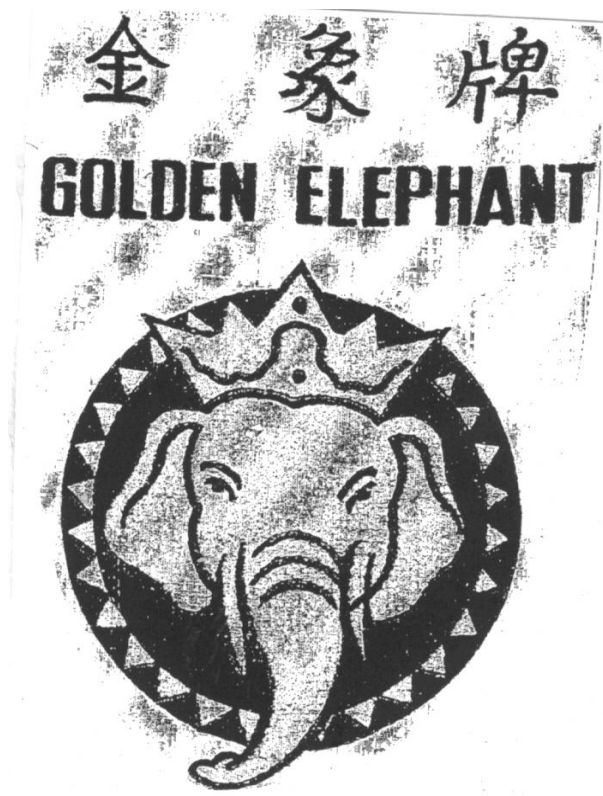


O-322-13

TRADE MARKS ACT 1994

IN THE MATTER OF REGISTRATION NO 2144319 IN THE NAME OF  
HOO HING HOLDINGS LTD FOR THE TRADE MARK



AND

A DECLARATION OF INVALIDITY THERETO UNDER NO 81958 BY  
TRESPLAIN INVESTMENTS LTD

IN THE MATTER OF Registration  
No 2144319 in the name of  
Hoo Hing Holdings Ltd  
and a declaration of invalidity thereto  
under No 81958 by Tresplains Investments Ltd

## Background

1. Registration no 2144319 stands in the name of Hoo Hing Holdings Ltd (“the registered proprietor”) and is for the trade mark shown on the front page of this decision. It has an application date of 8 September 1997 and completed its registration procedure on 2 July 1999. It is registered in respect of *Rice* in class 30 of the International Classification of Goods and Services for the Purposes of the Registration of Marks under the Nice Agreement (15 June 1957, as revised and amended).

2. On 3 December 2004, Tresplains Investments Limited (“the applicant”) filed an application seeking to declare the registration invalid. The application was made under the provisions of sections 47(2)(a) and (b) of the Act based on grounds under sections 5(2), 5(3) and 5(4) of the Act.

3. In respect of the application based on sections 5(2) and 5(3) of the Act, the applicant relied on its Community Trade Mark (“CTM”) no 241810. That mark was itself subject to invalidation proceedings and, due to subsequent appeals from the initial decision, led to a regrettably lengthy suspension of the current proceedings. The final conclusion of the CTM invalidation proceedings led to the CTM being declared invalid. That being the case, the present invalidation proceedings based on sections 5(2) and 5(3) fell away. The applicant then sought to amend its application so as to add further grounds for invalidation under section 6(1)(c) of the Act on the basis that the applicant’s mark is “well known in Hong Kong (and other Asian territories) for the purposes of article 6bis of the Paris Convention” and under section 3(6) on the basis that the application for registration was filed in bad faith. The application to add the bad faith ground was not pursued at a Case Management Conference (“CMC”) held, to determine the future conduct of the proceedings, on 20 November 2012. The application to add a new ground under section 6(1)(c) was rejected because the legal requirement is for the earlier mark to be well known in the UK and at the date the contested trade mark was filed, i.e. 8 September 1997. The amendment as drafted presented no legal basis for the relief claimed. These proceedings therefore continue on the basis of a single claim made under section 5(4) of the Act. The applicant’s claim is that it:

“has a reputation for rice in Hong Kong and other countries of the Far East, and the rest of the world. The GOLDEN ELEPHANT BRAND Elephant Device mark was first used in Hong Kong in 1980. The brand has been heavily advertised there and its GOLDEN ELEPHANT BRAND Elephant Device mark is used in advertisements in magazines, newspapers and on television. Such newspapers and publications have been circulated amongst the Chinese speaking communities in the UK resulting in massive spill-over reputation amongst the relevant UK public sector. Such is the reputation and goodwill

that the use of the Registered Proprietor's mark in relation to rice should be prevented under the law of Passing Off."

4. The applicant's mark is this:



5. The registered proprietor filed a counterstatement in which it rejects the claims made. It states:

"It is denied that the Applicant has any reputation for rice in Hong Kong or other countries of the Far East, and the rest of the world. It is denied that the Applicant's mark has been used by the applicant in newspapers and publications which may have been circulated amongst the Chinese speaking communities in the UK. It is denied that there has been any reputation whatever established in the Applicant's mark in the relevant UK public sector. By virtue of the Registered Proprietor's own prior use of its mark, it is the Registered Proprietor's mark which has established prior reputation and goodwill in the UK at the time the Registered Proprietor's application for registration was filed. Consequently, use of the Registered Proprietor's mark could never have been prevented under the Law of Passing Off, because the Applicant had no goodwill, there was no misrepresentation and no damage. This registration could not have been registered in breach of Section 5(4) of the Act."

6. Both parties filed evidence and the matter came before me for a hearing on 22 April 2013. Mr Michael Edenborough Q.C. instructed by Page Hargrave represented the registered proprietor, Mr Julius Stobbs of Stobbs represented the applicant.

### **The evidence**

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

7. Mr Tsang Siu Hung filed two witness statements each dated 27 April 2005. In his first witness statement, headed "Proof of use", Mr Tsang Siu Hung states he is the Financial Controller of Golden Resources Development International Limited ("GR1") of which the applicant and Golden Resources Development Ltd ("GR2") are indirect wholly owned subsidiaries. He is a director of both of these latter companies (since 31 October 1990 and 1 March 1999 respectively). Another company, Golden

Resources Export (Thailand) Co Ltd (“GR3”) which is the Thai factory from which rice under the applicant’s trade mark is shipped to overseas clients, is a partially owned subsidiary of GR1.

8. Mr Tsang Siu Hung states that in October 2003, GR2 mailed 12 cartons of Golden Elephant rice to Shingho Ltd, a UK distributor “for the purposes of pre-launch activities” and that regular shipments of the rice were sent to Shingho Ltd by GR3 from October 2003 to February 2005. At TSH1, he exhibits what he says is Shingho Ltd’s monthly sales reports showing these shipments. It is a month by month breakdown of sales under the mark for the period October 2003 to February 2005. The figures vary considerably and range from a low of £37.50 in October 2003, to a high of £51,349 in June 2004 settling back to £37,617.50 in February 2005. The total sales within the period are said to amount to £397,758.86.

9. At TSH2 Mr Tsang Siu Hung exhibits what he says are 3 invoices showing 3 shipments of rice from GR3 to another UK distributor, Centerpoint Trading Co. The exhibit consists of some 15 pages. Page 1 consists of what appears to be a covering letter dated 2 March 2005 from GR2 to a firm of trade mark agents in respect of other proceedings. The remaining pages are not invoices as stated but are instead headed as packing lists, draft B/L (which I take to be bills of lading), certificates of origin and phytosanitary and fumigation certificates relating to what appear to be three shipments of Golden Elephant rice from GR3 to Centrepoint and which bear various dates around December 2003, February 2004 and October 2004.

10. Mr Tsang Siu Hung’s second witness statement repeats the details of the various companies, their relationship to each other and his role within them. He goes to state that GR2 has been selling rice under its GOLDEN ELEPHANT brand since 1980. Since 1990, when it assigned its mark to the applicant, it has sold the rice under a licence.

11. At TSH1, Mr Tsang Siu Hung exhibits a copy taken from GR1’s ‘offer for sale’ which he says dates from 11 January 1991. Referring me to paragraph 4, he points out that it states GR1 introduced what was believed to be the first packaged Thai fragrant rice in Hong Kong under the GOLDEN ELEPHANT brand and that it was the top selling rice in Hong Kong since its introduction in mid-July 1987. At TSH2 he exhibits what he says are copies of independent audits from 1991 to 1994 showing the rice to have a market share growing from 26.9% in 1988 to 41% in 1993. The exhibit consists of six documents. Documents 1, 3, 4 and 5 are each headed “SRH Retail Audit” and indicate they were prepared by Survey Research Hong Kong Ltd. They report on the periods June/July 1991, December 1992/January 1993, August/September 1993 and December 1993/January 1994 respectively. Document 2 is headed “Packaged Rice Price Sensitivity Study” also prepared by Survey Research Hong Kong Ltd. Document 6 is an extract dated 23 September 2004, taken from the acnielsen.com website which provides some information about the acnielsen business which Mr Tsang Siu Hung states carried out the audits. The document does not show, and no details are given to explain, what relationship (if any) there is between acnielsen.com and Survey Research Hong Kong Ltd but the other side have not challenged the documents and I have no reason to disbelieve their authenticity. Whilst the survey documents provided consists of numerous tables with little or no explanation as to their meaning, it is possible to see that the reports

have found GOLDEN ELEPHANT rice to be the market leader in Hong Kong, Kowloon, New Kowloon and the New Territories, in each report.

12. At TSH3 Mr Tsang Siu Hung exhibits a similar document reporting an audit carried out in 1995 which he says shows “the brand’s total volume share of the supermarket rice market in Hong Kong to be 45.6% and total value share to be 47.3%”. At TSH4 is a similar report which he states shows that “GOLDEN ELEPHANT BRAND rice held the majority percentage value share of the market for the most of 2001, against all of the other providers together, and that the same is true when the percentage volume share is measured.”

13. At TSH5, are exhibited two pages said to be taken from GR1’s website. The quality of the photocopying is poor as regards the images on the pages but the text clearly refers to various rice brands including GOLDEN ELEPHANT. At TSH6 are pages said to be taken from a product brochure. The pages show a range of rice for the Hong Kong and Chinese markets respectively.

14. At TSH7, Mr Tsang Sui Hung exhibits details of the sales volume of GOLDEN ELEPHANT rice. Details are given for Hong Kong, Macau, Canada, USA, China, Venezuela, Japan and the UK and cover yearly periods, from 1990/91 (China only) to 2004 (all). In relation to the UK, the following details are shown:

(First Date of Shipment Effected on November 3, 2003)

<u>Year</u>	<u>(Metric Ton)</u>
2003/2004	144
4-6/2004	<u>173</u>
	<b>317</b>

15. Mr Tsang Sui Hung states that the applicant has trade mark registrations in Australia, Brazil, Cambodia, Canada, China, Hong Kong, Japan, Korea (S), Macau, New Zealand, Portugal, Singapore, Taiwan, Thailand, United States and Vietnam and, at TSH8 exhibits copies, along with some translations, of the certificates issued.

16. Mr Tsang Sui Hung states that advertising spend under the mark has been \$1.3 US per year “over the last five years”. This figure is not broken down in any way. At TSH9 are exhibited various extracts or copies of advertisements taken from a number of Chinese language publications with what Mr Tsang Sui Hung says are translations of the text. No indication is given of who might have translated this material but the other side has not disputed the accuracy of the translations provided. I can make out a range of dates from 1999. Not all pages appear relevant but some show the applicant’s mark.

17. AT TSH10 is what is described as a “ratecard” effective September 2004. It shows the prices the publication *East Week* charges for advertising in their European Edition. There is also a sheet giving details of this publication. It indicates that *East Week* is circulated as a free supplement to the *Sing Tao Daily* (weekend edition). The *Sing Tao Daily* is noted as having a readership of 100,000 across Europe (including the UK). It does not specify a readership or any circulation figures in the UK alone, either at the relevant date or otherwise.

18. Exhibit TSH11 consists of a compilation of advertisements shown on TV in Hong Kong between 1984 and 2004 along with a certified translation of the transcripts of each of them. TSH12 to TSH16 consist of samples of advertising and promotional activities carried out in Hong Kong between 1988 and 2005. They include discount vouchers (valid until 20 December 1991) and what appears to be sponsorship of a charity walk in 1988/9.

19. Mr Tsang Sui Hung states that “[i]t is highly likely that [the applicant’s] reputation for GOLDEN ELEPHANT BRAND rice is known in the UK amongst the relevant consumer public”. At TSH17-19 he exhibits various spreadsheets showing data relating to the number of passengers given leave to enter the UK between 1980 and 2003 from Hong Kong, China and Japan respectively. He states that travellers entering the UK from these countries “cannot fail to be aware of the applicant’s reputation”. The figures are stated to have been collated from information collected by the Home Office. It is not entirely clear how the figures in the various columns relate to each other but, as far as I can see, and in relation to the figures relating to traffic from Hong Kong, which show the highest level of the three countries exhibited, at least 41,000 people are said to entered the UK each year, with at least 14,000 of them returning after a temporary absence abroad and at least 2,400 being in transit to/from other countries.

20. Kit Fung’s witness statement is dated 21 April 2005. He states he has been a director of Centrepont Trading Company Ltd since 24 May 1991. At KF1 he exhibits what he says are invoices for three shipments of Golden Elephant rice which his company imported from GR2 on 29 December 2003, 23 February 2004 and 4 October 2004. The exhibit consists of a duplicate of that exhibited at TSH2. Mr Fung states that the rice was sold in packaging bearing “the GOLDEN ELEPHANT BRAND name” to businesses in the UK and lists three such businesses in London and Middlesex.

21. Erica Lam is a secretary of Shingho Ltd, a position she has held since 4 July 2003. Ms Lam states that in October 2003, Shingho bought 12 cartons of rice from GR2 for “pre-launch activities comprising the distribution of free samples of GOLDEN ELEPHANT BRAND rice being distributed to potential customers” and from November 2003, it bought rice under the mark from GR3. At EL1 she exhibits a duplicate of the document exhibited at TSH1 above. At EL2, Ms Lam exhibits a number of invoices. She states these are a representative sample and that since 25 March 2004, the invoices bore the GOLDEN ELEPHANT BRAND trade mark. There are 16 invoices dating from 21 October 2003 to 9 February 2005 issued to addresses in London, Birmingham, Manchester and Croydon. Each shows the product being sold to be GOLDEN ELEPHANT brand rice and each bears the applicant’s mark.

22. At EL3, Ms Lam exhibits printouts showing packaging for premium Thai Fragrant rice and premium glutinous rice sold under the applicant’s mark. At EL4 she exhibits a list of customers to whom the rice has been sold. There are 60 entries showing a number of supermarkets, restaurants, takeaways and wholesalers in towns and cities across the UK e.g. Cardiff, Birmingham, Glasgow, Bristol and Southend-on-Sea as well as London.

23. Ms Lam states that as at the date of her witness statement, her company had spent a total of £15,627 on advertising under the mark. She states that £10,868 of this figure was spent on TV advertising and the remainder on magazine advertisements. Insofar as the magazine advertising is concerned, she states that this has been through the *East Week* magazine with an advertisement appearing biweekly with the first advertisement appearing in the 20 March 2004 edition and the last in the 19 March 2005 edition. At EL5 she exhibits what she says are photocopies of a front page of the magazine and an advertisement. The front page appears to be dated 25 February 2004 and, other than the word EASTWEEK, does not show any English words (there are what appear to be Chinese characters) nor does it make any reference that I can see, to the trade mark. What is said to be the advertisement also shows many Chinese characters. I am not told the meaning of these characters but I can see that the page does contain references to the HACCP and ISO certification schemes and shows pictures of what appear to be several brands of rice including Golden Elephant. At EL6 Ms Lam exhibits details from the magazine's publishers. This shows that it is a Hong Kong "general interest" publication circulated weekly and free of charge inside a weekend edition of another publication which itself is circulated to Europe and the UK. The total readership is said to number 100,000 but no details are given of how many of these are in the UK.

24. At EL7, Ms Lam exhibits a document relating to the TV advertising campaign. Headed "Proposal for Shing Ho Ltd, Advertising Campaign" it sets out proposals for a 6 months on air campaign for 360 'spots' of 35 seconds each with a total cost of £12,492 to run from March to August 2004. At EL8 are exhibited 4 invoices for payment for services rendered. Three are on The Chinese Channel (France) SAS headed paper with one on The Chinese Channel Limited headed paper. At EL9 she exhibits a transcription and translation of the script from the TV advertisement and, at EL10, the transmission schedule which ran from 17 March 2004. Ms Lam submits that the advertisement was seen over the six months period by "a very substantial number of my company's potential customers" but gives no evidence to show how many people saw the advertisements or how many people might have been viewers of the channel.

25. In his witness statement, Julius Stobbs states that Golden Elephant brand was launched in 1980 in Hong Kong, has been the top selling brand there "for many years" and has also been "a huge seller in China also for a very long period". At JEBS1-6 and 8-14, he exhibits copies of articles of press releases from various Hong Kong publications which he states are also circulated in the UK. No circulation details for these publications in the UK have been provided.

26. At JEBS7 Mr Stobbs exhibits a website printout which indicates it was taken from the [www.grdil.com](http://www.grdil.com) website on 05/03/2013. He highlights a paragraph which states "Golden Resources owns the Golden Elephant Brand – the number one seller in Hong Kong. The quality assurance and brand success of Golden Elephant are further witnessed through numerous awards won recent (sic) years, including Hong Kong Top Mark, Q-Mark Award, Superbrands Award, Reader's Digest "Trusted Brand" Platinum Award, Wellcome's Top 10 Favourite Brand etc."

27. At JEBS15, Mr Stobbs exhibits a copy of a letter, headed "To whom it may concern" presented on ACNielsen headed paper. Dated 10 September 1998 and signed by Jessica To, Associate Director of Retail Services, it indicates that Golden Elephant is the number one brand of packaged rice. At JEBS16, Mr Stobbs exhibits a table showing sales of rice in various markets between 1990 and 2011. This list is in the same format as that exhibited at TSH7 (2<sup>nd</sup> witness statement of Mr Tsang Sui Hung) but gives figures for a wider spread of years. Where the information on the two documents overlap, some of the figures differ. No explanation is given for this difference in information.

### **Registered Proprietor's evidence**

28. This takes the form of a witness statement by Keith Gymer who is a trade mark attorney in the employ of Page Hargraves, the registered proprietor's legal representatives in these proceedings. Mr Gymer states that the registered proprietor's business was established in 1968 when its first cash and carry store opened in Hackney, east London. Further stores opened in Mitcham (1993), Park Royal (1995), Chadwell Heath (2000), Enfield (2000) and Leyton (2007). A store opened in Birmingham in 2009 and in Milton Keynes in 2010. Mr Gymer states that these stores form the largest Chinese Supermarket network in London. In addition to these physical stores, an internet store was established in 2001 which, Mr Gymer states, is the largest Oriental Internet store in the UK with products being available to order 24 hours a day with delivery being made via the registered proprietor's nationwide delivery service. Customers include small and large restaurants and takeaway outlets. Each store is said to supply over 4,500 oriental products sourced directly from the Far East. The registered proprietor has a wholesale distribution business operating from the Chadwell Heath centre which has supplied a range of products to the wholesale, catering food service, industrial and retail markets in London and the UK as well as mainland Europe. Its delivery service is provided using its own fleet of vehicles.

29. The registered proprietor has participated in a number of exhibitions and shows including the International Food and Drink Exhibition and London Food Fair as well as others in Germany and France. It has also promoted its brand through the co-hosting of outside broadcasting events and through advertising on The Chinese Channel and PCNE TV channels, the *Singtao Daily* newspaper and Spectrum Radio. It also has its own newsletter and website.

30. Mr Gymer exhibits a large volume of exhibits which he says have been taken from material filed in earlier proceedings. He refers to the proceedings outlined at paragraph 3 above by which the registered proprietor sought to invalidate the applicant's community trade mark (which were ultimately successful) and, at exhibit KFG1, exhibits copies of the decisions of the various appeal bodies. At KFG2 he exhibits what he says are extracts from the material which was filed in those proceedings. This is not disputed by the applicant. The material includes a copy of a witness statement dated 7 April 2006 by Tim Poon, who has been chairman of the registered proprietor's company since 1968. Mr Poon states that the Golden Elephant device mark was first developed in 1988 for use on packaged rice in the UK. He states the mark was developed independently without any knowledge of any other Golden Elephant brand. Mr Poon states the rice is supplied in bags which bear



the device mark and that rice in such bags has been supplied to the registered proprietor by a number of companies.

31. At KFG3, Mr Gymer exhibits details of the registered proprietor's UK sales of rice from 1988-2004. The table exhibited shows sales as tonnage with a figure of 42 tonnes being sold in 1988 rising year on year, most years, to some 68 tonnes in 1993, 107 tonnes in 1998 and 2280 tonnes in 2003. Also within this exhibit is a copy of a statutory declaration dated 13 December 1998 by Chee Wah Poon which was originally filed in support of the application for registration of the trade mark registration the subject of the current proceedings. Chee Wah Poon is a Director of the registered proprietor and, since 1995, Purchasing Director of its subsidiary, Hoo Hing Ltd. He states that the trade mark Golden Elephant and device was first used in the UK in 1988. He also provides details of sales of rice in the UK in tonnes for the period 1988 to 1997 which, as far as the years overlap, agree with those referred to earlier in this paragraph. Chee Wah Poon also gives details of the turnover of these sales which equates to a figure of around £1000 a tonne. He says that promotional expenditure under the mark "over the last 3 years" is around £3,000 and that it has appeared in TV and newspaper advertising as well as in-store displays, flyers and broadsheets directed at the Chinese community in the UK, including in Manchester, Liverpool, Birmingham, Glasgow and Bristol. Chee Wah Poon's statutory declaration has two exhibits. The first, Exhibit A, is a copy of a letter dated 12 March 1998. Addressed to Hoo Hing Limited and sent from Eastimpex (Thailand) Ltd, it indicates that the former has, "for over 10 years", been supplying the latter company with various types of rice under the Golden Elephant brand. Exhibit B shows what is said to be a sample of the mark used which is the mark as shown on the cover page of this decision.

32. At KFG4 Mr Gymer exhibits more than 40 copy proforma letters. Each bears the name and address of e.g. the takeaway or restaurant named thereon and is signed by (where indicated) the owner, manager or chef of that establishment who confirms the length of time that it has bought Golden Elephant rice from Hoo Hing Ltd UK. Not all are dated but they state that purchases have been made from "before 1998" to "since 2003". There is also a copy letter, headed "to whom it may concern" and dated 1 February 2005. From Bangkok Rice Co Ltd, it indicates that it was "selling and packing Golden Elephant rice for Hoo Hing Ltd UK between 1990 and 1999.

33. At KFG5 are exhibited a number of copies of advertisements taken from various publications. Those from the *Sing Tao Daily* newspaper are dated between 21 July 2000 and 31 January 2003. Whilst the text is mainly in Chinese characters and the quality of the copying makes some of the pictures difficult to see, the mark the subject of these proceedings can be seen on bags of rice in a number of these advertisements, including the earliest and others from 2002 and 2003. Within the exhibit are given publication details for this newspaper. It indicates that it is a Chinese language newspaper produced every week day which also has a weekend edition. Its European edition has a daily readership of some 100,000 and covers the UK, Holland, Germany, France, Belgium, Switzerland, Denmark, Sweden, Italy, Austria, Hungary and Spain. Also within this exhibit are pages from the Enfield Advertiser and Haringey Advertiser of 13 and 20 November 2002. Each has an advertisement for the local Hoo Hing store which includes pictures of bags of rice bearing the Golden Elephant device mark.

34. Exhibit KFG6 consists of material relating to television advertising which indicates that Golden Elephant rice was advertised by way of 30 second slots on the Chinese Channel on 273 occasions between September 2001 and May 2004. Radio advertising was undertaken, inter alia, via Spectrum Radio which is said to have been launched in 1990 and is dedicated to ethnic communities in London and has a reach of some 80,000. Advertisements for Golden Elephant rice began in March 1998 and continued until 2005. Transcripts for various radio advertising are also included which include references to Golden Elephant Rice.

35. At KFG7 Mr Gymer exhibits sample brochures and mailshots etc. showing use of the registered proprietor's mark. The majority of the extracts are taken from newsletters which show various products for sale which include bags of rice bearing the mark. They date from between February 2000 and December 2003. There are also pages which are said to be from catalogues given out to those visiting the Ethnic Food and IFE exhibitions in 2000, 2001 and 2003. Again, each shows rice in bags bearing the mark.

36. At KFG8 is exhibited the first page of a Google search undertaken on 18 February 2005. It shows a webwide (i.e. not limited to the UK) search for the term: golden elephant. Results 1-5 refer to various hotels and casinos. Result 6 is for Golden Elephant Rice and links to the hooing.com website.

37. KFG9 consists of many hundreds of pages. It includes a list of some of the customers who buy the registered proprietor's Golden Elephant rice and includes companies throughout England as well as in Northern Ireland, Wales and Scotland. There are examples of invoices and packing lists from suppliers. Some of the printing is illegible due, it would appear, from it being photocopies of photocopies. Although none bear the mark as registered, they each refer to Golden Elephant rice (or what I take to be so e.g. "Gol Ele"). They date from 5 February 1999 to 4 February 2005. There are some 86 pages showing photocopies of till rolls said to be from the Mitcham superstore. Dated between March 1993 and July 1995, they show sales of "G/E Sc/Rice" "G/E Broken R" and "GE.SCENTRICE". Sales invoices from 1992 to 2003 are exhibited. They show sales by Hoo Hing Ltd to various customers around the UK.

38. That concludes my summary of the evidence filed in these proceedings.

## **Decision**

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

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

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

(b) .....

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

40. In deciding whether the mark in question offends against this section, I intend to adopt the guidance given by the Appointed Person, Mr Geoffrey Hobbs Q.C., in the *WILD CHILD* case [1998] RPC 455. In that decision Mr Hobbs stated that:

“The question raised by the grounds of opposition is whether normal and fair use of the designation WILD CHILD for the purposes of distinguishing the goods of interest to the applicant from those of other undertakings (see section 1(1) of the Act) was liable to be prevented at the date of the application for registration (see Article 4(4)(b) of the Directive and section 40 of the Act) by enforcement of rights which the opponent could then have asserted against the applicant in accordance with the law of passing off.

A helpful summary of the elements of an action for passing off can be found in Halsbury’s Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165. The guidance given with reference to the speeches in the House of Lords in *Reckitt & Colman Products Ltd v. Borden Inc.* [1990] R.P.C. 341 and *Erven Warnink BV v. J. Townend & Sons (Hull) Ltd* [1979] AC 731 is (with footnotes omitted) as follows:

‘The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

- (1) that the plaintiff’s goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
- (2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by the defendant are goods or services of the plaintiff; and
- (3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant’s misrepresentation.

The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House’s previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal definition of passing off, and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House.’

Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:

'To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

(1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and

(2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

(a) the nature and extent of the reputation relied upon;

(b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;

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

(d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action."

41. Goodwill was described by Lord Macnaghten in *IRC v Muller & Co's Margarine Ltd* [1901] AC 217 in the following terms:

"What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start. 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 power of attraction sufficient to bring customers home to the source from which it emanates. Goodwill is composed of a variety

of elements. It differs in its composition in different trades and in different businesses in the same trade. One element may preponderate here and another element there. To analyse goodwill and split it up into its component parts, to pare it down as the Commissioners desire to do until nothing is left but a dry residuum ingrained in the actual place where the business is carried on while everything else is in the air, seem to me to be as useful for practical purposes as it would be to resolve the human body into the various substances of which it is said to be composed. The goodwill of a business is one whole, and in a case like this it must be dealt with as such. For my part, I think that if there is one attribute common to all cases of goodwill it is the attribute of locality. For goodwill has no independent existence. It cannot subsist by itself. It must be attached to a business. Destroy the business, and the goodwill perishes with it, though elements remain which may perhaps be gathered up and be revived again."

42. Parker J in *Burberrys v J C Cording & Co Ltd* [1909] 26 RPC 693 said:

"The principles of law applicable to a case of this sort are well known. On the one hand, apart from the law as to trade marks, no one can claim monopoly rights in the use of a word or name. On the other hand, no one is entitled by the use of any word or name, or indeed in any other way, to represent his goods as being the goods of another to that other's injury. If an injunction be granted restraining the use of a word or name, it is no doubt granted to protect property, but the property, to protect which it is granted, is not property in the word or name, but the property in the trade or good-will which will be injured by its use. If the use of a word or a name be restrained, it can only be on the ground that such use involves a misrepresentation, and that such misrepresentation has injured, or is calculated to injure another in his trade or business."

43. Millett LJ in *Harrods Ltd v Harrodian School Ltd* [1996] RPC 697 stated:

"It is well settled that (unless registered as a trade mark) no one has a monopoly in his brand name or get up, however familiar these may be. Passing off is a wrongful invasion of a right of property vested in the plaintiff; but the property which is protected by an action for passing off is not the plaintiff's proprietary right in the name or get up which the defendant has misappropriated but the goodwill and reputation of his business which is likely to be harmed by the defendant's misrepresentation: see *Reddaway v. Banham* [1896] A.C. 199 per Lord Herschell; *Spalding v. Gamage* (1915) 32 R.P.C. 273 at page 284 per Lord Parker; *H.P. Bulmer Ltd. and Showerings Ltd. v. J. Bollinger SA and Champagne Lanson Pere et Fils (the Bollinger case)* [1978] R.P.C. 79 at page 93-4 per Buckley L.J."

44. Pumfrey J in *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 commented upon the evidence that is required to establish goodwill (which is often referred to as reputation):

“27. There is one major problem in assessing a passing off claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the Registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent’s reputation extends to the goods comprised in the applicant’s specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under Section 11 of the 1938 Act (See *Smith Hayden (OVAX)* (1946) 63 RPC 97 as qualified by *BALI* [1969] RPC 472). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed at the relevant date. Once raised the applicant must rebut the prima facie case. Obviously he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of possibilities that passing off will occur.”

45. The judgments in *Phones 4u Ltd v Phone4u.co.uk. Internet Ltd* [2007] RPC 5 and *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat), however, show that the question of goodwill cannot be established by the application of a formula. In the latter judgment Floyd J stated:

“8 Those observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be answered of passing off. I do not understand Pumfrey J to be laying down any absolute requirements as to the nature of evidence which needs to be filed in every case. The essential is that the evidence should show, at least prima facie, that the opponent's reputation extends to the goods comprised in the application in the applicant's specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application.”

46. Matters must be judged at a particular point(s) in time. In *Last Minute Network Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Joined Cases T-114/07 and T-115/07 the General Court stated:

“50 First, there was goodwill or reputation attached to the services offered by LMN in the mind of the relevant public by association with their get-up. In an action for passing off, that reputation must be established at the date on which the defendant began to offer his goods or services (*Cadbury Schweppes v Pub Squash* (1981) R.P.C. 429).

51 However, according to Article 8(4) of Regulation No 40/94 the relevant date is not that date, but the date on which the application for a Community trade mark was filed, since it requires that an applicant seeking a declaration of invalidity has acquired rights over its non registered national mark before the date of filing, in this case 11 March 2000.”

47. In these proceedings, the relevant date at which the applicant must establish that its business had goodwill, and that the use of the registered proprietor's mark was liable to be prevented under the law of passing-off, is 8 September 1997 which is the date of the registered proprietor's application to register the mark under attack. Both parties, however, have claimed use earlier than this (albeit that the applicant's claim is based on use in Hong Kong); this may also be a factor in deciding whether the applicant could have prevented the registered proprietor's use at the relevant date. If it is established that the registered proprietor was the senior user, or that there had been common law acquiescence, or that the concurrent use means the status quo should not be disturbed, then the use of the registered proprietor's mark could not have been prevented under the law of passing-off at the relevant date. In *Croom's Trade Mark Application* [2005] RPC 2 Mr Geoffrey Hobbs QC, sitting as the Appointed Person, stated:

"45. I understand the correct approach to be as follows. When rival claims are raised with regard to the right to use a trade mark, the rights of the rival claimants fall to be resolved on the basis that within the area of conflict:

- (a) the senior user prevails over the junior user;
- (b) the junior user cannot deny the senior user's rights;
- (c) the senior user can challenge the junior user unless and until it is inequitable for him to do so."

48. As Mr Stobbs submitted at the hearing, the applicant's case in "entirely reliant on the fact that our brand was a massive brand in Hong Kong". Mr Stobbs referred to the body of case law set out above and submitted that "pretty much all passing off cases said that you needed to have a business located in the UK". He went on to say that he did not consider this was the current test and submitted that the evidence exhibited at TSH17 showed that "a good number of people who could be regarded as customers of the applicant's brand on the basis of their existence and life in Hong Kong prior to becoming a resident in the UK, and that was happening on an ongoing basis....This evidence shows a continuing stream of people travelling from that jurisdiction to the UK to become residents or to re-take up residency."

49. For his part, Mr Edenborough submitted that there was no evidence the applicant had any customers in the UK at the relevant date nor was there any evidence that those who came to the UK from the Far East bought rice there and brought it to the UK. He went on to say that the applicant's submission was, in effect, that a protectable goodwill could be established by the mere fact that a customer of the applicant buying its goods in Hong Kong later came to the UK. He referred me to the case of *Plentyoffish Media Inc v Plenty More LLP* [2012] RPC 5 in which the court considered the case law relevant to goodwill. In this case HH J Birss Q.C. sitting as a Judge of the High Court stated:

"23. The problem of a foreign business seeking to rely on the law of passing off when it has some sort of reputation in the UK but no local goodwill is a well known one. The English approach of requiring such a local goodwill and not

just a reputation has attracted some controversy. It has been called the Crazy Horse problem after *Alain Bernardin et Cie v Pavilion Properties Ltd* [1967] RPC 581, in which Pennycuik J. refused to allow the proprietors of the Crazy Horse Saloon in Paris to restrain a business in London from using the same name. The claimant had publicised its business extensively in the UK but carried on no other activities here. They had no local goodwill. They failed. In the *Pete Waterman* case itself the Vice Chancellor dealt with the authorities on this issue in some detail. The propositions A to D set out above were his conclusions arising from that review. In the *Hotel Cipriani* case the question arose again. The context in which the issue arose related to a business physically performing the service in question abroad but taking bookings from customers here. At first instance Arnold J. addressed this issue in paras.210-224 of his judgment. I was referred to that passage. The Court of Appeal dismissed the appeal. Lloyd L.J. (with whom Stanley Burnton and Jacob L.J.J. agreed) considered the matter in detail from paras 94-121. I was referred to that passage too. In it Lloyd L.J. deals with all the relevant authorities including *IRC v Muller*, the *Crazy Horse* case, the *Pete Waterman* case and importantly the *Budweiser* case (*Anheuser-Busch Inc v Budejovivky Budvar N.P.* [1984] F.S.R. 413 (CA)).

24 In para. 106 of his judgment Lloyd L.J. stated his conclusions about the *Budweiser* case as follows:

“It seems to me that, given the agreement between Oliver and Dillon L.J.J., the case is authority for the proposition that an undertaking which seeks to establish goodwill in relation to a mark for goods cannot do so, however great may be the reputation of his mark in the UK, unless it has customers among the general public in the UK for those products. To that extent the case is binding on us.”

50. He went on to say that:

“A reputation in the UK is not sufficient, customers in the UK are required and that is so whether the business provides products or services. Deciding who constitutes a UK customer from the point of view of a services business may involve tricky questions in some cases but as a matter of law in my judgment customers of some kind are required.”

51. Whilst there is no dispute that the applicant has traded under its mark in the UK, the evidence shows, and there is no dispute, that the first time the applicant began importing rice into the UK under its mark was in October/ November 2003 when it imported a very small amount of it in order to undertake what is described as “pre-launch activities”. Other than indicating this rice was distributed free to potential customers, no details of how this activity was carried out have been provided, however, the fact is that this initial activity was not carried out until some six years after the relevant date in these proceedings.

52. The applicant claims that it has prior use of the mark in Hong Kong, and that its reputation there arising from that use is sufficient to support a claim for passing off in the UK. In my view, the case law set out above makes it clear that the success of a



claim to passing off depends on the claimant having customers in the UK. Whilst the Court has acknowledged that determining what constitutes a UK customer could be tricky where services are involved, what is involved here is rice, an everyday product likely to be bought by significant numbers of the general public. People who live in the UK and who may buy a product when they are abroad are not UK customers for this purpose unless their business was solicited in the UK or they travelled to the other country partly or wholly to secure the goods. There is no evidence in these proceedings that any such sales have taken place. And whilst the evidence shows that a fair number of people travel between various Far East countries and the UK, that is, in my view, a long way from establishing that UK residents or temporary residents may have bought some rice in those countries and were aware of its reputation there. In any event, even if the applicant had a reputation known to some people in the UK, reputation alone is not enough: there has to be customers here. On its own admission, the applicant did not have any trade in the UK under the mark at the relevant date or indeed for some years afterwards and, on this basis, the application must fail.

53. I referred, at paragraph 3 above, to proceedings which took place before OHIM. The registered proprietor submits that those proceedings have established that it has goodwill which I should take into account. Whilst I do not dispute that OHIM made this finding, I will make my own determination of the existence or otherwise of the registered proprietor's goodwill on the basis of the evidence before me.

54. The registered proprietor claims that at the relevant date it had already been trading under its mark for some 9 years. It has filed evidence from a supplier dated 1998 which indicates it had, at that time, been supplying rice to the registered proprietor for ten years which provides some support for this claim. It has also provided a significant volume of evidence in the form of advertising, invoices, till receipts and packing lists etc. from 1998 onwards which show consistent use of its mark in relation to rice and which clearly establishes that it has a significant goodwill in its mark.

55. In *Daimlerchrysler AG v Javid Alavi (T/A Merc)* [2001] RPC 42 Mr Justice Pumfrey, when giving his conclusion on passing-off in that case, stated:

“67 Against these findings of fact, it is possible to deal with the complaint of passing-off shortly. It must fail. Mr Alavi has been trading under the style complained of since at least 1985. He had entered the market by 1978. He did not make any relevant misrepresentation then and he had not, down to 1997 essentially changed the manner of his trading. As Oliver L.J. (as he then was) said in *Budweiser (Anheuser-Busch v. Budejovicky Budvar [1984] F.S.R. 413 at 462)*:

“The plaintiffs' primary submission is that the learned judge was wrong in regarding the material point of time at which he should consider the matter as the date of the writ. Obviously the plaintiffs must, to succeed, have a cause of action at that date, but Mr Kentridge submits, and Mr Jeffs does not contest, that it cannot be right to look simply at that date to see whether a passing off is established. In particular to test by reference to that date whether plaintiff and defendant have concurrent

reputations would simply mean that no remedy lay against a defendant who had successfully passed off his goods as the plaintiffs', so as to establish a reputation for himself."

This is consistent with what was said by Lord Scarman, giving the opinion of the Board in *Cadbury-Schweppes Pty Ltd v. The Pub Squash Co. Pty Ltd* [1981] R.P.C. 429 at 494: the relevant date in law is the date of the commencement of the conduct complained of. I should just add that there must come a time after which the court would not interfere with a continued course of trading which might have involved passing off at its inception but no longer did so: logically, this point would come six years after it could safely be said that there was no deception and independent goodwill had been established in the market by the protagonists. There must also be doubt as to the availability of injunctive relief if there is no passing-off at the date the action is commenced."

56. Even if I am wrong in my primary findings, the fact that the registered proprietor has been shown to have been using its mark continuously since at least 1998 and, given its supplier's letter, probably since 1987 means that it has accrued its own independent goodwill in any event and I would reject the application on this basis also.

## Summary

57. The application has failed.

## Costs

58. As the application has failed, the registered proprietor is entitled to an award of costs in its favour. In making my award, I take into account that a significant volume of evidence was filed. I also take into account that a CMC took place. At that CMC, the applicant's request to add one further ground of invalidation was refused and it did not pursue its request to add another. It was also ordered to provide security for costs. Further, I take into account that a substantive hearing took place, requested by the applicant. I make the award on the following basis:

For preparing a statement and considering the other side's statement:	£300
For preparing and reviewing evidence:	£1000
For preparation for and attendance at the CMC:	£200
For preparation for and attendance at the substantive hearing:	£800
<b>Total:</b>	<b>£2300</b>

59. I order Tresplain Investments Limited to pay Hoo Hing Holdings Ltd the sum of £2300. This sum is to be paid within seven days of the expiry of the appeal period or

within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 12th day of August 2013**

**Ann Corbett  
For the Registrar  
The Comptroller-General**