. The first task is to determine the relevant date. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC, sitting as the Appointed Person, considered the relevant date for the purposes of section 5(4)(a) and quoted with approval the following summary made by Mr Allan James, acting for the Registrar, in *SWORDERS Trade Mark*, BL O-212-06:

“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.”

70. The applicant has not claimed to have used the mark before the priority date of 12 September 2017, so this is the relevant date for the purposes of section 5(4)(a).

71. The concept of goodwill was considered by the House of Lords in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantages 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. The goodwill of a business must emanate from a particular centre or source. However widely extended or diffused its influence may be, goodwill is worth nothing unless it has the power of attraction sufficient to bring customers home to the source from which it emanates.”

72. This is not the same as “reputation” under section 5(3). A small business which has more than trivial goodwill can protect signs which are distinctive of that business under the law of passing off even though its reputation may not meet the requirements of section 5(3): see *Stacey v 2020 Communications* [1991] FSR 49 and *Stannard v Reay* [1967] FSR 140 (HC).

73. In this case, what the evidence shows is that from 2014 to 2017 UK sales increased. Dr Whitfield states that courgettes, tomatoes, peppers, cucumbers and aubergines were sold under the mark, and the purchase orders in Exhibit GW4 corroborate this statement. Exhibit GW3 contains images of the goods on sale, with the photographs on pages 7, 9 and 10 being marked as from Potters Bar (a town in the UK) and dated before the priority date. There is not a great deal of evidence, and the sales figures are uncorroborated, but I consider on the balance of the probabilities that there is enough to find that the opponent had protectable goodwill for fresh fruit and vegetables on that date.

74. I will now consider whether there is misrepresentation. The relevant test was set out by Morritt LJ in *Neutrogena Corporation & Anor v Golden Limited & Anor* [1996] RPC 473:

“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] RPC 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 4<sup>th</sup> 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 RPC 147 at page 175; and *Re Smith Hayden’s Application* (1945) 63 RPC 97 at page 101.”

75. Under section 5(2)(b), I found that *Live cannabis plants* were similar to a low degree to the opponent’s goods, while the remaining contested goods were dissimilar. I shall therefore consider *Live cannabis plants* first. I must determine whether a substantial number of the opponent’s customers or potential customers, i.e. the purchasers of fresh fruit and vegetables (in other words, the general public), would be deceived. I recall that the parties’ goods would be purchased by different consumers, and that consumers purchasing the applicant’s goods would be exercising an above average degree of attention. In my view, the use of the applicant’s mark would not result in substantial numbers of the general public being misled into purchasing the applicant’s live cannabis plants in the belief that they are the responsibility of the opponent. I find no misrepresentation in respect of these goods.

76. I now turn to the remaining goods. In *Harrods Limited v Harrodian School Limited* [1996] RPC 697 (CA), Millet LJ held that:

“There is no requirement that the defendant should be carrying on a business which competes with that of the plaintiff or which would compete with any natural extension of the plaintiff’s business. The expression ‘common field of activity’ was coined by Wynn-Parry J. in *McCulloch v. May* (1948) 65 R.P.C. 58, when he dismissed the plaintiff’s claim for want of this

factor. This was contrary to numerous previous authorities (see, for example, *Eastman Photographic Materials Co. Ltd. v. John Griffiths Cycle Corporation Ltd.* (1898) 15 R.P.C. 105 (cameras and bicycles); *Walter v. Ashton* [1902] 2 Ch. 282 (The Times newspaper and bicycles) and is now discredited. In the *Advocaat* case Lord Diplock expressly recognised that an action of passing off would lie although ‘the plaintiff and the defendant were not competing traders in the same line of business’. In the *Lego* case Falconer J. acted on evidence that the public had been deceived into thinking that the plaintiffs, who were manufacturers of plastic toy construction kits, had diversified into the manufacture of plastic irrigation equipment for the domestic garden. What the plaintiff in an action for passing off must prove is not the existence of a common field of activity but likely confusion among the common customers of the parties.

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

‘... whether there is any kind of association, or could be in the minds of the public any kind of association, between the field of activities of the plaintiff and the field of activities of the defendant’:

*Annabel’s (Berkeley Square) Ltd. v. G. Schock (trading as Annabel’s Escort Agency)* [1972] R.P.C. 838 at page 844 per Russell L.J.

In the *Lego* case Falconer J. likewise held that the proximity of the defendant’s field of activity to that of the plaintiff was a factor to be taken into account when deciding whether the defendant’s conduct would cause the necessary confusion.

Where the plaintiff’s business name is a household name the degree of overlap between the fields of activity of the parties’ respective businesses may often be a less important consideration in assessing whether there is

likely to be confusion, but in my opinion it is always a relevant factor to be taken into account.

Where there is no or only a tenuous degree of overlap between the parties' respective fields of activity the burden of proving the likelihood of confusion and resulting damage is a heavy one. In *Stringfellow v. McCain Foods (G.B.) Ltd.* [1984] R.P.C. 501 Slade L.J. said (at page 535) that the further removed from one another the respective fields of activities, the less likely it was that any member of the public could reasonably be confused into thinking that the one business was connected with the other; and he added (at page 545) that

'even if it considers that there is a limited risk of confusion of this nature, the court should not, in my opinion, readily infer the likelihood of resulting damage to the plaintiffs as against an innocent defendant in a completely different line of business. In such a case the onus falling on plaintiffs to show that damage to their business reputation is in truth likely to ensue and to cause them more than minimal loss is in my opinion a heavy one.'

In the same case Stephenson L.J. said at page 547:

'... in a case such as the present the burden of satisfying Lord Diplock's requirements in the *Advocaat* case, in particular the fourth and fifth requirements, is a heavy burden; how heavy I am not sure the judge fully appreciated. If he had, he might not have granted the respondents relief. When the alleged 'passer off' seeks and gets no benefit from using another trader's name and trades in a field far removed from competing with him, there must, in my judgment, be clear and cogent proof of actual and possible confusion or connection, and of actual damage or real likelihood of damage to the respondents' property in their goodwill, which must, as Lord Fraser said in the *Advocaat* case, be substantial.'

77. In *Phones 4u Ltd v Phone4u.co.uk Internet Ltd* [2006] EWCA Civ 244, Jacob LJ said:

“16. ... Sometimes a distinction is drawn between ‘mere confusion’ which is not enough, and ‘deception’, which is. I described the difference as ‘elusive’ in *Reed Executive plc v Reed Business Information Ltd* [2004] RPC 40. I said this, [111]:

‘Once the position strays into misleading a substantial number of people (going from “I wonder if there is a connection” to “I assume there is a connection”) there will be passing off, whether the use is as a business name or a trade mark on goods.’

17. This of course is a question of degree – there will be some mere wonderers and some assumers – there will normally (see below) be passing off if there is a substantial number of the latter even if there is also a substantial number of the former.”

78. In my view, the level of protectable goodwill enjoyed by the opponent is not so high that the opponent’s customers, who are the ones who must be confused, would assume that there is a connection between the undertakings, given the distance between the opponent’s goods and the applicant’s Class 5 and 34 goods. The opponent’s goods are all fresh, not processed. I find there is no misrepresentation if the mark were used for the applicant’s goods in Classes 5 and 34. The section 5(4)(a) ground fails in respect of these goods.

## **Conclusion**

79. The opposition has been partially successful. The application by TWEED INC may proceed to registration in respect of the following goods:

### *Class 5*

*Medical marijuana, cannabis, cannabis oils, and cannabis derivatives.*

Class 34

*Dried marijuana and cannabis.*

**COSTS**

80. Both parties have had some success in these proceedings, with the major part being enjoyed by the applicant, who is entitled to a contribution towards its costs in line with the scale set out in Tribunal Practice Notice (TPN) 2/2016. In the circumstances I award the applicant the sum of £700 as a contribution towards the cost of the proceedings. I have taken into account the partial nature of the success and the fact that the applicant neither attended the hearing nor made written submissions in lieu of attendance. The sum is calculated as follows:

*Preparing a statement and considering the other side's statement: £200*

*Preparing evidence and considering and commenting on the other side's evidence: £500*

*TOTAL: £700*

81. I therefore order Mastronardi Produce Ltd to pay TWEED INC the sum of £700. The above sum should be paid within twenty-one days of the expiry of the appeal period or, if there is an appeal, within twenty-one days of the conclusion of the appeal proceedings.

**Dated this 28<sup>th</sup> day of April 2020**

**Clare Boucher**

**For the Registrar,**

**Comptroller-General**