

O/579/22

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION

NO. UK00003542408 BY

KANDEUK LTD

TO REGISTER:

Kande

AS A TRADE MARK IN CLASS 30

AND

IN THE MATTER OF OPPOSITION THERETO

UNDER NO. 423354 BY

CLIODHNA CROTHERS

BACKGROUND AND PLEADINGS

1. On 9 October 2020, Kandeuk Ltd (“the applicant”) applied to register the trade mark shown on the cover of this decision (“the applicant’s mark”) in the UK for the following goods:

Class 30: Sweets.

2. The application was published for opposition purposes on 27 November 2020 and, on 1 March 2021, it was opposed by Clíodhna Crothers (“the opponent”). The opposition is based on section 5(4)(a) of the Trade Marks Act 1994 (“the Act”) and is aimed against the entirety of the application. The opponent relies on the unregistered sign ‘Kande’ (“the opponent’s sign”), being one she claims to have used throughout the UK since 5 June 2020 for “confectionary goods”. The opponent claims that she has a reputation throughout the UK and that use of the applicant’s mark would confuse her existing customer base and this would lead to a loss of business and subsequent damage to her business.¹
3. The applicant filed a counterstatement denying the claims made.
4. Neither party in these proceedings is represented. Both parties filed evidence in chief. No hearing was requested and only the applicant filed written submissions in lieu. This decision is taken following a careful perusal of the papers.
5. Although the UK has left the EU, 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 Act relied on in these proceedings are derived from an EU Directive. This is why this decision continues to make reference to the trade mark case-law of EU courts.

¹ In her notice of opposition, the opponent sets out that her sign has been used in both the UK and Ireland. However, the relevant assessment I must make throughout the course of these proceedings is in respect of the relevant public in the UK. Any use in the Republic of Ireland is, therefore, not relevant to these proceedings.

EVIDENCE

6. As above, both parties have filed evidence. The opponent's evidence came in the form of the witness statement of Cliodhna Crothers dated 10 October 2021. Ms Crothers is the opponent and claims to be the owner of a company called 'Kande', a position she has held since June 2020. Ms Crothers's statement is accompanied by four exhibits.

7. The applicant filed evidence in the form of the witness statement of Jasmin Sanded dated 19 December 2021. Ms Sanded states that she is the director of 'Kande', however, I note that the applicant company is Kandeuk Ltd. I am of the view that this is an oversight of Ms Sanded's part and does not, in my view, affect her standing to give evidence on behalf of the applicant. Ms Sanded's statement is accompanied by four exhibits.

8. While I do not intend to reproduce the evidence and submissions here, I have read and considered them in full and will, if necessary, refer to the relevant parts at appropriate points throughout my decision.

PRELIMINARY ISSUES

9. I note that at question four of her notice of opposition, the opponent appears to be giving evidence in respect of the followers of her social media platforms. She also discussed examples of confusion between her business and the applicant's. While the filing of evidence is not permitted in a notice of opposition, I note that this issue was not picked up by the Tribunal at the time. While this may be the case, the opponent's notice of opposition was accompanied by a statement of truth and it was given by the opponent herself, who clearly has knowledge of the matters at issue. On this point, I refer to Rule 62(2)(b) of the Trade Marks Rules 2008 ("the Rules") which state:

"62 - (2) The registrar may control the evidence by giving directions as to -

[...]

(b) the way in which the evidence is to be placed before the registrar.”

10. While it is open for me to give directions that the content of the notice of opposition be converted to a formal witness statement, I do not consider it necessary to so in the present case. I note that Rule 64(1)(b) of the Rules states:

64 - (1) Subject to rule 62(2) and as follows, evidence filed in any proceedings under the Act or these Rules may be given -

[...]

(b) in any other form which would be admissible as evidence in proceedings before the court.”

11. I also refer to the case of *SIMMONS*,² wherein Mr Daniel Alexander Q.C., sitting as the Appointed Person, acknowledged that “before the High Court a pleading verified by a statement of truth may be admitted as evidence (See CPR Rule 32)”.³ In accordance with Rule 64(1)(b) and in light of the comments of Mr Alexander Q.C. quoted above, I am content to conclude that the notice of opposition filed by the opponent (being a pleading verified by a statement of truth) is capable of forming evidence in this case.

12. In her counterstatement, the opponent claims that as she created her ‘Kande’ Instagram account nine days before the applicant created theirs, she has ‘first traders’ rights’. For the avoidance of doubt, the fact that the opponent may have coined the term ‘Kande’ first is not relevant to the assessment I must make. These proceedings are based on section 5(4)(a) of the Act and rely on an unregistered sign and will only succeed if the opponent is able to demonstrate that there exists a protectable level of goodwill in accordance with the case law set out below.

13. As mentioned above, the opponent’s notice of opposition discussed examples of confusion between her business and the applicant. For the avoidance of doubt, given the grounds relied upon, I may only proceed to consider confusion of

² Case BL O/468/12

³ See paragraph 37 of *ibid*

customers (or, in 5(4)(a) cases, misrepresentation leading to a substantial number of the opponent's customers being deceived – see paragraphs 55 and 56 of *Discount Outlet v Feel Good UK*, [2017] EWHC 1400 IPEC, quoted in full at paragraph 16 below) in the event that the opponent is proven to have demonstrated a protectable level of goodwill.

DECISION

Section 5(4)(a)

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

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

(aa)

(b)

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

15. Subsection (4A) of Section 5 states:

“(4A) 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.”

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

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

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

17. 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 reputation¹ 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 source² 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;
- (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 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

18. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC, as the Appointed Person, endorsed the registrar’s assessment of the relevant date for the purposes of section 5(4)(a) of the Act, as follows:

“43. In *SWORDERS TM* O-212-06 Mr Alan James acting for the Registrar well summarised the position in s.5(4)(a) proceedings as follows:

‘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.’ ”

19. The applicant’s mark does not have a priority date, however, its evidence sets out that it has been using its mark since June 2020. I will, therefore, assess this evidence to determine whether it shows use that is capable of being the beginning of the behaviour complained about. If it is, the date I determine to be the start of the behaviour complained about will form the first relevant date with the second being the date of the application at issue. However, if I am unable to determine a precise date on which the behaviour complained about began, I will proceed to consider the position as at the filing date of the application at issue only.

20. The evidence sets out that on 14 June 2020, the applicant created an Instagram account and purchased the ‘kandeuk.co.uk’ and ‘kandeuk.com’ domain names.⁴ Further, as a company, it was incorporated on 7 July 2020.⁵ I also note that there is evidence of turnover for the period referred to vaguely as 2020/2021 with no reference to exactly when the turnover began to accrue.⁶ Additional evidence has been provided but there is nothing sufficiently solid that shows exactly when the start of the behaviour complained about began. For example, there is evidence of press coverage,⁷ sponsorships,⁸ advertising expenditure⁹ and social media

⁴ Exhibit JS1(1) and (2) of the witness statement of Jasmin Sanded

⁵ Exhibit JS1(3) of *ibid*

⁶ Exhibit JS4 of *ibid*

⁷ Exhibit JS2(1) and JS2(2) of *ibid*

⁸ Exhibit JS2(3) of *ibid*

⁹ Exhibit JS3(2) of *ibid*

posts,¹⁰ however, these are either undated or dated after the date of the application at issue.

21. While the above evidence is noted, I refer to the case of *Smart Planet Technologies, Inc. v Rajinda Sharma*,¹¹ wherein Mr Thomas Mitcheson QC, sitting as the Appointed Person, pointed out that “*the start of the behaviour complained about*” is not the same as the date that the user of the applied-for mark acquired the right to protect it under the law of passing off. Rather, it is the date that the user of that mark committed the first external act about which the other party could have complained (if it knew about it) as an act of actual or threatened passing off. Typically, this will be the date when first offer was made to market relevant goods or services under the mark. However, it could also be the date the first public-facing indication was made that sales were proposed to be made under the mark in future. In light of this case law, it could be said that the creation of an Instagram account or incorporating a company could be considered the date that the applicant acquired the right to protect it under the law of passing off. However, this is not the beginning of the behaviour complained about. I do not consider that there is anything in the applicant’s evidence that enables me to precisely determine when the applicant either (1) made its first offer to market its goods under the applied for mark or (2) made its first public-facing indication as to its intention to sell goods under the mark in the future. As a result, I have no alternative but to consider the relevant date for this assessment as the filing date of the application at issue, being 9 October 2020.

Goodwill

22. The first hurdle for the opponent is that she needs to show that she generated a protectable level of goodwill in her business at the relevant date and that the sign relied upon, being ‘Kande’, is associated with, or distinctive of, that business. In making this assessment, I am guided by the case law reproduced below. If a protectable level of goodwill is demonstrated in the evidence, I will proceed to consider whether there is likely to be misrepresentation and damage as a result of

¹⁰ Exhibit JS2(4) of *ibid*

¹¹ Case BL O/304/20

the applicant using its mark. It is at that point that I will consider the opponent's evidence of alleged examples of confusion further. However, if I fail to find that the opponent has a protectable level of goodwill, the opposition will fail in its entirety.

23. Goodwill was described in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL), 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.”

24. In *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 (HC), Pumfrey J. stated:

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

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

officer that it is not shown on the balance of probabilities that passing off will occur.”

25. However, in *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat) Floyd J. (as he then was) stated that:

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

26. In *Hart v Relentless Records* [2002] EWHC 1984 (Ch), Jacob J. (as he then was) stated that:

“62. In my view the law of passing off does not protect a goodwill of trivial extent. Before trade mark registration was introduced in 1875 there was a right of property created merely by putting a mark into use for a short while. It was an unregistered trade mark right. But the action for its infringement is now barred by s.2(2) of the Trade Marks Act 1994. The provision goes back to the very first registration Act of 1875, s.1. Prior to then you had a property right on which you could sue, once you had put the mark into use. Even then a little time was needed, see per Upjohn L.J. in BALI Trade Mark [1969] R.P.C. 472. The whole point of that case turned on the difference between what was needed to establish a common law trade mark and passing off claim. If a trivial goodwill is enough for the latter, then the difference between the two is vanishingly small. That cannot be the case. It is also noteworthy that before the relevant date of registration of the BALI mark (1938) the BALI mark had been used “but had not acquired any significant reputation” (the trial judge's finding). Again that shows one is looking for more than a minimal reputation.”

27. Goodwill arises as a result of trading activities. For me to find goodwill, the evidence filed by the opponent must demonstrate those trading activities. Further, those trading activities must be in relation to the goods relied upon in these proceedings, being “confectionary goods”. I will now assess the trading activities of the opponent to determine whether they warrant a finding that the opponent has generated a protectable level of goodwill. As per my comments at paragraph 11 above, I will include the content of the notice of opposition in this assessment.

28. The opponent began trading in June 2020 and initially operated on the social media platforms Instagram and Facebook. A copy of a print-out from her Instagram’s ‘Account Info’ page is attached to the evidence and I note that it shows that the account was created on 5 June 2020.¹² By 10 July 2020, the opponent had 1,000 followers on Instagram and over 300 likes on Facebook. While noted, the opponent claims to have served customers in Ireland (presumably the Republic of Ireland), the United States, Canada and Australia. In light of this and given the international reach of social media, it is likely that some of the follower base of the opponent is from outside of the UK.

29. A turnover figure is provided by way of a screenshot from a ‘Monzo’ (an internet banking service) account that shows turnover of £6,667.29.¹³ From what I have said at paragraph 28 above in respect of the opponent’s claim to have international customers, it is possible that some of this evidence relates to sales in those other countries. This is particularly the case given that these appear to be general figures and there is no reference to them being exclusively UK figures. Further, these figures appear to be taken from a single bank account, being titled ‘Kande’ meaning that it is possible to infer, again, that the figures cover all sales in all countries. While the overall figures are noted, it is not possible for me to determine what proportion is attributable to UK sales and I will bear this issue in mind when making my overall assessment.

30. The screenshot referred to above sets out that the turnover figure is comprised of 240 ‘deposits’. I consider it reasonable to infer that this means that the turnover was generated as a result of 240 sales. When it comes to assessing a business’s

¹² Exhibit JS1 of the witness statement of Cliodhna Crothers

¹³ Exhibit JS2 of *ibid*

customer numbers when considering goodwill, repeat custom is considered indicative of a level of goodwill. However, I note that there is no evidence or explanation to suggest that any of these 240 sales are to repeat customers.

31. As for the date range of the turnover figures provided, I note that no precise dates are provided. On this point, I note that the evidence is somewhat contradictory in that the opponent confirms that this was the turnover for the 'relevant period' but then refers to the fact it is the turnover for 2020/2021. If it was the turnover for the 'relevant period' then I would accept it as being prior to the relevant date. However, the reference to 2020/2021 indicates that it cover sales in 2021, being after the relevant date. I have the same issue here as I did at paragraph 29 above in that there is no way for me to determine what proportion of these sales fell before the relevant date. As above, I will bear this in mind when making my overall assessment.

32. Publicity of the opponent's company is then discussed and the opponent sets out that this was in form of Facebook and Instagram promotions and via business cards that were distributed around her local area. She also refers to approximately 20 social media influencers who promoted her products to their followers. The evidence sets out that this was at a cost of £9.50 per bag. While evidence such as this may be capable of pointing to a generation of goodwill, I have no explanation or supporting evidence to show the reach of these activities. For example, there is nothing to indicate who the social media influencers referred to were or what their follower base in the UK was at the relevant date. Therefore, I do not consider that this evidence is of any assistance to the opponent.

33. The opponent's estimated advertising spend for one year of trading was £392.82. In support of this, the opponent has provided a screenshot of the 'Ads Manager' page of her Facebook account that show a number of outgoings.¹⁴ For the opponent, one year of trading would mean that these figures cover up to May 2021, being after the relevant date. While it is inevitable that some of the total advertising spend falls after the relevant date, I note that the aforementioned 'Ads Manager' page shows seven advertising spends between 25 June 2020 and 23 August 2020

¹⁴ Exhibit JS3(1) of *ibid*

for a total of £142.00. As with the turnover figures above, I will bear the issue of the dates in mind when making my overall assessment.

34. Lastly, I note that the opponent was publicised in the media in what she claims to be both the national and international website 'Young Enterprise'.¹⁵ While noted, the website shown appears to be 'sway.office.com' and there is no reference to 'Young Enterprise' within it. There is also a screenshot provided of the social media account of a local school, being 'Lismore Comprehensive'.¹⁶ This screenshot does reference 'Young Enterprise Northern Ireland' and refers to a Mr Connell O'Hagen who is not referred to any further in the evidence but from this screenshot it appears that he may be the opponent's business partner. My issue with this evidence is similar to my issues set out in respect of the social media evidence in that there is no indication as to the reach of the screenshots. Most notably, the second screenshot shown is from the 'Lismore Comprehensive' social media account. Being a local school, I suspect that the reach of this account is very limited. Further, I note that neither of these screenshots are dated and may, therefore, have been published after the relevant date.

35. While I note that even a small business which has more than trivial goodwill can protect signs which are distinctive of the business under the law of passing off,¹⁷ I consider the evidence filed by the opponent to be far from extensive. Taking the evidence as a whole, it shows that the opponent's UK trading activities consist of 240 sales for a total revenue of £6,667.29 over a four month period with an advertising expenditure of £392.82. However, I have discussed above that this evidence is somewhat imprecise as it is likely that it covers sales outside the UK and those that occurred after the relevant date. It would, in my view, be prejudicial to the applicant to simply accept this use as being entirely prior to the relevant date and within the UK only. I will, therefore, treat this evidence with caution.

36. While I have no evidence or submissions from either party in respect of the size of the UK markets for confectionary goods, I would imagine it to be a very large one with annual turnover of hundreds of millions, if not billions, of pounds per annum.

¹⁵ Exhibit JS4(1) of *ibid*

¹⁶ Exhibit JS4(2) of *ibid*

¹⁷ *Stacey v 2020 Communications* [1991] FSR 49

The total sales figures provided are insufficiently solid and, while bearing in mind my comments at paragraph 35 above in that I will treat this evidence with caution, they represent a tiny proportion of the market. In my view, the opponent's evidence falls well short of what I consider to be necessary to establish sufficient goodwill to maintain a claim of passing off. As noted in the case law cited above, the burden is on the opponent to prove goodwill. I am not satisfied, based on the evidence filed, that she has done so.

37. On point of the assessment of goodwill and for the sake of completeness, I have considered the case of *Phones 4u Ltd v Phone4u.co.uk. Internet Ltd*¹⁸ which sets out that the descriptiveness of the sign relied upon affected the question of whether it had goodwill. In my view, 'Kande' will be understood as a play on the word 'candy', particularly given that it will be viewed on confectionary goods. While I acknowledge that 'candy' is considered an American term, I am of the view that it is widely understood as being a word for 'sweets' or 'confectionary' across the UK. 'Kande' is not inherently descriptive in the sense that anyone would describe a seller of confectionary or sweets as 'Kande', however, it is a name that, in my view, informs the consumers as to what the business is, i.e. a retailer or producer of candy. While it is possible for 'Kande', when used on "confectionary goods", to acquire a secondary meaning as a designation of a specific trade origin, this will be as a result of extensive use as such. In my view, even if I was to take the opponent's evidence of use as being entirely within the UK and prior to the relevant date, it falls far short of the extensive use required to create a protectable level of goodwill in 'Kande'.

38. The opponent's reliance upon section 5(4)(a) of the Act therefore fails on the basis that she was unable to prove that, as at the relevant date, she had generated a level of protectable goodwill in her business.

CONCLUSION

39. The opposition has failed in its entirety and the applicant's mark is, therefore, entitled to proceed to registration for its goods.

¹⁸ [2006] EWCA 244 (Civ)

COSTS

40. The applicant has been successful and, in the ordinary course of these proceedings, would be entitled to a contribution towards its costs. However, the applicant is unrepresented meaning that, in order to claim its costs, it is required to file a completed costs pro-forma. It did not do so. I note that a blank costs pro-forma was provided to the applicant under the cover of a letter from the Tribunal dated 3 May 2022. I also note that this letter set out that:

“If the pro-forma is not completed and returned, costs, other than official fees arising from the action (excluding extensions of time), may not be awarded.”

41. As no costs pro-forma was filed and the applicant incurred no official fees arising from this action, I make no order as to costs. Both parties are hereby ordered to bear their own costs of these proceedings.

Dated this 6th day of July 2022

**A COOPER
For the Registrar**