

**O/998/22**

**TRADE MARKS ACT 1994**

**CONSOLIDATED PROCEEDINGS**

**IN THE MATTER OF TRADE MARK APPLICATIONS NOS. 3540567 &  
3540562  
BY D&R EXPORTS (PVT) LTD**

**AND**

**IN THE MATTER OF THE OPPOSITIONS THERETO  
UNDER NOS. 423254 & 423255 BY UNIVERSAL SUPPLIERS LTD**

**AND**

**IN THE MATTER OF TRADE MARK APPLICATIONS NOS. 3555544 &  
3555570 BY UNIVERSAL SUPPLIERS LTD**

**AND**

**IN THE MATTER OF THE OPPOSITIONS THERETO  
UNDER NOS. 424372 & 424768 BY D&R EXPORTS (PVT) LTD**

## BACKGROUND AND PLEADINGS

1. These consolidated proceedings concern four applications to register trade marks consisting of, or incorporating, the word “ARALIYA”. Both parties agree that “ARALIYA” is a type of tree with distinctive flowers that is native to Sri Lanka.

2. Two of the applications were made by D&R Exports (Pvt) Ltd (“D&R”), a Sri Lankan company which claims that, together with Araliya Exporter Pvt Ltd, it exports food items under the “ARALIYA” brand which was launched in Sri Lanka in the 1990s. The other two applications were made by Universal Suppliers Ltd (“USL”) which was incorporated in England and Wales in 2003 and is a manufacturer, importer and distributor of food products. It claims to have created the “ARALIYA” brand for a range of some of these goods in 2004. I shall say more about the evidence later in my decision.

### ***D & R’s applications***

*Application No. 3540567*

3. D&R applied to register the mark shown below as a trade mark in the United Kingdom on 5 October 2020:



The application was accepted and published on 20 November 2020 in respect of the following goods:

#### *Class 30*

*Coffee, tea, sugar, rice, noodles, flour, bread, pastry, confectionery, ices, salt, mustard, vinegar, sauces, spices, rice, snacks.*

4. On 11 February 2021, the application was opposed by USL. The opposition is based on sections 5(1), 5(2)(a), 5(2)(b), 5(4)(a) and 5(4)(b) of the Trade Marks Act 1994 (“the Act”) and concerns all the goods in the application.

5. USL is the proprietor of the following trade marks, both of which it is relying on under sections 5(1) and 5(2):

UK Trade Mark (“UKTM”) No. 3240373

The logo for the UK Trade Mark No. 3240373, featuring the word "ARALIYA" in white, bold, uppercase letters on a red rectangular background.

Application date: 29 June 2017

Registration date: 22 September 2017

Registered for the following goods:

Class 29

*Canned fish.*

UKTM No. 801387919

The logo for the UK Trade Mark No. 801387919, featuring the word "ARALIYA" in white, bold, uppercase letters on a red rectangular background.

As the opposition is against an application with a filing date prior to IP Completion Day (31 December 2020) the appropriate mark would be the IR(EU) No. 1387919, from which comparable mark UKTM No. 801387919 is derived. However, as this IR(EU) claims priority from UKTM No. 3240373 and the proof of use requirement in section 6A of the Act does not bite, I shall refer to the mark in the singular from now on.

6. USL claims that the application, in so far as it concerns *Snacks*, offends against section 5(1) of the Act as the marks are identical and the goods are identical.

7. In the alternative, USL claims that the application offends against section 5(2)(a) of the Act as the marks are identical and the goods are identical or similar and there

exists a likelihood of confusion on the part of the public. USL also brings a claim under section 5(2)(b) based on the similarity or identity of the marks and the similarity and identity of the goods.

**ARALIYA**

9. USL also brings a claim under section 5(4)(b) of the Act. It asserts that in or around May 2004 Chinthaka Pradeep Perera, its managing director, created an artistic work for the purposes of section 1(1)(a) of the Copyright, Designs and Patents Act 1988 (“CDPA”) and that the application infringes the copyright in this work by copying it and/or a substantial part of it and/or its elements and/or issuing copies to the public by making the application. The work is shown below:

**ARALIYA**

10. USL asserts that Mr Perera is a qualifying individual for the purposes of section 206 of the CDPA because he was a citizen or subject of, or resident in, the UK. It further claims that:

“Mr Perera and the Opponent performed to the terms of an informal exclusive license, Mr Perera as the owner of the Work and the Opponent as the exclusive licensee for the purposes of s.101 CDPA. The Opponent is therefore entitled to enforce the copyright in the Work as if it were the owner of the said copyright.”

*Application No. 3540562*

11. Also on 5 October 2020, D&R applied to register the following mark as a trade mark in the UK:



12. The goods in respect of which the application was made are the same as for Application No. 3540567. This application was also published on 20 November 2020.

13. The application was opposed by USL on 10 February 2021 under sections 5(1), 5(2)(a), 5(2)(b), 5(4)(a), with the same claims under these grounds as made in the opposition to the first application.

14. D&R filed defences and counterstatements, denying the claims made and putting USL to proof of its claimed goodwill and of Mr Perera's ownership and creation of the alleged copyright work and of the alleged informal exclusive licence.

### ***USL's applications***

*Application No. 3555544*

15. On 13 November 2020, USL applied to register **ARALIYA** as a trade mark in the United Kingdom for goods in Class 30. The specification was subsequently amended and now reads as follows:

#### *Class 30*

*Achar pachranga (fruit pickle); Aerated beverages [with coffee, cocoa or chocolate base]; Aerated chocolate; Aerated drinks [with coffee, cocoa or chocolate base]; Alimentary pasta; Allspice; Almond confectionery; Almond cookies; Almond flour; Aperitif biscuits; Apple cider vinegar; Apple flavoured tea*

*[other than for medicinal use]; Aromatic teas [other than for medicinal use]; Artichoke sauce; Artificial coffee; Artificial tea; Artificial tea [other than for medicinal use]; Asian apricot tea [maesilcha]; Asian noodles; Bakery goods; Balsamic vinegar; Banana fritters; Barbecue sauce; Barley flakes; Barley flour [for food]; Barley flour for food; Barley for use as a coffee substitute; Barley tea; Barley-leaf tea; Basil, dried; Beverages based on chocolate; Beverages based on coffee; Beverages based on coffee substitutes; Beverages based on tea; Beverages (Chocolate-based -); Beverages (Cocoa-based -); Beverages (Coffee-based -); Beverages consisting principally of chocolate; Beverages consisting principally of cocoa; Beverages consisting principally of coffee; Beverages containing chocolate; Beverages made from chocolate; Beverages made from coffee; Beverages made of coffee; Beverages made of tea; Beverages made with chocolate; Beverages (Tea-based -); Beverages with a chocolate base; Beverages with a cocoa base; Beverages with a coffee base; Beverages with a tea base; Beverages with coffee base; Beverages with tea base; Biological honey for human consumption; Biscotti; Biscuit rusk; Biscuits; Biscuits containing chocolate flavoured ingredients; Biscuits containing fruit; Biscuits flavoured with fruit; Biscuits for cheese; Biscuits for human consumption made from cereals; Biscuits for human consumption made from malt; Biscuits having a chocolate coating; Biscuits having a chocolate flavoured coating; Biscuits [sweet or savoury]; Biscuits with an iced topping; Black tea; Black tea [English tea]; Blends of seasonings; Boiled sugar confectionery; Boiled sugar sweetmeats; Boiled sweets; Bonbons; Bonbons made of sugar; Boxed lunches consisting of rice, with added meat, fish or vegetables; Bread; Bread and buns; Bread biscuits; Bread buns; Bread crumbs; Bread made with soya beans; Bread rolls; Bread sticks; Bread with soy bean; Bread with sweet red bean; Bread-based stuffing mixes; Breadcrumbs; Breakfast cereals; Breakfast cereals containing a mixture of fruit and fibre; Breakfast cereals containing fibre; Breakfast cereals containing fruit; Breakfast cereals containing honey; Breakfast cereals flavoured with honey; Breakfast cereals made of rice; Breakfast cereals, porridge and grits; Brine for cooking; Brine for pickling; Brine for use in cocktails; Brioches; Brittle; Brown rice.*

16. The application was published for opposition purposes on 12 February 2021 and was opposed on 12 May 2021 by D&R under sections 5(2)(b) and 3(6) of the Act. Under section 5(2)(b), D&R relies on both its applications and all the goods for which registration is sought. Under section 3(6), D&R claims that the application was made in bad faith as USL had no intention to use the mark for any of the goods in the application. It argues that the list of goods is just the first pages of the alphabetical list of goods in Class 30, taken from the Nice Classification, and that *“The Applicant cannot have had an intention to use the mark only for those goods and no others or for all of those goods, many of which are obscure in nature.”*

*Application No. 3555570*

17. On 13 November 2020, USL also applied to register the mark below for goods in Class 30:



18. The specification was amended and now reads as follows:

*Class 30*

*Achar pachranga (fruit pickle); Aerated beverages [with coffee, cocoa or chocolate base]; Aerated chocolate; Aerated drinks [with coffee, cocoa or chocolate base]; Alimentary pasta; Allspice; Almond confectionery; Almond cookies; Almond flour; Aperitif biscuits; Apple cider vinegar; Apple flavoured tea [other than for medicinal use]; Aromatic teas [other than for medicinal use]; Artichoke sauce; Artificial coffee; Artificial tea; Artificial tea [other than for medicinal use];Asian apricot tea (maesilcha);Asian noodles; Bakery goods; Balsamic vinegar; Banana fritters; Barbecue sauce; Barley flakes; Barley flour [for food];Barley flour for food; Barley for use as a coffee substitute; Barley tea; Barley-leaf tea; Basil, dried; Beverages based on chocolate; Beverages based on coffee; Beverages based on coffee substitutes; Beverages based on tea.*

19. This application was published for opposition purposes on 23 April 2021 and was opposed on 2 June 2021 by D&R under sections 5(1), 5(2)(a), 5(2)(b) and section 3(6). Under section 5, D&R again relied on its earlier applications. Under section 5(1), it claimed that the marks and the goods were identical, and under section 5(2)(a) it claimed the marks were identical and the goods identical or similar, and that there would be a likelihood of confusion between the marks. The section 5(2)(b) and 3(6) claims were the same as in the previous opposition.

20. USL accepted that the marks were similar to D&R's applications and that the goods applied for were identical or similar, but denied that there was a likelihood of confusion. It claimed antecedent rights as set out above. It also denied that the marks had been applied for in bad faith.

### ***Hearing and representation***

21. The matter came to be heard by me by videolink on 6 September 2022. USL was represented by Professor Mark Engelman of Counsel, instructed by Niall Tierney. D&R did not attend the hearing but filed submissions in lieu. Throughout these proceedings it has been represented by Ladas & Parry LLP.

## **EVIDENCE**

### ***USL's evidence in chief***

22. USL filed evidence in chief in the form of a witness statement dated 26 August 2021 from Chinthaka Pradeep Perera, Managing Director of USL. His evidence goes to the use made of the earlier sign, proceedings between the parties in other jurisdictions, and the similarity of the goods. The witness statement is accompanied by 26 exhibits, which he labels as "Annexes".

23. Evidence also came from the following witnesses:



- Upendra Ratnayake, an employee and later proprietor of Unigraphics Printing (UK), who states that he printed labels bearing the word “ARALIYA” for Universal between 2004 and 2014;<sup>1</sup>
- Viraj Navindra, Regional Operations Director of Costa Coffee, who gives his opinion on the similarities between the parties’ food products;<sup>2</sup> and
- Aruna Weerasinghe, Business Development Specialist at Mondelez, who also gives his opinion on the similarities between the parties’ food products.<sup>3</sup>

### ***D&R’s evidence***

24. D&R filed ten witness statements, none of which are accompanied by exhibits.

25. The witness statement of Mailvaganam Rajkumar, CEO of D&R Exports PVT Ltd and Chairman/Managing Director of Araliya Exporter PVT Ltd (“Exporter”), is dated 29 January 2022. He states that he

“... was the first to create the Araliya word with or without the image of the flower on canned fish in class 29 and other products in class 30 and the getup with its Red and White colours were my creation and I am the copyright holder of the said arrangement of colours and combination the word Araliya and the image of the flower from its inception in 1993.”<sup>4</sup>

26. He claims to have used the name in advertising but provides no examples.

27. In addition, the following witnesses provide evidence of their knowledge of the “ARALIYA” brand as marketed by Mr Rajkumar’s companies:

- Kannuthurai Ranjan, a family friend of Mr Rajkumar, who provides brief information on Mr Rajkumar’s business.<sup>5</sup>

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<sup>1</sup> Witness statement dated 23 August 2021.

<sup>2</sup> Witness statement dated 23 August 2021.

<sup>3</sup> Witness statement dated 20 August 2021.

<sup>4</sup> Page 1.

<sup>5</sup> Witness statement dated 1 February 2022.

- Praveen George Wickramaratne, a cousin of Mr Rajkumar’s wife;<sup>6</sup>
- Ranmali Anne Sanmugam, another cousin of Mr Rajkumar’s wife;<sup>7</sup>
- Mohnadasan Sinnadurai, a close friend of Mr Rajkumar’s brother;<sup>8</sup>
- Nihal Senaviratne Samarasinha, Honorary Consul of Sri Lanka for Hessen-Rheinland-Pfalz-Saarland;<sup>9</sup>
- Kanagaratnam Rajaseelan, Managing Director of Dover Marina Hotel & Spa;<sup>10</sup>
- Dilip Purusothaman, Senior Finance Manager at VF Services (UK) Ltd;<sup>11</sup>
- Sinnathamby Nagabalan, a close friend of Mr Rajkumar’s brother;<sup>12</sup> and
- Saumi Nelshi John Solomon, an employee of Exporter from 2007 to 2011.<sup>13</sup>

28. The evidence indicates use in Sri Lanka, with products being brought to the UK after purchase in that jurisdiction. Mr Samarasinha also states that the brand is well-known in parts of Germany.

### ***USL’s evidence in reply***

29. USL filed evidence in reply in the form of a second witness statement from Mr Perera dated 7 April 2022 and expert evidence from S. W. B. Roshan Abenayake, a Sri Lankan corporate lawyer, also dated 7 April 2022.

30. Mr Perera’s evidence contains an agreement assigning Trade Mark No. 93361 for ARALIYA in Class 30 from Araliya Impex (PVT) Limited (“Impex”) to Exporter. It is dated 5 March 2021. There is also an agreement dated 1 June 2013 between Exporter and D&R licensing the latter to use an ARALIYA Trade Mark in Classes 29 and 30 owned by Exporter. The agreement states that details of the mark are given in Exhibit A, but this has not been filed in evidence.

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<sup>6</sup> Witness statement dated 27 January 2022.

<sup>7</sup> Witness statement dated 26 January 2022.

<sup>8</sup> Witness statement dated 31 January 2022.

<sup>9</sup> Witness statement dated 8 January 2022.

<sup>10</sup> Witness statement dated 7 February 2022.

<sup>11</sup> Witness statement dated 8 January 2022.

<sup>12</sup> Witness statement dated 8 January 2022.

<sup>13</sup> Witness statement dated 7 January 2022.

31. Professor Engelman submitted that the gist of these transactions is that Impex purportedly assigned its registered trade marks to Exporter which then licensed them for worldwide use. He also argued that it can be inferred that the 2021 assignment was fabricated as Impex had been wound up and dissolved in 2008. A Special Resolution of 8 July 2008 that Impex should be wound up is exhibited as Annex C to Mr Abenayake's witness statement. Mr Abenayake states that on dissolution the assets of Impex vested with the State of Sri Lanka.

32. Professor Engelman admits that "*we do not have the entire picture*".<sup>14</sup> In particular, there is nothing to say that the marks referred to in the licence and assignment agreements are the same. I shall return to this evidence later in my decision if necessary, but for the moment will say no more about it.

33. Mr Perera's final two exhibits contain a list of Sri Lankan companies using the name "ARALIYA" and examples showing the use of red and white colouring on the labels of other canned fish brands.

## **DECISION**

34. As acknowledged by D&R in its written submissions, the oppositions to USL's applications depend to some extent on the decisions made in the oppositions to D&R's applications, which I shall consider first.

### **Opposition No. 423254 to Application No. 3540567**

#### ***Section 5(1)***

35. Section 5(1) of the Act is as follows:



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

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<sup>14</sup> Skeleton argument, paragraph 24.

identical with the goods or services for which the earlier trade mark is protected.”

36. The earlier mark on which USL relies completed its registration procedure less than five years before the date on which Application No 3540567 was filed. USL may rely on it as registered without having to prove use of the mark under section 6A of the Act. The two marks are shown below:

Earlier mark	Contested mark
	

37. In *SA Société LTJ Diffusion v Sadas Vertbaudet SA*, Case C-291/00, the Court of Justice of the European Union (“CJEU”)<sup>15</sup> held that:

“... a sign is identical with the trade mark where it reproduces, without any modification or addition, all the elements constituting the trade mark or where, viewed as a whole, it contains differences so insignificant that they may go unnoticed by an average consumer.”<sup>16</sup>

38. D&R submits that the marks are “*very similar ... but not exactly the same*” and draws my attention to what it describes as “*a slight difference in the font*”. I can see that the gaps in the letters “A” and “R” are slightly larger compared to the rest of those letters in the contested mark than in the earlier mark, and there are some slight differences in the width of parts of other letters, such as the base of the “L”. However, identifying these differences requires the sort of attention to detail that the average consumer will not pay when deciding between goods in Classes 29 and 30. The average consumer will not generally see the marks side-by-side and will not notice the

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<sup>15</sup> Section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Trade Marks Act relied on in these proceedings are derived from an EU Directive. This is why this decision refers to the trade mark case law of EU courts.

<sup>16</sup> Paragraph 54.

very slightly different shades of red used in the backgrounds. The differences are, in my view, so insignificant that they would go unnoticed by an average consumer. Consequently, I find that the marks are identical.

39. I turn now to consider the goods. In *Gérard Meric v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-133/05, the General Court (“GC”) stated that:

“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.”<sup>17</sup>

40. Professor Engelman submitted that D&R’s *Snacks* were identical to USL’s *Canned fish* and referred me to Mr Perera’s first witness statement as evidence to support this submission. Mr Perera provides two definitions of the word “snack”: “*A small amount of food that is eaten between meals, or a very small meal*” (Cambridge Dictionary) and “*A snack is a simple meal that is quick to cook and to eat*” (Collins Dictionary).<sup>18</sup> He goes on to say:

“Thus, from my own experience many consumers treat USL’s Jack Mackerel product as a ‘snack’ (to be mixed with other snacks or by itself, with or without salt and pepper). Jack Mackerel is now largely used and would be the main ingredient for preparation for salads (mixed with fruit & vegetables and with herbs, nuts and garden leaves); a sandwich is one of the main snacks consumed by USL’s customers in the UK. Clearly Jack Mackerel along with bread can be a sandwich and therefore a ‘snack’.”<sup>19</sup>

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<sup>17</sup> Paragraph 29.

<sup>18</sup> Paragraph 49.

<sup>19</sup> Paragraph 50.

41. The term “snack” does not appear in the current edition of the Nice Classification and, based on the definitions quoted above, it could cover some goods in Classes 29, 30 and 31. In *Pathway IP Sarl (formerly Regus No. 2 Sarl) v Easygroup Ltd (formerly Easygroup IP Licensing Limited)* [2018] EWHC 3608 (Ch), Carr J considered that where:

“... the words chosen may be vague or could refer to goods or services in numerous classes, the class may be used as an aid to interpret what the words mean with the overall objective of legal certainty of the specification of goods and services.”<sup>20</sup>

42. D&R’s *Snacks* are proper to Class 30, the heading for which is *Coffee, tea, cocoa and substitutes therefor; rice, pasta and noodles; tapioca and sago; flour and preparations made from cereals; bread, pastries and confectionery; chocolate; ice cream, sorbets and other edible ices; sugar, honey, treacle; yeast, baking-powder; salt, seasonings, spices, preserved herbs; vinegar, sauces and other condiments; ice (frozen water)*. The Explanatory Note states that the class “includes mainly foodstuffs of plant origin, except fruits and vegetables, prepared or preserved for consumption, as well as auxiliaries intended for the improvement of the flavour of food”. USL’s *Canned fish* is not identical to snacks that answer this description.

43. In addition, the fact that the *Canned fish* might be included as an ingredient in a sandwich, which I accept could be described as a *Snack*, does not mean that the goods are identical.

44. The section 5(1) ground fails.

### **Section 5(2)(a)**

45. Section 5(2) of the Act is as follows:

“A trade mark shall not be registered if because—

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<sup>20</sup> Paragraph 94.

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

(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.”

46. In considering the opposition under section 5(2)(a) and (b), I am guided by the following principles, gleaned from the decisions of the 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):<sup>21</sup>

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 they have kept in their 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;

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<sup>21</sup> Principles (d), (e) and (f) are more relevant to section 5(2)(b) claims than those under section 5(2)(a).

- 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; and
- 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*

47. I have already found that the marks are identical and so I will proceed to compare the goods. It is settled case law that I must make my comparison of the goods on the



basis of all relevant factors. These may include the nature of the goods and services, their purpose, their users and method of use, the trade channels through which they reach the market, and whether they are in competition with each other or are complementary: see *Canon*, paragraph 23, and *British Sugar Plc v James Robertson & Sons Limited (TREAT Trade Mark)* [1996] RPC 281 at [296]. Goods are complementary when

“... there is a close connection between them in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking.”<sup>22</sup>

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

Earlier goods	Contested goods
<u>Class 29</u> Canned fish.	
	<u>Class 30</u> Coffee, tea, sugar, rice, noodles, flour, bread, pastry, confectionery, ices, salt, mustard, vinegar, sauces, spices, rice, snacks.

49. Where appropriate, I shall group terms together. In *SEPARODE Trade Mark*, BL O-399-10, Mr Geoffrey Hobbs QC, sitting as the Appointed Person, stated:

“The determination must be made with reference to each of the different species of goods listed in the opposed application for registration; if and to the extent that the list includes goods which are sufficiently comparable to be assessable for registration in essentially the same way for essentially the same reasons, the decision taker may address them collectively in his or her decision.”<sup>23</sup>

<sup>22</sup> *Boston Scientific Ltd v OHIM*, Case T-325/06, paragraph 82.

<sup>23</sup> Paragraph 5.

50. At this point, I need to address the evidence of Viraj Navindra and Aruna Weerasinghe. Mr Navindra states that:

“I was informed about the trademark dispute between Universal Suppliers Ltd vs D&R Exports (Pvt) Ltd. Further to a request from Universal Suppliers Ltd, I was asked to assess the similarities of both parties’ food products. I rely upon my industry expertise and experience with knowledge from working exclusively within the Food Industry from 2015 (6 years) to do so.”<sup>24</sup>

51. Mr Weerasinghe makes a similar statement in paragraph 9 of his witness statement.

52. Professor Engelman described these witnesses as “*USL’s experts in the trade*”.<sup>25</sup> Having examined both witness statements, I consider that they do constitute expert evidence. The guidance in the Tribunal Work Manual is that expert evidence can only be adduced into Registry proceedings with the permission of the hearing officer. In particular, it states:

“There may be instances where, owing to the technical or specialised nature of the goods or services under consideration, that expert evidence about the way that the market operates may be helpful. However, it is considered that expert witness evidence will seldom be of assistance and permission for the adducing of expert witness evidence will therefore be the exception rather than the rule.”<sup>26</sup>

53. The goods at issue here are not specialist; rather, they are everyday items that are bought by members of the general public. Furthermore, no permission was sought to adduce this evidence. I will therefore make my own assessment of the similarities between the goods.

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<sup>24</sup> Paragraph 9.

<sup>25</sup> Transcript, page 6.

<sup>26</sup> See Section 4.8.4.5.

### Snacks

54. The first goods that I shall consider are D&R's *Snacks*, which it will be recalled I found were not identical to *Canned fish*. D&R submits that they are not even similar, but this is in the context of a blanket submission on all its Class 30 goods and it does not have anything specific to say on these particular goods. I return to the definitions of "snack" provided by Mr Perera.<sup>27</sup> In my view, the term would include such food products as sandwiches, pasta salads and pasties. The goods will have the same users, with overlapping methods of use and purpose, as both snacks of the type I have identified and canned fish can be used as the basis of a quick meal. There will be shared distribution channels, and it is possible that some snacks will be sold in relatively close proximity to the canned fish. I find that there is a degree of competition between them, but I do not consider the goods to be complementary. Taking all these factors into account, I find that the goods are similar to a low degree.

### Coffee, tea

55. D&R's *Coffee* and *tea* are beverages and so are different in physical nature from USL's *Canned fish*. The beverages are consumed for refreshment or, perhaps in the case of *coffee*, stimulation, while the purpose of *Canned fish* is to provide nutrition. The users will be the same and the goods will be sold in the same retail outlets. However, they will not be stocked on the same shelves or aisles in supermarkets or other self-service outlets. The goods are neither in competition with each other nor complementary in a trade mark sense. Overall, I find that the goods are dissimilar.

### Sugar, flour

56. The contested goods are ingredients that are used in the making of many different dishes. They would not comprise a major source of nutrients, but rather sweeten the final product or provide bulk in the form of carbohydrates. *Canned fish* may also be an ingredient although I note that it is a source of protein. D&R's goods are powdered or granules, and so different in physical nature from USL's goods. They will have the same users and be sold in the same retail outlets, although not on the same shelves or in the same aisles. The goods are neither in competition with each other nor complementary. The fact that USL's and D&R's goods are all foodstuffs is not, in my

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<sup>27</sup> See **paragraph 40** above.

view, sufficient for me to find similarity between them. I find that the goods are dissimilar.

Rice, noodles, bread, pastry

57. These are sources of carbohydrates that may be consumed alongside USL's *Canned fish*. In his skeleton argument, Professor Engelman submitted that "*notional and fair use of the mark on canned fish means that generally many come with rice, noodles & flour to be found in the same can, such as canned fish risotto.*"<sup>28</sup> I have been given no evidence to support such a submission. The physical nature of the goods is different but there is some similarity in purpose and method of use. However, while they would be sold in the same retail outlets, it is my view that they would not necessarily be displayed in close proximity on the same shelves, or in the same aisles. I do not consider that the goods are in competition or that there is complementarity in the trade mark sense. I find the goods to be dissimilar.

Confectionery, ices

58. These goods are sweet foodstuffs and are different in physical nature from *Canned fish*. Their purpose is less to provide nutrition than to act as a treat. They are not sold in the same parts of supermarkets or other food stores as canned fish and are neither in competition nor complementary. I find that they are dissimilar.

Salt, mustard, vinegar, spices

59. These goods are used to flavour food and are different in purpose and physical nature from canned fish. They are not in competition, and neither are they complementary. The fact that D&R's goods might be found in the same can is not in itself sufficient for me to find similarity: see *Les Éditions Albert René v OHIM*, Case T-336/03, paragraph 61. I find them to be dissimilar.

Sauces

60. Similar considerations apply in the case of *Sauces*, which the evidence shows may also be found in *Canned fish* products. I find that they are dissimilar.

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<sup>28</sup> Paragraph 38.

61. Under section 5(2), some similarity of goods is essential: see *eSure Insurance Limited v Direct Line Insurance Plc*, [2008], EWCA Civ 842 CA, paragraph 49. The section 5(2)(a) ground fails in respect of all the goods except *Snacks*.

#### *Average consumer and the purchasing process*

62. In *Hearst Holdings Inc & Anor v A.V.E.L.A. Inc & Ors* [2014] EWHC 439 (Ch), Birss J (as he then was) 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>29</sup>

63. The average consumer of the goods is a member of the general public. They will buy them from supermarkets, convenience stores and other food shops, generally, in the case of snacks, in person rather than online. I do, however, accept that *Canned fish* may be purchased online. This means that the consumer will see the mark, either on the goods or a website. They may also have seen the goods advertised on television, print media, online or billboards. Purchasing will therefore be largely a visual process. The goods will be bought fairly frequently and will be inexpensive. I find that the average consumer will be paying no more than a medium degree of attention.

#### *Distinctive character of the earlier mark*

64. In *Lloyd Schuhfabrik Meyer*, 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

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<sup>29</sup> Paragraph 60.

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 Alternberger* [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).”

65. Registered trade marks possess varying degrees of inherent distinctive character from the very low, because they are suggestive of, or allude to, a characteristic of the goods or services, to those with high inherent distinctive character, such as invented words which have no allusive qualities.

66. The word “ARALIYA” denotes a Sri Lankan tree. In my view, the average consumer of the goods at issue is unlikely to be aware of this fact and will, instead, believe the word to be an invented one. Consequently, the earlier mark has a high degree of inherent distinctive character.

67. Mr Perera states that USL’s mark was first used for *Canned fish* in 2017.<sup>30</sup> Overall turnover figures are not broken down by product, but sample invoices show sales of £2637.36 between 15 May 2018 and 19 August 2020.<sup>31</sup> Annex 5 contains import

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<sup>30</sup> First witness statement, paragraph 13.

<sup>31</sup> Annex 3.

documentation from 2020. The products also appear to have been advertised in media aimed at the Tamil diaspora and on social media channels. Viewing figures are given for adverts on YouTube for 2019 and 2020, but these are URLs that I have not clicked on and so I cannot tell how many might have been advertising canned fish bearing the earlier mark; neither can I tell how many times the adverts were viewed by UK consumers.<sup>32</sup> There are some screenshots in Annex 20 showing canned fish and the mark, but my comment above about the location of consumers viewing the adverts applies equally here. Overall, the evidence is insufficient for me to find that the inherent distinctiveness of the earlier mark has been enhanced through use.

### *Conclusions on likelihood of confusion*

68. The earlier mark is inherently highly distinctive and the contested mark is identical to it. Given this high level of distinctiveness and the fact that the average consumer will be paying no more than a medium degree of attention when buying the goods, I consider it likely that the average consumer will assume that the identical marks belong to the same undertaking.

69. The section 5(2)(a) ground succeeds with respect to *Snacks*.

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

70. As I found the marks to be identical, I do not need to consider the section 5(2)(b) ground. However, even if I am wrong in this finding, the marks are highly similar and the outcome of the section 5(2)(b) ground would, in my view, be the same as that of section 5(2)(a).

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

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

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<sup>32</sup> Annexes 17 and 18.

“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, where the condition in subsection 4(A) is met

...”

72. Subsection 4(A) is as follows:

“The condition mentioned in subsection (4)(a) is that the rights to the unregistered trade mark or other sign were acquired prior to the date of application for registration of the trade mark or date of the priority claimed for that application.”

73. In *Reckitt & Colman Products Limited v Borden Inc. & Ors* [1990] RPC 341 HL, Lord Oliver of Aylmerton described the ‘classical trinity’ that must be proved in order to reach a finding of passing off:

“First, he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying ‘get-up’ (whether it consists simply of a brand name or a trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff’s goods or services. Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by him are the goods or services of the plaintiff. Thirdly, he must demonstrate that he suffers or, in a quia timet action, that he is likely to suffer damage by reason of the erroneous belief engendered by the



defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff."<sup>33</sup>

74. *Halsbury's Laws of England* Vol. 97A (2021 reissue) provides further guidance with regard to establishing the likelihood of deception. In paragraph 636, it is noted (with footnotes omitted) that:

"Establishing a likelihood of deception generally requires the presence of two factual elements:

(1) that a name, mark or other distinctive indicium used by the claimant 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 indicium 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 two successive hurdles which the claimant must surmount, consideration of these two aspects cannot be completely separated from each other.

The question whether deception is likely is one for the court, which 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 claimant and the defendant carry on business;

(c) the similarity of the mark, name etc. used by the defendant to that of the claimant;

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<sup>33</sup> Page 406.

(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 are likely to be deceived and all other surrounding circumstances.

In assessing whether 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.”

### *Relevant Date*

75. My first task is to identify the relevant date for assessing passing off. In *Advanced Perimeter Systems v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC, sitting as the Appointed Person, quoted with approval the 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.”<sup>34</sup>

ARALIYA

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<sup>34</sup> Quoted in paragraph 43 of BL O-410-11.

included canned fish “*and other products in class 30*”. He goes on to say that the company started to export to various countries and names New Zealand, Australia, Dubai, Kuwait, Qatar, USA, Canada, EU “*and more*”, but does not specify whether this included the UK. Other witnesses for D&R state that the goods were brought into the UK as gifts or purchased on trips abroad.<sup>35</sup> No witness for D&R states that they have bought D&R’s goods in, or ordered them to be imported into, the UK. In *CASABLANCA*, BL O-349-16, Mr Thomas Mitcheson QC, sitting as the Appointed Person, held that use outside the UK would “*rarely give rise to antecedent rights*”.<sup>36</sup> Purchasing goods abroad, whether as gifts for others or souvenirs for oneself, would not constitute use of the sign in the UK and so D&R has no antecedent rights. The relevant date for my assessment of goodwill is therefore 5 October 2020.

77. Given my finding that D&R has not used the sign within the UK, there is no need to go on to consider the impact of the judgment in *Inter Lotto (UK) Limited v Camelot Group Plc* [2003] EWHC 1256 and Professor Engelman’s submissions that any use by D&R would be based upon the misappropriation of rights belonging to the State of Sri Lanka, and so could not support a claim of passing off.

### *Goodwill*

78. USL must show that it had goodwill in a business at the relevant date of 5 October 2020 and that the signs relied upon were associated with, or distinctive of, that business.

79. 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

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<sup>35</sup> See witness statements of Mr Wickramaratne and Mr Sanmugam.

<sup>36</sup> Paragraph 33.

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.”

80. Mr Perera states that on 3 May 2004 he designed the label for the Araliya brand, which was the red rectangle containing the word “ARALIYA” in white capitals. The first line of products to bear the label comprised snacks, Jaffna mixtures, hot mixtures, pakoda, hot chickpeas, red rice flour, white rice flour, black pepper and white pepper.<sup>37</sup> A second line of products included paruthithuair vadai, spicy murruku, payatham urundai, hot channa dal, hot peanuts, spices, canned fish, banana chips, tapioca chips, diamond sugar, palm sugar and candy.<sup>38</sup> It is not clear when all these products were introduced, but Mr Perera, as I have already noted, does state that the sale of canned fish began in 2017.<sup>39</sup>

81. Mr Perera gives the following turnover figures for the goods bearing the signs:<sup>40</sup>

Year	Turnover (£)
2015	100,077
2016	105,363
2017	138,064
2018	275,114
2019	376,993
2020	572,170
Total	1,567,781

82. He does not explicitly say that all this turnover relates to sales made in the UK. According to paragraph 16 of his witness statement, goods bearing the signs were also exported to France, Germany, Belgium, Italy, South Korea, Australia, USA, Japan, Switzerland, Finland, Norway, Denmark, Sweden and the Netherlands. Mr Perera

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<sup>37</sup> First witness statement of Mr Perera, paragraph 6.

<sup>38</sup> Paragraph 8.

<sup>39</sup> Paragraph 13.

<sup>40</sup> Paragraph 30.

claims to supply (at the date of the first witness statement) approximately 900 retail outlets in the UK.<sup>41</sup>

83. A sample of sales invoices can be found in Annex 3 to Mr Perera's first witness statement, with some purchase invoices in Annex 4. These date from the period 2004-2021, although there are some gaps (2010 and 2011) and some invoices have been reprinted. I summarise them in the table below:

<b>Date</b>	<b>Location</b>	<b>Goods Sold</b>	<b>Cost</b>
25/06/04	Hayes	Jaffna mixture (3 boxes), Hot mixture (3 boxes), Hot Pakoda (1 box)	£65.50
26/08/04	Manor Park, London	Jaffna mixture (5 boxes), Hot mixture (5 boxes)	£87.50
22/10/04	Edmonton, London	Jaffna mixture (6 boxes), Hot mixture (3 boxes), Hot chick peas (2 boxes)	£97.50
22/12/04	South Harrow	Jaffna mixture (5 boxes), Hot mixture (5 boxes)	£87.50
24/03/05	Wembley	Hot Pakoda (5 boxes), Jaffna mixture (5 boxes)	£100.00
28/06/05	Southall	Hot mixture (5 boxes), Jaffna mixture (2 boxes)	£57.50
10/08/05	Hounslow	Jaffna mixture (5 boxes), Hot mixture (5 boxes), Hot Pakoda (5 boxes)	£137.50
17/11/05	Queensbury	Jaffna mixture (3 boxes), Hot mixture (3 boxes), Hot Chick Peas (3 boxes)	£89.50
24/02/06	Wembley	Hot Chick Peas (1 box), Black Pepper (1 box)	£14.70
14/04/06	Hayes	Hot Chick Peas (2 boxes)	£15.00
06/07/06	East Ham, London	White Pepper (2 boxes), Black Pepper (5 boxes)	£50.00
22/11/06	Tooting, London	White Pepper (1 box), Black Pepper (3 boxes)	£28.80
29/01/07	Tooting	Hot Mixture (2 boxes), Hot Chick Peas (2 boxes), White Pepper (2 boxes), Black Pepper (2 boxes)	£58.80
02/05/07	Coventry	Hot Mixture (5 boxes), Hot Chick Peas (5 boxes), White Pepper (3 boxes), Black Pepper (5 boxes)	£128.76
26/07/07	East Ham	White Pepper (1 box), Black Pepper (3 boxes)	£28.80
22/11/07	Hounslow	Hot Mixture (2 boxes), White Pepper (1 box), Black Pepper (2 boxes)	£36.60
24/01/08	Glasgow	Hot Mixture (1 box), Black Pepper (3 boxes)	£29.10
11/05/08	South Harrow	White Pepper (1 box), Black Pepper (2 boxes)	£23.04
16/07/08	Tooting	Hot Mixture (3 boxes), Hot Chick Peas (2 boxes)	£37.50
02/12/08	South Harrow	White Pepper (1 box), Black Pepper (1 box)	£15.36
14/02/09	Southall	Hot Mixture (5 boxes)	£45.00
04/04/09	Tooting	Hot Mixture (5 boxes), Hot Chick Peas (3 boxes)	£67.20
16/06/09	Tooting	White Pepper (1 box), Black Pepper (2 boxes)	£23.04

<sup>41</sup> Paragraph 26.

Date	Location	Goods Sold	Cost
02/11/09	Edmonton	White Pepper (1 box), Black Pepper (2 boxes)	£23.04
13/04/12	Coventry	Hot Chick Peas (1 box), Hot Pakoda (2 boxes)	£31.50
28/07/12	East Ham	Hot Chick Peas (1 box)	£10.50
31/08/12	Eastbourne	Hot Chick Peas (1 box)	£14.40
20/11/12	Glasgow	Hot Chick Peas (1 box), Hot Pakoda (1 box)	£24.90
14/02/13	Dartford, Kent	Black Pepper (2 boxes)	£33.12
21/05/13	Tooting	White Pepper (2 boxes), Black Pepper (8 boxes)	£165.60
27/06/13	Catford, London	Hot Chick Peas (1 box)	£14.40
25/10/13	Bromley	Hot Chick Peas (1 box)	£14.40
24/04/14	East Ham	Pakoda (1 box), Hot Pakoda (1 box)	£22.95
26/06/14	Plumstead, London	Hot Chick Peas (1 box), Black Pepper (1 box)	£31.68
23/09/14	Watford	Black Pepper (1 box)	£17.28
28/10/14	East Ham	Hot Pakoda (1 box), Black Pepper (1 box)	£30.78
23/02/15	Leicester	Hot Chick Peas (1 box), White Pepper (1 box)	£27.06
25/04/15	Sutton, Surrey	Hot Chick Peas (1 box), Black Pepper (2 boxes)	£43.62
23/07/15	Croydon, Surrey	Pakoda (1 box), Jaffna mixture (1 box), Hot Chick Peas (1 box), Hot Pakoda (1 box)	£49.05
23/09/15	Coventry	Pakoda (1 box), Hot Pakoda (1 box), White Pepper (1 box), Black Pepper (1 box)	£58.95
03/03/16	London	Black Pepper (3 boxes)	£117.60
23/06/16	Liverpool	White String Hopper Flour (2 boxes)	£24.00
15/09/16	Banbury, Oxfordshire	Jaffna mixture (1 box)	£15.60
02/11/16	Milton Keynes	Pakoda (1 box), Jaffna mixture (1 box), Hot Chick Peas (2 boxes)	£46.65
30/03/17	Edgware, London	Jaffna mixture (1 box)	£15.60
03/05/17	Basingstoke	White String Hopper Flour (1 box), Red String Hopper Flour (1 box)	£26.70
31/07/17	Coventry	Hot Chick Peas (1 box), Black Pepper (1 box), Red String Hopper Flour (1 box)	£45.45
14/11/17	Leicester	White Pepper (2 boxes), Black Pepper (2 boxes), White String Hopper Flour (5 boxes), Red String Hopper Flour (2 boxes)	£175.05
07/03/18	Bracknell	Black Pepper (2 boxes), Diamond Sugar (23 pieces), Tapioca Chips (1 box), Hot Mixture (1 box)	£92.67
15/05/18	Leicester	Jack Mackerel in Brine (2 boxes), White Pepper (1 box), Black Pepper (1 box), Tapioca Chips (1 box)	£261.36 (Mackerel) £58.80 (Other)
05/07/18	Dunstable	Jack Mackerel in Brine (10 boxes)	£237.60
26/10/18	Ipswich, Suffolk	Jack Mackerel in Tomato Sauce (2 boxes), Jack Mackerel in Brine (2 boxes), White Pepper (5 boxes), Black Pepper (5 boxes)	£237.60 (Mackerel) £180.00 (Pepper)

Date	Location	Goods Sold	Cost
18/12/18	Liverpool	Jack Mackerel in Brine (10 boxes), White Pepper (2 boxes), Black Pepper (2 boxes)	£237.60 (Mackerel) £81.60 (Pepper)
14/01/19	Hatfield	Jack Mackerel in Brine (10 boxes), White String Hopper Flour (1 box), Red String Hopper Flour (1 box)	£237.60 (Mackerel) £23.70 (Flour)
09/05/19	Surbiton	Jack Mackerel in Brine (10 boxes), White Pepper (1 box), Black Pepper (2 boxes)	£237.60 (Mackerel) £61.20 (Pepper)
21/10/19	Altrincham	Jack Mackerel in Brine (3 boxes), White Pepper (3 boxes), Black Pepper (3 boxes), Diamond Sugar (1 box)	£71.28 (Mackerel) £139.65 (Other)
28/12/19	Glasgow	Jack Mackerel in Brine (25 boxes), White String Hopper Flour (5 boxes), Red String Hopper Flour (2 boxes), Diamond Sugar (2 boxes)	£594.00 (Mackerel) £117.45 (Other)
06/01/20	Birmingham	Black Pepper (1 box), White String Hopper Flour (1 box), Red String Hopper Flour (1 box), Palm Sugar (1 box), Diamond Sugar (1 box)	£86.10
12/05/20	Doncaster	Jack Mackerel in Brine (12 boxes), Black Pepper (2 boxes), White String Hopper Flour (1 box), Red String Hopper Flour (1 box), Diamond Sugar (1 box)	£285.12 (Mackerel) £91.47 (Other)
19/08/20	Hull	Jack Mackerel in Tomato Sauce (2 boxes), Jack Mackerel in Brine (10 boxes), White String Hopper Flour (1 box)	£273.60 (Mackerel) £13.35 (Other)

84. The sales shown on the invoices from 2018 onwards are, to a large extent, focused on the canned mackerel. However, there is evidence elsewhere indicating that products such as Jaffna mixtures were on sale in the later period. Annex 24 to Mr Perera's first witness statement contains a series of photographs from 2018 to 2021 showing Jaffna mixture, hot mixture, hot chick peas, pakoda and hot pakoda on sale in a range of Asian food stores. In the photographs below, the goods have a best before date in 2019.





85. Mr Perera states that USL has promoted the products sold under the sign on television, radio and newspapers aimed at the Tamil diaspora. However, while invoices have been filed in evidence, I cannot see how the sign was actually used in advertising. USL has also used social media such as Facebook, Instagram and YouTube, but the only dated examples show canned fish.



86. D&R submits that the invoices show that USL made only minimal sales of individual products. In assessing whether USL has shown a sufficient level of goodwill I am guided by the decision of Mr Thomas Mitcheson QC, sitting as the Appointed Person in *Smart Planet Technologies, Inc. v Rajinda Sharma (Recup Trade Mark)*, BL O/304/20. Here, he reviewed the following authorities about the establishment of goodwill for the purposes of passing-off: *Starbucks (HK) Ltd v British Sky Broadcasting Group Plc* [2015] UKSC 31, paragraph 52, *Reckitt & Colman Product v Borden* [1990] RPC 341, HL and *Erven Warnink B.V. v. J. Townend & Sons (Hull) Ltd* [1980] R.P.C. 31. After doing so, he concluded that:

“.. a successful claimant in a passing off claim needs to demonstrate more than nominal goodwill. It needs to demonstrate significant or substantial goodwill and at the very least sufficient goodwill to be able to conclude that there would be substantial damage on the basis of the misrepresentation relied upon.”<sup>42</sup>

87. Sufficient goodwill does not necessarily mean that the level must be large. It is clear from case law that 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 that goodwill might be small: see, for example, *Lumos Skincare Limited v Sweet Square Limited & Ors*, [2013] EWCA Civ 590. The evidence shows a pattern of sales over a relatively long period for Jaffna mixtures, hot mixtures, pakoda, hot chickpeas, black pepper and white pepper. I am unable to determine whether the flour shown in the invoices is the same as *Red rice flour* or *White rice flour*. Although total volumes of sales may have been small, I consider that over a period of fifteen years a small but more than nominal level of goodwill has been built up among the Asian food-buying public for Jaffna mixtures, hot mixtures, pakoda, hot chickpeas, black pepper and white pepper, and that both the word and the rectangular sign are distinctive of that goodwill.

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<sup>42</sup> Paragraph 34.

## *Misrepresentation*

88. The relevant test was set out by Morritt LJ in *Neutrogena Corporation & Anor v Golden Limited & Anor* [1996] RPC 473 at [493]:

“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.”

89. He also made clear that it was the plaintiff’s customers or potential customers that must be deceived.

90. I acknowledge that I found under section 5(2) that, apart from *Snacks*, all D&R’s goods were dissimilar to those of USL (i.e. *Canned fish*). In this ground, though, USL can rely on a different list of goods. Furthermore, there is no requirement under passing off for the parties to operate in a common field: see *Harrods Limited v Harrodian School Limited* [1996] RPC 697 (CA) at [714]. That said, I remind myself that Millett LJ said in that case that proximity of the two fields of activity was a factor to be taken into account when deciding whether there was misrepresentation.

91. The goods for which registration is sought are all foodstuffs or beverages and so the two parties share a common field of activity. All the goods are, in my view, likely to

be sold in the same outlets, although they may not necessarily be sold on the same shelves or in the same aisles of a supermarket. I infer from the that USL's customers are likely to purchase USL's goods from smaller stores, including those specialising in Asian food. If the contested application were registered, D&R would be able to sell goods labelled with the contested mark in the same or similar outlets. Given the identity between the signs and the contested mark, I consider that it is likely that USL's customers would assume that the foodstuffs and beverages sold under the contested mark also came from USL. They would, in my view, be deceived.

### *Damage*

92. In *Harrods*, Millett LJ described the requirements for damage in passing off cases as follows:

“In the classic case of passing off, where the defendant represents his goods or business as the goods or business of the plaintiff, there is an obvious risk of damage to the plaintiff's business by substitution. Customers and potential customers will be lost to the plaintiff if they transfer their custom to the defendant in the belief that they are dealing with the plaintiff. But this is not the only kind of damage which may be caused to the plaintiff's goodwill by the deception of the public. Where the parties are not in competition with each other, the plaintiff's reputation and goodwill may be damaged without any corresponding gain to the defendant. In the *Lego* case, for example, a customer who was dissatisfied with the defendant's plastic irrigation equipment might be dissuaded from buying one of the plaintiff's plastic toy construction kits for his children if he believed that it was made by the defendant. The danger in such a case is that the plaintiff loses control over his own reputation.”<sup>43</sup>

93. The majority of the goods sought to be registered are not directly substitutable for USL's goods, so I do not consider that there is likely to be a risk of damage from transfer of custom, except in the case of *Snacks*. However, I do believe there is a risk

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<sup>43</sup> Page 715

of injurious association, which was described in the following terms 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.”

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

### **Section 5(4)(b)**

95. For completeness, I shall briefly consider the claim under section 5(4)(b), which is as follows:

“A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented—

[...]

(b) by virtue of an earlier right other than those referred to in subsections (1) to (3) or paragraph (a) or (aa) above, in particular by virtue of the law of copyright, or the law relating to industrial property rights.

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.”

**ARALIYA**

97. Section 1 of the CDPA states that:

“Copyright is a property right which subsists in accordance with this Part in the following descriptions of work–

- (a) original literary, dramatic, musical or artistic works,
- (b) sound recordings, films or broadcasts, and
- (c) the typographical arrangement of published editions.”

98. Section 4 of the CDPA is as follows:

“(1) In this Part ‘artistic work’ means–

- (a) a graphic work, photograph, sculpture or collage, irrespective of artistic quality,
- (b) a work of architecture being a building or a model for a building, or
- (c) a work of artistic craftsmanship.

(2) In this Part –

...

‘graphic work’ includes –

- (a) any painting, drawing, diagram, map, chart or plan, and
- (b) any engraving, etching, lithograph, woodcut or similar work;

...”

99. USL claims that its work is an artistic work for the purposes of the CDPA. D&R submits that it is *“of no artistic merit and of such simplicity that it should not be considered a protectable copyright work”*. Artistic merit is not a requirement for copyright protection. As the Court of Appeal said in *Hyperion Records Ltd v Sawkins* [2005] EWCA Civ 565, a work may be

“... complete rubbish and utterly worthless, but copyright protection may be available for it, just as it is for the great masterpieces of imaginative literature, art and music.”<sup>44</sup>

100. Professor Engelman submitted that the simplicity of the work should equally be no barrier to protection. He directed my attention towards the following passage from *Copinger and Skone James on Copyright*, 18<sup>th</sup> edition (with footnotes omitted):

“Where an author creates a work without reference to any existing subject matter, it will be rare that it will lack originality merely by reason of its simplicity or banality. Copyright has been denied previously to simple phrases, titles for books and magazines, and the general arrangement and layout of a diary (i.e. the ways in which the days and dates were set out, with spaces for notes). In relation to artistic works, simple divisions of a diary page, although regarded as artistic works, have been denied copyright on this ground. While it has been doubted that copyright could subsist in simple drawings such as squares, circles or crosses, and copyright has been denied to a rough and inaccurate representation of a pipe, and to sketches of designs for a flag, copyright has been held to subsist in a series of circles drawn in a regular array, logos and held ‘probably’ to subsist in a precise drawing of three concentric circles. Originality may lie in the mere selection of the elements to use in a work, as where the creator is presented with a choice between two different versions or even where a variant has been created by a mistake. Originality can also subsist in the mere selection of colours to be used in an artistic work. ...”<sup>45</sup>

101. USL’s work is the word “ARALIYA” presented in white capitals on a red, rectangular background. In *Griggs Group Ltd v Evans*, [2003] EWHC 2914 (Ch), Mr Peter Prescott QC, sitting as a deputy judge of the High Court, held that:

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<sup>44</sup> Paragraph 31.

<sup>45</sup> Section 3-195.

“17. Copyright law protects the skill and labour that has gone into the creation of an original work. A simple word or phrase, like ‘Dr Martens’, is not capable of being copyright, and for two reasons. First, it is not a ‘work’. Secondly, and in the ordinary way, its creation does not imply sufficient literary skill or labour. So no-one has ever had a copyright in the phrase ‘Dr Martens’, as such.

18. However, a drawing is capable of being a ‘work’. So if an artist uses his skills and labour to draw a word or phrase in a stylised way, as in the case of a logo, his drawing is capable of being an original work, protected by copyright law. Unauthorised persons are not entitled to copy it. This is so irrespective of whether the logo has ever been used by way of trade, and irrespective of whether it is known to any members of the public. Of course, the artist gets no copyright in the word or phrase, as such.”

102. The alleged work is a single word, in a standard typeface, on a red background, with no stylisation. Applying the case law cited above, I am not persuaded that it is an artistic work under the CDPA.

103. The claim under section 5(4)(b) fails.

#### ***Outcome of Opposition No. 423254***

104. The opposition succeeds under section 5(2)(a) in respect of *Snacks* and it succeeds in its entirety under section 5(4)(a).



#### **Opposition No. 423255 to Application No. 3540562**

##### ***Section 5(1)***

105. The goods to be compared in this opposition are the same as the ones under consideration in Opposition No. 423254. I found that they were not identical and so the section 5(1) ground fails.

**Section 5(2)(a)**

106. The respective marks are shown below:

Earlier mark	Contested mark
	

107. Professor Engelman submitted that the flower at the left of the contested mark was “visually insignificant”.<sup>46</sup> I disagree that this is a difference so insignificant that it might go unnoticed by the average consumer. Consequently, I find that the marks are not identical.

108. The section 5(2)(a) ground fails.

**Section 5(2)(b)**

109. As section 5(2)(b) only requires the marks to be similar, I shall now conduct a more detailed comparison of the marks.

110. 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

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<sup>46</sup> Transcript, page 19.



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>47</sup>

111. 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.

112. The word “ARALIYA” is the distinctive and dominant element of the earlier mark. The colour arrangement makes only a small contribution to the overall impression of the mark.

113. I consider that, given its relative size, “ARALIYA” is also the dominant element of the contested mark. Where a mark consists of verbal and figurative elements, it is generally the verbal elements that are considered more distinctive, as the average consumer will refer to the goods by name rather than by describing the figurative element: see *Wassen International Ltd v OHIM (SELENIUM-ACE)*, Case T-312/03, paragraph 37. The flower will make a contribution to the overall impression and a smaller part will be played by the lozenge shape and colour arrangement.

114. The verbal element makes up the largest part of both marks and they are presented using the same colours (white on red). The differences are the shapes of the background and the presence of the flower and a thin white border in the contested mark. I find that the marks are visually highly similar. As “ARALIYA” is the only part of both marks that can be articulated, they are aurally identical. The average consumer is likely to believe that “ARALIYA” is an invented word. I recall that under section 5(2) I must consider a notional average consumer for the goods that are at issue. These goods would be purchased by the general public. The earlier mark therefore has no conceptual content, while the contested mark brings to mind a flower. The marks are conceptually dissimilar.

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<sup>47</sup> Paragraph 34.

115. I adopt the findings on the comparison of goods, average consumer and distinctiveness of the earlier mark that I made under Opposition No. 423254:

- All the goods are dissimilar apart from the contested *Snacks*, which is similar to USL's *Canned fish* to a low degree;
- The average consumer will be paying no more than a medium degree of attention in what is largely a visual purchasing process; and
- The earlier mark has a high degree of inherent distinctiveness that has not been enhanced through use.

#### *Conclusions on likelihood of confusion*

116. The marks share the highly distinctive "ARALIYA" and I have already found that this is the dominant element of the contested mark. In considering the likelihood of confusion, I must bear in mind that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely on the imperfect picture of them that they have in their mind. In my view, the average consumer is unlikely to remember the differences between the marks and will mistake one for the other. I find that there is a likelihood of confusion.

117. The section 5(2)(b) ground succeeds with respect to *Snacks*.

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

118. USL is relying on the same signs as it relied on in the first opposition. I adopt the findings I made on the relevant date and goodwill. The distinctive element of the earlier signs is the word "ARALIYA" which, as I have already found, is the dominant element of the contested mark. I consider that USL's consumers will be deceived by the contested mark, and that damage will occur in the same way as it would with respect to the first contested mark. The section 5(4)(a) claim succeeds in its entirety.

## D&R's Oppositions to USL's Applications

119. I shall consider both these oppositions together. Although the outcome of USL's oppositions means that the section 5(1), 5(2)(a) and 5(2)(b) grounds fall away, the section 3(6) claim still needs to be dealt with.

120. Section 3(6) of the Act is as follows:

"A trade mark shall not be registered if or to the extent that the application is made in bad faith."

121. In *Sky Limited & Ors v Skykick, UK Ltd & Ors*, [2021] EWCA Civ 1121 the Court of Appeal considered the case law from *Chocoladefabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH* (Case C-529/07), *Malaysia Dairy Industries Pte. Ltd v Ankenævnetfor Patenter Varemærker* (Case C-320/12), *Koton Mağazacılık Tekstil Sanayi ve Ticaret AŞ* (Case C-104/18 P), *Hasbro, Inc. v European Union Intellectual Property Office ("EUIPO")* (Case T-663/19), *pelicantravel.com s.r.o. v OHIM* (Case T-136/11) and *Psytech International Ltd v OHIM* (Case T-507/08). Floyd LJ summarised the law as follows:

"The following points of relevance to this case can be gleaned from these CJEU authorities:

1. The allegation that a trade mark has been applied for in bad faith is one of the absolute grounds for invalidity of an EU trade mark which can be relied on before the EUIPO or by means of a counterclaim in infringement proceedings: *Lindt* at [34].
2. Bad faith is an autonomous concept of EU trade mark law which must be given a uniform interpretation in the EU: *Malaysia Dairy Industries* at [29].
3. The concept of bad faith presupposes the existence of a dishonest state of mind or intention, but dishonesty is to be understood in the context of trade mark law, i.e. the course of trade and having regard to the objectives

of the law namely the establishment and functioning of the internal market, contributing to the system of undistorted competition in the Union, in which each undertaking must, in order to attract and retain customers by the quality of its goods or services, be able to have registered as trade marks signs which enable the consumer, without any possibility of confusion, to distinguish those goods or services from others which have a different origin: *Lindt* at [45]; *Koton Mağazacılık* at [45].

4. The concept of bad faith, so understood, relates to a subjective motivation on the part of the trade mark applicant, namely a dishonest intention or other sinister motive. It involves conduct which departs from accepted standards of ethical behaviour or honest commercial and business practices: *Hasbro* at [41].

5. The date for assessment of bad faith is the time of filing the application: *Lindt* at [35].

6. It is for the party alleging bad faith to prove it: good faith is presumed until the contrary is proved: *Pelikan* at [21] and [40].

7. Where the court or tribunal finds that the objective circumstances of a particular case raise a rebuttable presumption of lack of good faith, it is for the applicant to provide a plausible explanation of the objectives and commercial logic pursued by the application: *Hasbro* at [42].

8. Whether the applicant was acting in bad faith must be the subject of an overall assessment, taking into account all the factors relevant to the particular case: *Lindt* at [37].

9. For that purpose it is necessary to examine the applicant's intention at the time the mark was filed, which is a subjective factor which must be determined by reference to the objective circumstances of the particular case: *Lindt* at [41] – [42].

10. Even where there exist objective indicia pointing towards bad faith, however, it cannot be excluded that the applicant's objective was in pursuit of a legitimate objective, such as excluding copyists: *Lindt* at [49].

11. Bad faith can be established even in cases where no third party is specifically targeted, if the applicant's intention was to obtain the mark for purposes other than those falling within the functions of a trade mark: *Koton Mağazacılık* at [46].

12. It is relevant to consider the extent of the reputation enjoyed by the sign at the time when the application was filed: the extent of that reputation may justify the applicant's interest in seeking wider legal protection for its sign: *Lindt* at [51] to [52].

13. Bad faith cannot be established solely on the basis of the size of the list of goods and services in the application for registration: *Psytech* at [88], *Pelikan* at [54]".<sup>48</sup>

122. D&R claims that USL made its applications in bad faith as it had no intention to use the marks for the goods it had applied for. It submits that USL has failed to show that it had an intention to use the marks for any of those goods and adds:

"The application was filed by the applicant without any apparent professional assistance and all that the applicant has done is to cut and paste a list of goods from letter A to letter B in the alphabetical list of class 30 goods in the Nice Classification. It is almost inconceivable that an applicant would wish to use a mark only in respect of goods in a strict alphabetical listing from A to B only and not to intend to use the mark for any other goods beginning with the letters C through to Z."

123. In *Sky v Skykick*, Case C-371/18, the CJEU held that a statement on the application form that the mark is in use, or that there is a *bona fide* intention to use it,

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<sup>48</sup> Paragraph 67.

may, if untrue, provide evidence supporting a bad faith case, but is not sufficient by itself to justify the refusal or cancellation of the registration.

124. The onus is on the party alleging bad faith to present a *prima facie* case, which would then need to be rebutted by the other party. The allegation made by D&R requires objective, relevant and consistent indicia showing that USL had the intention of undermining, in a manner inconsistent with honest commercial practices, the interests of third parties or obtaining an exclusive right for purposes other than those falling within the functions of a trade mark. Other than the allegation that it is not possible that a party could intend to use a list of goods containing only those beginning with the letter A or B, nothing further has been submitted. The fact that an application may have been made without professional assistance is not relevant. The goods are all foodstuffs and beverages and so conceivably could be ones that USL wishes to market. D&R has not discharged its burden to put forward a *prima facie* case of bad faith.

125. The claim under section 3(6) fails.

126. The oppositions to USL's applications have failed.

## **Conclusion**

127. The oppositions to Trade Mark Applications Nos. 3540567 and 3540562 have succeeded. These applications are refused registration.

128. The oppositions to Trade Mark Applications Nos. 3555544 and 3555570 have failed. These applications will proceed to registration.

## **Costs**

129. USL has been wholly successful and is therefore entitled to a contribution towards the cost of these proceedings. At the hearing, Professor Engelman requested that the parties be given the opportunity to make submissions on costs following the outcome of the substantive matters. I agreed. I therefore give USL 14 days from the date of this

decision to file written submissions on costs. D&R will then have 14 days from the receipt of those submissions to file its response. I will then consider both sets of submissions and issue a costs decision. At that point, I will set the appeal period.

Dated this 15<sup>th</sup> day of November 2022

**Clare Boucher**  
**For the Registrar,**  
**Comptroller-General**