

O-349-16

TRADE MARKS ACT 1994

IN THE MATTER OF OPPOSITION NO. 401219

IN THE NAME OF TWG TEA COMPANY PTE LTD

TO TRADE MARK APPLICATION NO. 3010407 CASABLANCA

IN THE NAME OF MARIAGE FRÈRES, SOCIÉTÉ ANONYME

APPEAL AGAINST DECISION DATED 7TH JANUARY 2016 (MS SKILTON)

DECISION

1. This is an appeal against decision O-005-16 of the Registrar's Hearing Officer (Ms Al Skilton) dated 7 January 2016 ("the Decision") in which she rejected an opposition to the registration of the mark CASABLANCA for goods in classes 21 and 30:

Class 21

Household or kitchen utensils and containers; teapots; tea services; tea balls, strainers, tea measures, infusers, tea filters, tea cosy's of metal; tableware of glass, porcelain, earthenware, synthetic resin, terracotta; tableware of precious metal or coated therewith (except cutlery); tea canisters, caddies and urns; candlesticks and candelabra (candlesticks) of precious metal or coated therewith; trays and boxes for household use of precious metal or coated therewith.

Class 30

Tea, blended teas and herbal teas (bulk or tea bag); tea based beverages.

2. The Opponent and Appellant on this appeal relied on prior rights in the mark WEEKEND IN CASABLANCA for identical goods under s.5(4)(a) Trade Marks Act 1994.
3. The Opponent correctly summarised the two main issues before the Hearing Officer as follows:
 - (a) Whether the Opponent had any UK goodwill/reputation in the mark WEEKEND IN CASABLANCA at the date of the application (18 June 2013);
 - (b) Whether the Applicant had any relevant rights in the mark CASABLANCA antecedent to the Opponent's rights in WEEKEND IN CASABLANCA.

4. The Hearing Officer rejected the opposition on the basis that although the Opponent did have rights in WEEKEND IN CASABLANCA at the date of application (§59 of the Decision), the Applicant had accrued prior antecedent rights in CASABLANCA for identical goods which pre-dated the first use of WEEKEND IN CASABLANCA by the Opponent (§66 of the Decision).
5. In its Grounds of Appeal the Opponent challenged the finding of the Hearing Officer that the Applicant had prior relevant rights. In turn the Applicant/Respondent challenged the finding that the use by the Opponent of WEEKEND IN CASABLANCA was sufficient to be protected under the law of passing off by Respondent's Notice.
6. In a hearing which took place on 18 July 2016 at Abbey Orchard Street, I heard submissions from Ian Bartlett of Beck Greener on behalf of the Opponent and Thomas St Quintin of Counsel, instructed by Potter Clarkson, on behalf of the Applicant.
7. I was informed at the outset of the proceedings by Mr Bartlett that this opposition formed part of a wider national and international dispute between the parties, and that there were related cases ongoing in the Registry. That may be, but I have confined my decision, as I must, to relevant matters in evidence before the Hearing Officer and the contents of her Decision.

The Standard of Appeal

8. There was no dispute before me as to the standard of appeal, which is well established. As explained in REEF Trade Mark [2003] R.P.C. 5 at §28, when reviewing a Hearing Officer's decision made in the absence of oral evidence "*... an appellate court should ... show a real reluctance, but not the very highest degree of reluctance, to interfere in the absence of a distinct and material error of principle.*" However it should also not "*... treat a judgment or written decision as containing an error of principle simply because of its belief that the judgment or decision could have been better expressed.*" (Reef §29).

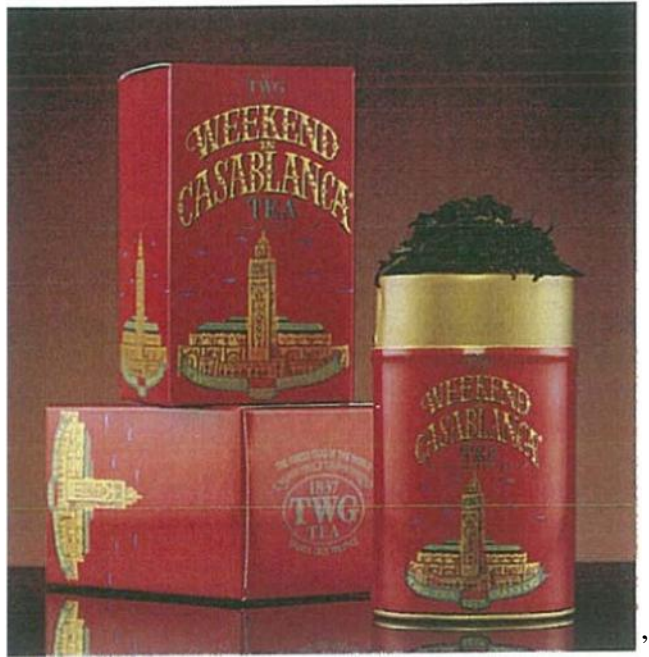
The Decision of the Hearing Officer

The Hearing Officer's summary of the evidence

9. The Hearing Officer summarised the Opponent's evidence at §§5-21 and §§39-41 of the Decision by reference to the evidence of Mr Bouqdib, a director of the opponent, and its President & Chief Executive Officer since 2008. The basis for the

opposition is the Opponent's WEEKEND IN CASABLANCA branded tea, described in §13 of the Decision:

"13. In his witness statement at paragraph 13, Mr Bouqdib provides a photograph showing, "how the mark is used on tea and packaging and canisters for the teas", as follows:

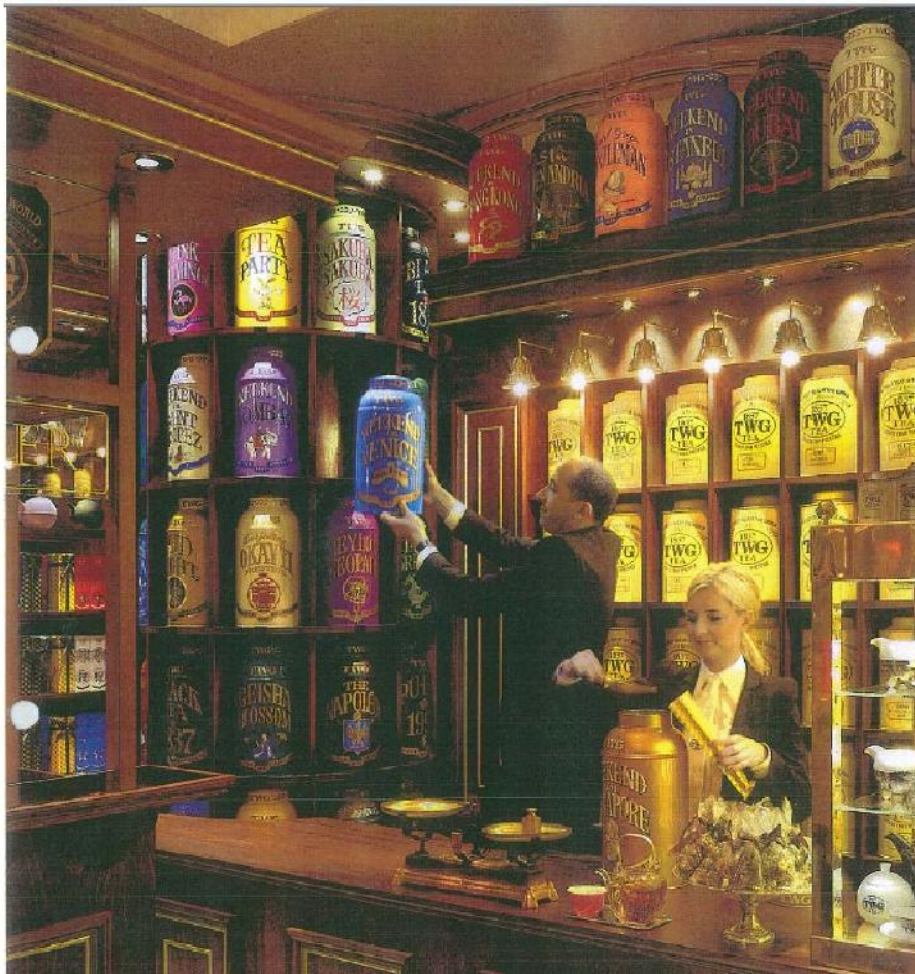


10. Much of the evidence went to sales of this product overseas, but in §§16-21 the Hearing Officer recorded:

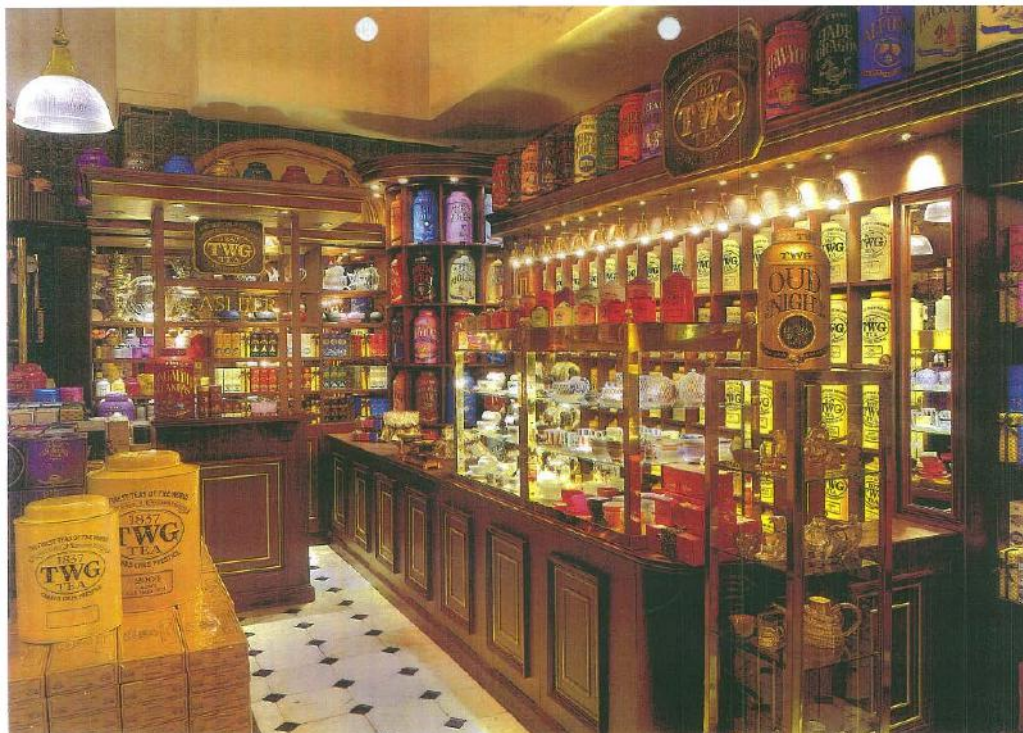
"16. Exhibit TB6 is photographs of the opponent's tea boutique in Harrods. Mr Bouqdib says of the store:

"Our TWG store in Harrods is open plan and has a high footfall of through-traffic. Indeed, I note from Harrods web site that 15 million customers per year visit Harrods flagship store in London every year. A significant proportion of those 15 million customers per year will come across our TWG store in Harrods. Our WEEKEND IN CASABLANCA tea products are on display in our store and are likely to be noticed by those who pass through or by our store".

17. He also states that the WEEKEND IN CASABLANCA tea has been marketed and sold from the London store continuously since 2010. The photographs show a close up of the tea counter:



And several photographs from a greater distance, showing the whole counter.



18. I cannot see any WEEKEND IN CASABLANCA tea displayed, especially as a number of the opponent's teas are sold in red boxes and canisters and the wording is not clear.

19. Exhibit TB7 is what is said to be a tea book. Mr Bouqdib states that WEEKEND IN CASABLANCA tea has been promoted in the UK and other countries through these books. He states that the book was first published in March 2011 and has been on sale from the London store since that date. It sells for S\$25. Since its launch more than 8,000 copies have been sold internationally. It is not clear how many, if any, of these were in the UK.
20. Mr Bouqdib provides the following sales figures which he describes as “UK sales of our teas under our WEEKEND IN CASABLANCA trade mark”:

Year	Sales - Sterling
2010	4662
2011	10638
2012	13662
2013	14842
2014 (1 Jan-31 May)	7205

21. In terms of sales volume he states:
“Our WEEKEND IN CASABLANCA tea retails for GBP37 and the above UK sales figures there represent a sales volume of approximately 1,377 pieces.”
11. At §41 the Hearing Officer recorded that Mr Bouqdib suggested in his reply evidence that sales had started a year earlier in the UK, where he explained:
 - “5. It should be remembered in this regard, that my company’s products are specialised and expensive. They therefore have a limited market...It is obvious that my company’s customers who have bought our WEEKEND IN CASABLANCA tea will use this name when they want to repeat the purchase...Our WEEKEND IN CASABLANCA TEA has been sold in the UK since 2009.”
12. The Applicant’s evidence was summarised at §§22-38 of the Decision. Of particular relevance to the issues on this appeal is §25 which records some of the evidence provided by Kittichat Sangmanee, the President of the Board and CEO of the Applicant:
 - “25. The relevant facts from Mr Sangmanee’s witness statement are as follows:
 - The applicant first used CASABLANCA as a trade mark in 1984.
 - First use of the trade mark CASABLANCA in the UK in relation to teas and tea tins was at least 2006.
 - Total worldwide turnover for products sold wholesale and retail under the CASABLANCA trade mark between 30 June 2006 and 30 June 2014 total over €8,000,000.

- Casablanca teas are sold in the applicant's tea houses and tea rooms around the world as well as at Claridges, Selfridges and Harvey Nicholls in London, at Quat'Saisons in Oxfordshire and directly to a number of UK stockists.”

13. See also §38 of the Decision:

“38. Exhibit KS17 consists of copies of a number of invoices which are addressed to UK customers and are dated between 2006 and 2013. They are all headed ‘MARIAGE FRERES INTERNATIONAL’. The prices of all of the goods have been redacted but the invoice total is shown. For ease of reference I show the relevant details in the following table:

Date:	Customer:	Goods and quantity:	Invoice total:
23.08.06	Harvey Nichols London	12.000 TIN CASABLANCA 3.5oz	€3723.42
12.11.07	REMUS AU/EIKONOCLAST Brighton	12.000 TIN CASABLANCA 3.5oz	€3048.67
29.10.08	The Grocer Ltd London	24.000 30 MUSLINS CASABLANCA 24.00 TIN CASABLANCA 3.5oz 1.000 200 MUSLINS CASABLANCA	€5872.78
02.10.09	Hams Hill Distribution Park Birmingham	12.000 TIN CASABLANCA 3.5oz	€2320.39
09.11.10	REMUS AU/EIKONOCLAST Brighton	24.000 TIN CASABLANCA 3.5oz	€1665.89
24.03.11	MA MAISON London	12.000 CASABLANCA BOITE 100GR	€2113.37
04.12.12	THE CONRAN SHOP London	24.000 TIN CASABLANCA 3.5oz	€3425.82
03.10.13	DESIGN AND HOME LTD London	12.000 30 MUSLINS CASABLANCA 12.000 TIN CASABLANCA 3.5oz	€5728.62

14. Note that the invoice totals do not reflect the turnover in the UK but include all the goods on the invoices, which have a worldwide destination. There is a column in the invoices with figures provided under the heading P.V.C. but it is not possible to tell whether this is, for example, a recommended retail price or some other figure and no evidence was directed to it. The other figures in the invoices have been redacted.

15. I was taken to some of the evidence during the course of the hearing, but it was not suggested that any of the findings of the Hearing Officer in summarising the evidence before her were inaccurate – any criticism was directed to her application of the law to these facts.

The Hearing Officer’s discussion of the Law

16. The Hearing Officer proceeded to set out the relevant general law under s.5(4) Trade Marks Act 1994 at §§43-47 of the decision. No criticism was made in relation to her approach here.

17. At §§48-50 she addressed the issue of the relevant date for the assessment under s.5(4). She quoted from the judgment of Kitchin LJ in the recent Court of Appeal decision *Roger Maier and Assos of Switzerland SA v ASOS plc and ASOS.com Limited* [2015] EWCA Civ 220:

“165. ...Under the English law of passing off, the relevant date for determining whether a claimant has established the necessary reputation or goodwill is the date of the commencement of the conduct complained of (see, for example, *Cadbury-Schweppes Pty Ltd v The Pub Squash Co Ltd* [1981] RPC 429). The jurisprudence of the General Court and that of OHIM is not entirely clear as to how this should be taken into consideration under Article 8(4) (compare, for example, T-114/07 and T-115/07 *Last Minute Network Ltd* and Case R 784/2010-2 *Sun Capital Partners Inc.*). In my judgment the matter should be addressed in the following way. The party opposing the application or the registration must show that, as at the date of application (or the priority date, if earlier), a normal and fair use of the Community trade mark would have amounted to passing off. But if the Community trade mark has in fact been used from an earlier date then that is a matter which must be taken into account, for the opponent must show that he had the necessary goodwill and reputation to render that use actionable on the date that it began.”

18. She applied this in §50, where she stated:

“50. The filing date of the subject trade mark is 18 June 2013. However, the applicant claims that it has used its mark since at least 2006. In the instant case I must assess whether use of the applicant’s mark CASABLANCA was, as at the date of application, liable to be prevented by the law of passing off. The onus is on the opponent to make out a prima facie case. If he succeeds, in the circumstances of this case, I need to return to the applicant’s own position in view of his claim to seniority of user. I say this because, although a Section 5(4)(a) claim has to be established at the date of the application, it is clear that an opponent could have had no such right if an applicant’s use is protected in the UK from an earlier date or if, by

the relevant date, an applicant had established his own actionable goodwill in the UK (*Habib Bank* [1982] RPC 1 at 24).”

19. The approach of the Hearing Officer in paragraph 50 was at the heart of the Opponent’s appeal, and I shall return to this below.
20. The Hearing Officer then turned to the legal definition of goodwill at §§51 and the standard required to demonstrate the possession of such goodwill at §§52-53. She referred to the decisions of Jacob J. in *Hart v Relentless Records* [2003] FSR 36 and Millett J. in *Stacey v 2020 Communications* [1991] FSR 49 to the effect that protectable goodwill must be more than trivial but that a small business can protect signs which are distinctive of that business even though its reputation may be small.
21. Again no criticism was made of her reliance on these authorities or her application of these principles to the facts of the present case.
22. Finally the Hearing Officer discussed the nature of the exercise of assessing evidence in the Registry at §§54-56 (which was again not criticised on this appeal).

The Hearing Officer’s Assessment

Goodwill

23. In relation to the Opponent’s goodwill at the date of application (2013), the Hearing Officer applied the law to her findings of fact at §§57-59. She concluded by reference to the total sales of WEEKEND IN CASABLANCA tea in 2013, all to Harrods, that “*the opponent’s goodwill in respect of tea sold under the mark WEEKEND IN CASABLANCA was, at the relevant date, although extremely modest in terms of volumes of sales, sufficient to be protected under the law of passing off*”. This is the subject of the Respondent’s Notice and I return to it below.

Misrepresentation

24. As for misrepresentation, the Hearing Officer first compared the signs in §§60-61. No criticism was made of these findings by either party on appeal. In §62 she turned to the issue of the correct date of assessment and recorded the Applicant’s position that her findings as of 2013 were not determinative as “*notwithstanding the opponent’s goodwill, the applicant was the first to use CASABLANCA on the goods concerned and that they had built up their own goodwill in respect of tea and tea tins since it was used in the UK as early as 2006*.”
25. She then proceeded to quote from §9.88 of the 3rd Edition of the well-know text book by Prof Christopher Wadlow, “The Law of Passing Off”. Of particular note is the

author's comment "*It is self evident that the senior user is entitled to continue with the conduct which was innocent at its inception notwithstanding it might later be said to convey a misrepresentation to the majority of the public.*" The passage goes on to refer to *Stacey v. 2020 Communications*, cited earlier by the Hearing Officer.

26. The Hearing Officer also quoted from §45 of the decision of Mr. Geoffrey Hobbs sitting as the Appointed Person in *Croom's Trade Mark Application* [2005] RPC 23, where he stated:

"45. I understand the correct approach [under section 5(4)(a)] 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."

27. She then applied these findings to the evidence reviewed earlier, and in particular to the table of invoices set out at her §38 quoted above, and held in §§65-66:

"65. In his evidence on behalf of the applicant, Mr Sangmanee provides a number of invoices at exhibit KS17. Four of the invoices show sales of tea (and tea tins) before 2010. The first shows a sale to Harvey Nichols on 23 August 2006 for goods described as 'TIN CASABLANCA 3.5oz'. There are also invoices to a company in Brighton on 12 November 2007, The Grocer in London on 29 October 2008 and a centre in Birmingham on 2 October 2009. These are for tins of CASABLANCA tea and for muslins of CASABLANCA tea.

66. Having considered all of the evidence and submissions put forward by both parties, I find that the applicant has established itself as the senior user of CASABLANCA for tea and tea tins. In such circumstances there could be no legitimate complaint of passing off by the junior user at the point that this application was made."

28. This resulted in her dismissing the Opposition in §67.

The Appeal

29. In his cogent and sustained submissions, Mr Bartlett on behalf of the Opponent focussed on two alleged errors by the Hearing Officer, which he summarised at §12 of his Skeleton argument as her failure to address:

- I. the Appellant's submissions made in writing in its skeleton argument and orally at the hearing as to what "use" is capable of constituting antecedent use for the purposes of defending a claim in passing off;
 - II. The Appellant's detailed critique of the Respondent's evidence of antecedent use, made during the course of the hearing and again as foreshadowed in its skeleton.
30. Perhaps recognising the difficulty inherent in a standalone appeal based on the Hearing Officer's review of the evidence (II. above), at the hearing before me the Opponent focussed attention on I. above. However I accept that if an error under I. can be demonstrated, then I am entitled and should review the evidence afresh.
31. Whilst accepting that it was settled English Law that the relevant date for assessing passing off was the date of commencement of the conduct complained of (*Cadbury-Schweppes Pty Ltd v The Pub Squash Co Ltd* [1981] RPC 429), the Opponent emphasized that the nature of the antecedent use had to be examined carefully. In particular the Opponent relied on examples of a number of types of use that it was submitted would not be sufficient to establish a senior user, suggesting the following conditions must apply:
- (a) The use in question must be *distinctive* use. Thus use of the phrase "*Our tea is from Casablanca*" would not give rise to relevant antecedent use of the mark in the Application.
 - (b) *Internal* use would not be relevant - an inter-office memo referring to "Casablanca" tea would be insufficient to constitute antecedent use for the purposes of defeating a passing off claim.
 - (c) Use for goods/services different to those against which the opposition is directed would not be relevant use. Thus use of "Casablanca" for perfumes would be insufficient to constitute antecedent use for this purpose.
 - (d) Use which did not involve UK marketing or sales would not be relevant even if it generated knowledge of the mark in the UK.
 - (e) One-off or sporadic use would be insufficient. A business which makes a one-off sale under a given sign does not thereby immunize itself against a passing off claim aimed at the use of that sign, for all time. It was also suggested that small sporadic sales, for instance every year, of an ordinary consumer product, would be insufficient to give rise to relevant antecedent use.

32. The Opponent submitted that the Hearing Officer had not assessed the issue of antecedent use with these factors in mind, and accordingly had fallen into error.
33. I accept that the type of use which is alleged to amount to antecedent use must be assessed carefully. Some of the factors referred to are clearly relevant – non-distinctive use, use on different goods and use outside the UK would rarely give rise to antecedent rights. Internal use and sporadic use are more difficult and must turn on the particular facts of the case. For example the suggestion that it would be wrong if a user could “inoculate” itself against a later trade mark application with a single use of a particular mark clearly has weight – although those are not the facts of the present case. Further, the boundaries for precisely what sort of intermittent use can amount to antecedent use are not well defined by the authorities and must be a matter of fact and degree. The question for me is whether this uncertainty has any bearing on the conclusions reached by the Hearing Officer and whether it can be shown that she fell into error.
34. I consider that adequate guidance to determine the present case can be obtained from the authorities before the Hearing Officer and further discussed before me at the hearing. The guidance in §165 of the *Assos* case emphasises that the party opposing the application or the registration must show that, as at the date of application, a normal and fair use of the Community trade mark would have amounted to passing off. It goes on to say that if the Community trade mark has in fact been used from an earlier date then that is a matter which must be taken into account. The Hearing Officer clearly sought to apply this in §50 of her decision. The question raised by the Opponent is whether she did so correctly and how should the earlier use be taken into account. In particular, does such use, as the Opponent submitted, have to be sufficient to generate its own goodwill?
35. I think it is clear from the remainder of §165 of the judgment of Kitchin LJ that generation of goodwill *by the applicant* is not required. This is because he goes on to explain that it is *the opponent* who must show that he had the necessary goodwill and reputation to render that use actionable *on the date that it* (i.e. the applicant’s use) *began*.
36. This is entirely consistent with the more lengthy discussion of the topic in the decision of Daniel Alexander QC in the *Multisys* case (*Advanced Perimeter Systems Ltd v Keycorp Ltd* [2012] R.P.C. 14). See the passage at §§35-45 which reviews many of the authorities which were cited to me, including the earlier *Croom* decision of Geoffrey Hobbs QC. It is correct that, as the Opponent pointed out, §49 of *Croom* refers to the build up of goodwill (rather than mere use) as justifying the designation

of senior user, but it does not appear that the precise point in issue in *Multisys* or the present case was in issue there, and in any event I consider that I am bound by *Assos* and I would have followed the later *Multisys* case anyway.

37. Accordingly the relevance of the activities of the applicant is limited to establishment of the date that the actionable use began. Once that date is established, the only question of goodwill arises in respect of the opponent's activities. As the Applicant in the present case pointed out, self-evidently it would only be in very exceptional circumstances that a party would have established goodwill at the point in time at which it commenced the use complained of. The establishment of goodwill would take much longer. But the authorities recognise that it is the date that the activity commenced which is the crucial one, and so in my judgment it cannot be necessary for goodwill to have been accrued at that time.
38. That does not mean that it is irrelevant what happens after the first alleged date of commencement. Clearly if the activity ceased or changed materially between the date of commencement and the date of application for the trade mark then this must be taken into account, as it may mean that the true date of commencement of the activity complained of is later or that the activity complained of cannot properly be said to have properly commenced at all (if it was later abandoned). This is all a matter of fact and degree and is no doubt why Kitchin LJ expressed it as "*a matter which must be taken into account*" rather than as being determinative of the issue. However it does not mean that what is required is anything more than the commencement of the activity which is carried on in such a way as to fix the date of assessment. There is no greater requirement to prove goodwill on that date. For this reason I do not consider that the Hearing Officer erred in law in her assessment.
39. As for the application to the facts, the Opponent submitted that even if it was not a requirement to demonstrate goodwill, in the present case the evidence of use by the Applicant was merely sporadic and intermittent, and insufficiently continuous to justify a finding that the question of passing off should be determined on anything other than the application date.
40. Particular criticism was made of the invoice evidence referred to by the Hearing Officer at §38 of the Decision, and the Opponent sought to emphasise the absence of any information as to what those invoices were for, to what the word "Casablanca" written on the invoices referred, what became of the products apparently referred to on the invoices, or any other context which would explain the significance of the invoices and the significance of the word "Casablanca" as it appears on those invoices. Whilst accepting that the Applicant had stated that first use of the

CASABLANCA trade mark in relation to tea in the UK had been in 2006, the Opponent submitted that there was no proper evidence of what such use comprised.

41. In the absence of a demonstrable error of law by the Hearing Officer, I consider that this amounts to no more than an invitation to me to substitute my own view on the evidence for that of the Hearing Officer. I decline to do so.
42. In particular, I note that the Hearing Officer accurately summarised the evidence, correctly instructed herself in relation to the standard of assessment of evidence in the Registry, and, at §65 of the Decision, correctly focused on the material relevant to activities in the UK. There was sufficient information before her provided in the witness statement and exhibits taken as a whole for her to conclude that the activity complained of (the use of CASABLANCA in relation to tea) had commenced before the earliest commencement date of the Opponent's use of WEEKEND IN CASABLANCA in relation to tea and had been continued until the date of application. Although the scale of the activities was modest, they were more than de minimis, continuous and it was not suggested that they were not made in good faith.
43. Accordingly I do not accept that the Hearing Officer fell into error and I dismiss the appeal.

The Respondent's Notice

44. In the light of my findings on the main appeal, it is not necessary for me to deal with the Respondent's Notice. Nevertheless, given the brevity with which it was addressed at the hearing, I can deal equally briefly with the issue pursued.
45. The Applicant focussed on the alleged error by the Hearing Officer in assessing the Opponent's total sales of goods in 2013 when the relevant date for assessment fell half way through the year, on 18 June. According to the Applicant, on a *pro rata* basis this would reduce the value of the sales in 2013 from £14,842, equating to 401.13 units, to £7,421, equating to 200.56 units.
46. Consistent with my findings on the main appeal, I consider that the Hearing Officer was entitled to conclude on the evidence that, albeit very modest, the sales of the Opponent were sufficient to generate goodwill. The minor difference in amounts after deduction of sales for the second half of 2013 does not materially affect this finding, and had it been necessary to do so, I would not have interfered with the decision of the Hearing Officer in this respect.

Conclusion

47. The appeal will be dismissed. The Hearing Officer was correct to refuse the opposition to Application No. 3010407 for CASABLANCA in classes 21 and 30 and the mark should now proceed to grant.

Costs

48. As for costs, neither party submitted that there was any reason why they should not follow the event. The Applicant submitted that costs should be awarded off the scale on the basis that the appeal was “totally without merit”. I reject that submission. As is apparent from the discussion above, there was a point of law at large and to that extent the appeal amounted to more than just a request to reassess the evidence.
49. The Applicant filed a Respondent’s Notice which it was not necessary to pursue, and which I would have rejected in any event. Nevertheless given the scope of the appeal it was a sensible precautionary step to take, and I make no criticism of it for doing so. In fact not much time was spent dealing with it at the hearing.
50. Bearing in mind the scope of the appeal (including the time spent dealing with the failed Respondent’s Notice) and taking into account the scale costs set out in TPN4/2007, I direct the Opponent pay to the Applicant the sum of £1000 in respect of the costs of this appeal, to be paid by the Opponent within 21 days of this decision.

Thomas Mitcheson QC
The Appointed Person
20 July 2016

The Opponent/Appellant was represented by Ian Bartlett of Beck Greener

The Applicant/Respondent was represented by Thomas St Quintin of Counsel, instructed by Potter Clarkson

The Registrar took no part in the Appeal.