

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION

Rolls Building
Fetter Lane, London, EC4A 1NL

Date: 12 February 2015

Before :

THE HON MR JUSTICE ARNOLD

Between :

SUPREME PETFOODS LIMITED	<u>Claimant</u>
- and -	
HENRY BELL & CO (GRANTHAM) LIMITED	<u>Defendant</u>

Geoffrey Pritchard (instructed by **Edwin Coe LLP**) for the **Claimant**
Jessie Bowhill (instructed by **Blandy & Blandy LLP**) for the **Defendant**

Hearing dates: 27-30 January, 2 February 2015

Approved Judgment

I direct that pursuant to CPR PD 39A para 6.1 no official shorthand note shall be taken of this Judgment and that copies of this version as handed down may be treated as authentic.

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THE HON MR JUSTICE ARNOLD

MR JUSTICE ARNOLD :

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Introduction

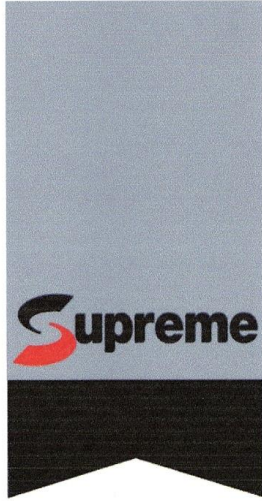
1. In this case the Claimant (“Supreme Petfoods”) seeks in essence to monopolise use of the word SUPREME as a trade mark for animal food. The Defendant (“Henry Bell”) denies that Supreme Petfoods is entitled to such a monopoly, and in the alternative denies that it has invaded any monopoly to which Supreme Petfoods may be entitled. It ought to be possible for such a dispute to be resolved without great legal difficulty or expense. Such is the current state of European trade mark law, however, that instead it has thrown up a considerable number of legal and factual issues, although the number was reduced as a result of sensible concessions made by both sides during closing submissions. As a result, I fear that the costs will have been out of all proportion to what is at stake.

The Trade Marks

2. Supreme Petfoods is the registered proprietor of the following registered trade marks (“the Trade Marks”):
 - i) United Kingdom Registered Trade Mark No. 2345353 consisting of the word SUPREME registered as of 8 October 2003 in respect of (*inter alia*) “foodstuffs for animals; chews; meat and chocolate based animal treats; animal biscuits; animal litter; bird seed; animal bedding; ... rabbit food” in Class 31 (“the UK Word Mark”).
 - ii) United Kingdom Registered Trade Mark No. 2454708 consisting of the stylised word shown below registered as of 5 May 2007 in respect of (*inter alia*) “animal foodstuffs; supplements for animal foodstuffs; edible treats for animals; animal bedding and litter” in Class 31 (“the UK Stylised Word Mark”).



- iii) United Kingdom Registered Trade Mark No. 2454707 consisting of the ribbon device shown below registered as of 5 May 2007 in respect of (*inter alia*) “animal foodstuffs; supplements for animal foodstuffs; edible treats for animals; animal bedding and litter” in Class 31 (“the UK Ribbon Mark”).



- iv) Community Trade Mark No. 5874921 consisting of the stylised word shown above registered as of 4 May 2007 in respect of (*inter alia*) “animal foodstuffs; supplements for animal foodstuffs; edible treats for animals; animal bedding and litter” in Class 31 (“the Community Stylised Word Mark”).
- v) Community Trade Mark No. 5875091 consisting of the ribbon device shown above registered as of 4 May 2007 in respect of (*inter alia*) “animal foodstuffs; supplements for animal foodstuffs; edible treats for animals; animal bedding and litter” in Class 31 (“the Community Ribbon Mark”).

The sign complained of

3. Supreme Petfoods complains about Henry Bell’s use of the word SUPREME as shown in the following illustrative example of Henry Bell’s packaging.



The witnesses

Supreme Petfoods' witnesses

4. Christopher Childs (Managing Director), Robert Baker (Technical Director), Claire Hamblion (Marketing Manager) and Thomas Kier (Chairman and owner) of Supreme Petfoods gave evidence about Supreme Petfoods' business, products and marketing and its relationship with Henry Bell and its predecessors.
5. Debbie Kibble and Penny Newby (both UK Telesales Support) of Supreme Petfoods gave evidence about alleged customer confusion, as did three of their customers: Georgina Lees of Kings Health Pet Centre, Lisa Till of Dolittles Pet Superstore and Debbie Walsh of Tavistock Pet Emporium. Clayton Hollins of CJ's Portland Pets, Aquatics & Reptiles and Piers Smart of Scampers Pet Shop were unable to attend the trial and so Supreme Petfoods served hearsay notices in respect of their witness statements. Given that their evidence was not tested in cross-examination and given the evidence of the other witnesses whose evidence was subject to cross-examination, I am unable to give these two witnesses' evidence any weight in so far as it goes further than the evidence of the live witnesses.
6. Dr Georgina Grell, the editor of *Veterinary Nurse*, and Rachel Todd, Chief Executive Officer of the Rabbit Welfare Association and Fund, gave evidence about rabbit nutrition. They and Robert Chapman of the London Vet Show also gave evidence about how Supreme Petfoods was referred to.

7. Nicholas Phillips of Supreme Petfoods' solicitors gave evidence about certain internet searches and both he and Mark Hickey of Supreme Petfoods' trade mark attorneys gave evidence about Supreme Petfoods' knowledge of Henry Bell's Community Trade Mark No. 3435484 (MR JOHNSON'S SUPREME).
8. Counsel for Henry Bell made certain criticisms of the evidence of some of Supreme Petfoods' witnesses. The most serious criticisms concerned Ms Hamblion and Ms Newby. In both cases, however, the criticisms mainly related to the witness' witness statements rather than their oral evidence. In my view both witnesses gave their oral evidence fairly, although I agree that their witness statements left a certain amount to be desired.

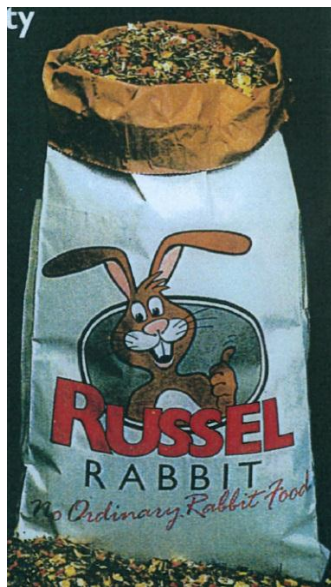
Henry Bell's witnesses

9. Thomas Lee (owner and Director) and Alan Gittins (Key Account Manager) of Henry Bell gave evidence about Henry Bell's business, products and marketing and its relationship with Supreme Petfoods.
10. Alan Bamford of R E Bamford Ltd, Nigel Bone of Bones SW Ltd, James Brewer of Fal Valley Pets, John Burgess of Pet Market (Pets First), Maria Rees of Winners Animal and Petfood and Michelle Turner of The Pet Warehouse gave evidence about how Supreme Petfoods' products were referred to and as to the absence of confusion.
11. Lucy Wiggins of Henry Bell's solicitors gave evidence about certain internet searches.

Factual background

Supreme Petfoods

12. Supreme Petfoods started to trade in the mid 1980s selling canned dog food. Subsequently it became the agent for Purina dog food. In 1990 Supreme Petfoods launched a muesli rabbit food under the name Russel Rabbit, which became its flagship product. The packaging looked like this:



I should make it clear that in this image the top of the bag has been rolled over, so as to conceal the name SUPREME PETFOODS with the word SUPREME in a banner.

13. Since about 1992, Supreme Petfoods' business model has been to position itself as an innovator in small animal welfare. Thus it claims to have been the first to introduce species-specific food among a considerable number of other "firsts". Between 1992 and 1998 Supreme Petfoods launched a range of muesli products for other small animals including guinea pigs, hamsters, chinchillas, rats, ferrets and gerbils. Each of these was given a character brand name: Gerty Guinea Pig, Harry Hamster, Charlie Chincilla, Reggie Rat, Frankie Ferret and Gerri Gerbil. They were sold in similar packaging to the Russel Rabbit product, but with different cartoons for each character and different background colours.
14. At some point in the 1990s Supreme Petfoods introduced new packaging for its muesli products which looked like this:

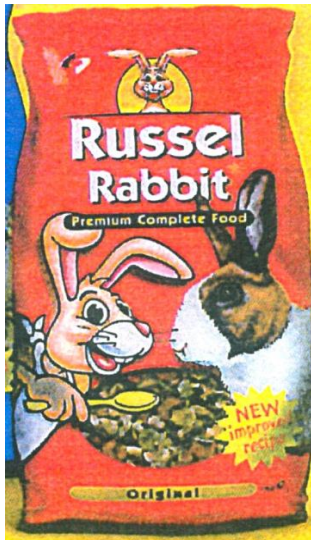


I would point out that one can just see a very small SUPREME banner logo at the top of the bag.

15. Another feature of this packaging was that the word "premium" appeared underneath each character brand name. Mr Childs accepted that this word was used to indicate that it was a high quality feed and there was nothing surprising about this – it was just the sort of thing that manufacturers do to promote their products to consumers.
16. Throughout the 1990s Supreme Petfoods focused its marketing efforts on the character brands, and it is clear that this was very successful. The effect of this focus was, that while Russel Rabbit and Gerty Guinea Pig became well known, knowledge of SUPREME was very low indeed. In March 1999 Supreme Petfoods' then marketing manager (Ann Robinson) was quoted in a profile of Supreme Petfoods in *Pet Business World* as saying:

"Supreme's branding is so successful that the company is known more for its characters than for its name. When people ask me who I work for and I say Supreme, they say 'Who' ... If I say Russell Rabbit, then its 'Oh yes, I know'. It's instant recognition."

17. In about 2002 Supreme Petfoods redesigned the packaging of its products. The new Russel Rabbit packaging is shown below. Again, the other products were sold in similar packaging to Russel Rabbit, but with different names and cartoons for each character and different background colours.



18. It is a notable feature of this packaging that the name SUPREME did not appear on the front, although the stylised S which features in the Trade Marks did. As I understand it, Supreme Petfoods Ltd was identified as the manufacturer on the back. As can be seen, the range was described as “premium complete food”.
19. At this time Supreme Petfoods had a website located at www.russelrabbit.com, which featured prominently in its print advertising. Mr Childs accepted that Supreme Petfoods used this domain name because RUSSELL RABBIT was its best known brand
20. In 2007 Supreme Petfoods redesigned the packaging of its products. The new Russel Rabbit packaging is shown below. Again, the other muesli products were sold in similar packaging to Russel Rabbit, but with different names, cartoons and photographs for each character and different background colours.



21. Notable features of this packaging are as follows:
- i) At the top left of the front of the packaging is a coloured (in this case red) circular seal bearing a cartoon and the words “Russel Rabbit – The complete rabbit food [or Gerty Guinea Pig – guinea pig food etc]”.
 - ii) Immediately beneath the seal is the ribbon device which forms the subject matter of the UK and Community Devices Marks, but with the word “original” superimposed on the black part of the ribbon. This is the only place on the front of the packaging where the word SUPREME appears.
 - iii) On the rear of the packaging there is a block of text in English (there are also texts in other languages on the rear and sides). This refers in a number of places to “Supreme’s Original complete muesli” and in one place to “Supreme Original Russel Rabbit”. At the end of this block of text is the following paragraph:

“SUPREME QUALITY

At Supreme Petfoods, we greatly value our customers’ feedback.

We take very care to ensure the product reaches you in perfect condition. However, if you or your rabbit are not entirely satisfied with this product, please contact our customer care department quoting the batch code and best before date.”
 - iv) There are two panels at the bottom of the rear of the packaging (or in the case of smaller packs the two are combined into one). One panel bears a statement of the weight of the product together with Supreme Petfoods’ websites address www.supremepetfoods.com. The other bears a shortened version of the ribbon device with the word “petfoods” superimposed on the black part together with Supreme Petfoods’s full name and address and the following statement:

“Russel Rabbit [or Gerty Guinea Pig etc] and the Supreme logo are registered trade marks of Supreme Petfoods Ltd.”
22. As can be seen from this description, from this point onwards Supreme Petfoods’ muesli range has been referred to as its “Original” range. The Original range has since been extended to include a sub-range called “Snacks”. The Snacks range itself encompasses a number of sub-ranges, including “Crunchers” biscuits for each species. Again, the packaging features the characters and the ribbon device with the word “original”.
23. Also in 2007 Supreme Petfoods launched a second range called “Science”. This now encompasses three sub-ranges, “Selective”, “Vetcare” and “Recovery”. The Selective range consists of species-specific extruded nugget products, while the Vetcare and Recovery ranges are sold exclusively to veterinary practices. Each of these ranges has its style of packaging. All three styles are relatively sober compared to the Original range packaging and do not feature the cartoon characters. A feature which is common to all the packaging is the appearance of the ribbon device at the top left of

the front of the packaging with the word “science” superimposed on the black part. The Selective packaging incorporates a reference in one place to “Supreme® Science Selective”.

24. More recently, Supreme Petfoods launched a further range called FibaFirst for rabbits and guinea pigs. Again this has sober packaging which features the ribbon device at the top centre of the front of the packaging with the word “bedding” superimposed on the black part.
25. Supreme Petfoods also has a small range of bedding and hygiene products. These are also sold in packaging bearing the ribbon device with the word “petfoods” superimposed on the black part. It also sells a rabbit harness.

Henry Bell and its predecessors

26. Henry Bell is a fourth generation family business which was established in 1825. It was originally an agricultural merchant, handling cereals and pulses. Over time, the business developed into manufacturing micronised and kibbled cereals and a variety of wildlife and small animal foods. Most of Henry Bell’s business consists of manufacturing products for others. In 2009 Henry Bell acquired the business of Grain Harvesters Ltd (“GHL”) trading as My Pet Foods, which included the Mr Johnson’s brand of pet food, having been manufacturing some of the Mr Johnson’s range for GHL since 2007.
27. The Mr Johnson’s brand was first developed by S & E Johnson Ltd (“SEJL”) sometime in the early 1990s. Thus Mr Burgess’ evidence was that he had stocked Mr Johnson’s products since the early 1990s. By October 1994 SEJL was selling a product called SUPREME RABBIT MIX in packaging which looked like this:



28. This prompted a complaint from Nick Greenwood of Supreme Petfoods to Graham Holmes of SEJL by fax dated 5 October 1994 in the following terms:

“ ... our concern is that there is likely to be some confusion in the minds of the public who may believe that your SUPREME RABBIT MIX is in some way associated with this company.

The principal element of our Corporate Identity is the SUPREME PETFOODS Trademark which positions the word SUPREME within a stylised banner. ...

I gather that both your bulk packaging and your bag leaflets similarly portray your product name within a banner, so giving the impression of a brand rather than a descriptive title.

We would obviously not wish you to suffer unnecessary financial loss over this matter, so would merely seek your assurance that at the next production run of any print elements communicating your SUPREME RABBIT MIX, and in any event no later than 31/12/94, you will delete either the banner or the word SUPREME. It is the combination of these two elements which we believe infringes our established mark.”

29. It is clear from this that Supreme Petfoods was happy for SEJL to use SUPREME on its own, provided it did not use it with a banner. The complaint was in similar terms to other complaints made by Supreme Petfoods to third parties at around the same time, and indeed later.
30. It appears that, in response to this letter, SEJL did remove the banner, and that no further action was taken by Supreme Petfoods. In 1995 SEJL changed the packaging to this:



31. SEJL also sold a range of other rabbit feeds (Jasper, Clover, Pro Breeder, Special Coarse, Molassed and G.P. Pellets) and a range of other small animal feeds (Amos Hamster Mix, Gloria Guinea Pig Mix, Rupert Rat Mixture and Chinchilla Pellets) under the Mr Johnson's brand in similar packaging. Mr Gittins' evidence was that, when he joined SEJL in 1997, the packaging for the Mr Johnson's range was in this style and that it stayed this way until after the sale of the business to GHIL in 2004. During his time at SEJL, the company introduced Mr Johnson's SUPREME RABBIT MIX WITH FRUIT, again in the same style of packaging.
32. Mr Johnson's SUPREME RABBIT MIX was described by SEJL in a leaflet which appears to date from 1995 as follows:

“A higher protein deluxe version of Special rabbit, making it particularly suitable for growing as well as mature rabbits and lactating does. Mr Johnson’s top of the range market leader. Available in 20kg and 1.5kg bags.”

33. This description gives a clear indication of why the word SUPREME was chosen by SEJL. SUPREME RABBIT MIX was the biggest seller in the Mr Johnson’s range and considered to be its premium product. One of its main selling points was that it included large flattened steam flaked peas in the formula, which appealed to customers.
34. In April 2004 SEJL sold the business to GHL. An advertising spread from this date shows seven products in the Mr Johnson’s range, including SUPREME RABBIT MIX and SUPREME RABBIT MIX WITH FRUIT, and claims that “The best known line is Mr Johnson’s Supreme Rabbit Mix”.
35. By 2004 GHL was already selling small animal pet food under the “My Pet Foods” brand and the “Belvedere” brand. Accordingly, when it purchased the Mr Johnson’s brand, there were a number of overlapping products for rabbits and other small animals, and GHL decided to rationalise the product lines. As part of this rationalisation, a product called MY SUPER GUINEA PIG (from the Belvedere brand) was re-named SUPREME GUINEA PIG and sold under the Mr Johnson’s brand.
36. This prompted another complaint from Supreme Petfoods. On 8 November 2005 Supreme Petfoods’ trade mark attorneys wrote to GHL’s trade mark attorneys complaining about the use of SUPREME in relation to guinea pig mix, and asking for examples of previous usage of SUPREME over the past 12 years. They accepted that there has been “some degree of co-existence”, but stated that their client was concerned that “deviation from previous usage of Mr Johnson’s SUPREME which shows the word SUPREME with added prominence may result in confusion arising”. On 17 February 2006 GHL’s trade mark attorneys replied enclosing a sample of packaging and stating that the use of SUPREME had been this way on the packaging since the early 1990s and they had made no changes from what had been done in the past. No further action was taken by Supreme Petfoods.
37. In around July 2006 GHL re-launched the Mr Johnson’s range in new packaging, referred to as “The Love Range”. The packaging was altered slightly again in 2008 to include photographs of the ingredients on the packaging. These versions of the packaging looked like this:



38. As noted above, Henry Bell purchased the My Pet Foods business from GHL in 2009. Mr Lee's evidence was that there were a number of animal food products under three different and potentially competing brands: the Mr Johnson's brand, the Belvedere brand, and the Mr Pet Foods brand. As a result, Henry Bell decided to put the entire small animal range under the Mr JOHNSON'S brand, because this was the strongest brand of the three and already had the top performing product, Mr Johnson's SUPREME RABBIT.
39. Having decided on how to rationalise the product lines, Henry Bell then looked at reformulating and revamping the Mr Johnson's range. It did this in a number of ways. First, the formulation of the products themselves was improved by the addition of a herbal supplement called "Verm X", which is designed to support an animal's digestive system. Secondly, Henry Bell re-named a range called EVERYDAY COMPLETE range as the ADVANCE range. Thirdly, both the SUPREME range and the ADVANCE range were extended to cover a wider range of feeds for small animals, namely, Hamster & Gerbil (SUPREME & ADVANCE), Rat & Mouse (SUPREME & ADVANCE) and Chichilla & Degu (SUPREME only).
40. Henry Bell worked with packaging and promotional designers to redesign the packaging and promotional materials. Mr Lee's evidence was that it was important to Henry Bell that its products would stand out on the shelf, for it to be clear that the products were all from Mr Johnson's, and for the new look to be distinctive and not confused with other brands or products. This is echoed in the design brief that was put together at that time.
41. One of the first issues Henry Bell considered was how it wanted Mr Johnson's to look. Many different alternatives were considered. Mr Lee's evidence was that he did not give Supreme Petfoods a thought during the redesign of the packaging and the extension of the SUPREME range. His hope was that the products would be instantly distinguishable as Mr Johnson's products. Mr Lee stated that Henry Bell wanted to use SUPREME since it described the quality of the product, and this would help

position Henry Bell's products as superior, top of the range, high quality animal foods.

42. Henry Bell's new packaging was launched in March 2012. Following a letter before action dated 11 May 2012, these proceedings were commenced on 22 February 2013.

Third party use of the word SUPREME

43. There is considerable evidence of third party use of the word SUPREME in relation to animal food. In alphabetical order, this comprises the following examples:

- i) Alan Titchmarsh Seed Supreme – a bird food mix;
- ii) Albert E James Supreme Rabbit Mix – rabbit food;
- iii) Aldi Earls Supreme Cuisine – dog food;
- iv) Aldi Vitacat Supreme Chunks – cat food;
- v) Breederpack Cat Supreme Chunks – cat food;
- vi) Buckton's Pigeon Supreme – bird food;
- vii) Buckton's Natures Feast Hi Energy Supreme – bird food;
- viii) Burgess Supa Rabbit and Supa Guinea Pig Food;
- ix) Butcher's Supreme Feast – dog food;
- x) Carr's Supreme Gold Pure Cold-Pressed Wheat Germ Oil – a product for feeding birds and small animals which is wholesaled by Mr Bamford's company;
- xi) Clarks Animal Feeds Supreme Rabbit Mix – a rabbit food which was on the market in 2006;
- xii) Chudleys Supreme – dog food;
- xiii) Cobby Dog Supreme and Cobby Dog Supreme Chunks– dog food;
- xiv) Country Wide Hamster Supreme and Countrywide Rabbit Supreme – hamster and rabbit food respectively, these products appear to be the same as the Albert James products listed above;
- xv) GW Titmus Rabbit Mix Supreme - a rabbit food which was on the market in 2006;
- xvi) Happy Cat Supreme - cat food;
- xvii) Happy Dog Supreme, Supreme Mini, Supreme Fit & Well, Supreme Sensible – dog food marketed in Germany available in the UK from a website called Zooplus;

- xviii) Kaytee Supreme Fortified Daily Diet (for Guinea Pig and Rabbit) – small animal foods marketed in the USA available in the UK via Amazon UK;
- xix) Kaytee Central Avian & Cockatiel Supreme Mix – bird food marketed in the USA available in the UK via Amazon UK;
- xx) Mayfield Supreme Wild Bird – bird food;
- xxi) Natural Value Flaked Tuna Supreme – a cat food marketed in the USA;
- xxii) Nature’s Feast No Mess Supreme – bird food;
- xxiii) Nature’s Feast Supreme 8 Seed Blend – bird food;
- xxiv) Pointer Supreme Surprise – dog snacks;
- xxv) Quinastra Supreme Rabbit Mix - a rabbit food which was on the market in 2006;
- xxvi) Red Mills Leader Adult Supreme – dog food;
- xxvii) Supercat Supreme – cat food;
- xxviii) Supreme Animal Foods – a petshop;
- xxix) Tesco Supreme – cat food;
- xxx) Waitrose Beef/Chicken Supreme - dog food;
- xxxi) Webbox Supreme Chub Roll – dog food;
- xxxii) Webbox Supreme Walkies – treats for dogs;
- xxxiii) Whiskas Supreme – cat food;
- xxxiv) Willsbridge Supreme Budgie Seed Mix – bird food;
- xxxv) Wuffitmix Supreme Kibble – dog food.

Key legislative provisions

44. Article 16(1) of the Agreement on Trade-Related Aspects of Intellectual Property Rights (“TRIPS”), which forms Annex 1C to the Agreement establishing the World Trade Organisation signed in Morocco on 15 April 1994, to which the European Union and all its Member States are parties, provides:

“The owner of a registered trademark shall have the exclusive right to prevent all third parties not having the owner’s consent from using in the course of trade identical or similar signs for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. In case of the use of

an identical sign for identical goods or services, a likelihood of confusion shall be presumed....”

45. Recital (11) to European Parliament and Council Directive 2008/95/EC of 22 October 2008 to approximate the laws of the Member States relating to trade marks (codified version replacing Directive 89/104/EEC) (“the Directive”) states:

“The protection afforded by the registered trade mark, the function of which is in particular to guarantee the trade mark as an indication of origin, should be absolute in the case of identity between the mark and the sign and the goods or services. The protection should apply also in the case of similarity between the mark and the sign and the goods or services. It is indispensable to give an interpretation of the concept of similarity in relation to the likelihood of confusion. The likelihood of confusion, the appreciation of which depends on numerous elements and, in particular, on the recognition of the trade mark on the market, the association which can be made with the used or registered sign, the degree of similarity between the trade mark and the sign and between the goods or services identified, should constitute the specific condition for such protection. The ways in which likelihood of confusion may be established, and in particular the onus of proof, should be a matter for national procedural rules which should not be prejudiced by this Directive.”

46. Articles 3, 5 and 6 of the Directive provide as follows:

“Article 3

Grounds for refusal or invalidity

1. The following shall not be registered or, if registered, shall be liable to be declared invalid:

..
 - (b) trade marks which are devoid of any distinctive character;
 - (c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, or the time of production of the goods or of rendering of the service, or other characteristics of the goods or services;
...
3. A trade mark shall not be refused registration or be declared invalid in accordance with paragraph 1(b), (c) or (d) if, before the date of application for registration and following the use

which has been made of it, it has acquired a distinctive character. Any Member State may in addition provide that this provision shall also apply where the distinctive character was acquired after the date of application for registration or after the date of registration.

Article 5

Rights conferred by a trade mark

1. The registered trade mark shall confer on the proprietor exclusive rights therein. The proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade:
 - (a) any sign which is identical with the trade mark in relation to goods or services which are identical with those for which the trade mark is registered;
 - (b) any sign where, because of its identity with, or similarity to, the trade mark and the identity or similarity of the goods or services covered by the trade mark and the sign, there exists a likelihood of confusion on the part of the public; the likelihood of confusion includes the likelihood of association between the sign and the trade mark.
2. Any Member State may also provide that the proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade any sign which is identical with, or similar to, the trade mark in relation to goods or services which are not similar to those for which the trade mark is registered, where the latter has a reputation in the Member State and where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark. 5. Paragraphs 1 to 4 shall not affect provisions in any Member State relating to the protection against the use of a sign other than for the purpose of distinguishing goods or services, where use of that sign without due cause take unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark.
3. The following, inter alia, may be prohibited under paragraphs 1 and 2:
 - (a) affixing the sign to the goods or to the packaging thereof;

- (b) offering the goods, or putting them on the market or stocking them for these purposes under that sign, or offering or supplying services thereunder;
- (c) importing or exporting the goods under the sign;
- (d) using the sign on business papers and in advertising.

...

5. Paragraphs 1 to 4 shall not affect provisions in any Member State relating to the protection against the use of a sign other than for the purposes of distinguishing goods or services, where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark.

Article 6

Limitation of the effects of a trade mark

1. The trade mark shall not entitle the proprietor to prohibit a third party from using, in the course of trade:

...

- (b) indications concerning the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of the service, or other characteristics of goods or services;

...

provided he uses them in accordance with honest practices in industrial or commercial matters.”

47. These provisions are implemented in the United Kingdom by sections 3(1)(b),(c), 10(1),(2),(3),(4) and 11(2)(b) of the Trade Marks Act 1994. Parallel provisions are contained in Articles 7(1)(b)(c),(3), 9(1)(a),(b),(c),(2) and 12(b) of Council Regulation 207/2009/EC of 26 February 2009 on the Community trade mark (codified version replacing Regulation 40/94/EC) (“the Regulation”).

The relevance of TRIPS

48. The Court of Justice of the European Union has repeatedly held that, in a field of intellectual property law where the European Union has legislated, such as trade marks, national courts must interpret both European and domestic legislation as far as possible in the light of the wording and purpose of relevant international agreements to which the EU is a party, and in particular TRIPS: see *Case C-53/96 Hermès International v FHT Marketing Choice BV* [1998] ECR I-3603 at [28]; *Joined Cases C-300/98 and C-392/98 Parfums Christian Dior SA v Tuk Consultancy BV* [2000] ECR I-11307 at [47]; *Case C-89/99 Schieving-Nijstad VOF v Groeneveld* [2001] ECR I-5851 at [35]; *Case C-49/02 Heidelberger Bauchemie GmbH* [2004] ECR I-6152 at

[20]; Case C-245/02 *Anheuser-Busch Inc v Budejovicky Budvar NP* [2004] ECR I-10989 at [55]-[57]; and Case C-431/05 *Merck Genéricos – Produtos Farmacêuticos Lda v Merck & Co Inc* [2007] ECR I-7001 at [35].

49. On the other hand, TRIPS does not have direct effect and thus does not itself create rights upon which individuals may rely directly before the courts by virtue of EU law: see Case C-135/10 *Società Consortile Fonografici (SCF) v Del Corso* [EU:C:2012:140] at [46] and the case law cited.

The average consumer

The law

50. It is settled law that many issues in European trade mark fall to be assessed from the perspective of the “average consumer” of the relevant goods or services, who is deemed to be reasonably well-informed and reasonably observant and circumspect. I have reviewed this concept a number of times, most recently in *Enterprise Holdings Inc v Europcar Group UK Ltd* [2015] EWHC 17 (Ch) at [130]-[138]. I would add that, as Birss J pointed out in *Hearst Holdings Inc v AVELA Inc* [2014] EWHC 439 (Ch), [2014] FSR 36 at [60], “The word ‘average’ denotes that the person is typical. The term ‘average’ does not denote some form of numerical mean, mode or median.”

The average consumer in the present case

51. Counsel for Supreme Petfoods submitted that there were two average consumers in the present case, namely pet owners and trade purchasers. In support of this proposition, he cited the following passage from the judgment of the CJEU concerning the interpretation of Article 12(2)(a) of the Directive in Case C-371/02 *Björnekulla Fruktindustrier AB v Procordia Food AB* [2004] ECR I-5971:

- “23. If the function of the trade mark as an indication of origin is of primary importance to the consumer or end user, it is also relevant to intermediaries who deal with the product commercially. As with consumers or end users, it will tend to influence their conduct in the market.
24. In general, the perception of consumers or end users will play a decisive role. The whole aim of the commercialisation process is the purchase of the product by those persons and the role of the intermediary consists as much in detecting and anticipating the demand for that product as in increasing or directing it.
25. Accordingly, the relevant classes of persons comprise principally consumers and end users. However, depending on the features of the product market concerned, the influence of intermediaries on decisions to purchase, and thus their perception of the trade mark, must also be taken into consideration.”

52. Neither counsel cited the CJEU's more recent judgment in Case C-409/12 *Backaldrin Österreich The Kornspitz Company GmbH v Pfahnl Backmittel GmbH* [EU:C:2014:130], in which the Court held (at [39]) that:

“... as the Court pointed out in paragraph 24 of the judgment in *Björnekulla Frukthindustrier*, in general, the perception of consumers or end users will play a decisive role. It must be held, in line with what the Advocate General stated at points 58 and 59 of his Opinion, that in a case such as that at issue in the main proceedings, which is, subject to verification by the referring court, characterised by the loss of distinctive character of the trade mark concerned from the point of view of the end users, that loss may result in the revocation of that trade mark. The fact that the sellers are aware of the existence of that trade mark and of the origin which it indicates cannot, on its own, preclude such revocation.”

53. In general, therefore, it is the perceptions of consumers (here, the pet owners) that matters, not the perceptions of intermediaries (here, wholesalers, retailers and veterinary practices). After all, members of the trade are less likely to be confused (or have their perceptions affected in other ways) than consumers, because they are more likely to be well informed and observant when it comes to trade marks for the goods in their sector.
54. Nevertheless, there is one reason why the present case may be different, albeit that counsel for Supreme Petfoods did not rely on it in this context. This is that the evidence shows that some pet shops buy large (typically 15 or 20 kg) bags of small animal food and then decant the food into a bin from which consumers may select smaller quantities (say 1kg) using a scoop. The evidence also indicates that pet shops who do this in some cases label the bin with the brand name of the product, but in some cases simply label it with a generic description such as “rabbit muesli mix”. At least in the latter case, it may be said that the perception of the retailer is decisive, since the consumer will not see the brand name. Even if this is correct, however, it remains the case that retailers are more likely to be informed and observant when it comes to trade marks than consumers. Accordingly, Supreme Petfoods' case is not disadvantaged by considering it from the perspective of pet owners.
55. Pet owners are ordinary members of the public. The evidence confirms what one would expect, namely that owners of small animals such as rabbits and gerbils are frequently owners of cats and/or dogs as well. Pet food is an every day product and consumers would only exercise a moderate degree of attention when purchasing it.

Validity of the Trade Marks

The law

56. *Article 3(1)(b) of the Directive/Article 7(1)(b) of the Regulation*. The principles to be applied under Article 7(1)(b) of the Regulation were summarised by the Court of Justice of the European Union in Case C-265/09 P *OHIM v BORCO-Marken-Import Matthiesen GmbH & Co KG* [2010] ECR I-8265 as follows:

- “29. ... the fact that a sign is, in general, capable of constituting a trade mark does not mean that the sign necessarily has distinctive character for the purposes of Article 7(1)(b) of the regulation in relation to a specific product or service (Joined Cases C-456/01 P and C-457/01 P *Henkel v. OHIM* [2004] ECR I-5089, paragraph 32).
30. Under that provision, marks which are devoid of any distinctive character are not to be registered.
31. According to settled case-law, for a trade mark to possess distinctive character for the purposes of that provision, it must serve to identify the product in respect of which registration is applied for as originating from a particular undertaking, and thus to distinguish that product from those of other undertakings (*Henkel v. OHIM*, paragraph 34; Case C-304/06 *PEurohypo v. OHIM* [2008] ECR I-3297, paragraph 66; and Case C-398/08 P *Audi v. OHIM* [2010] ECR I-0000, paragraph 33).
32. It is settled case-law that that distinctive character must be assessed, first, by reference to the goods or services in respect of which registration has been applied for and, second, by reference to the perception of them by the relevant public (*Storck v. OHIM*, paragraph 25; *Henkel v. OHIM*, paragraph 35; and *Eurohypo v. OHIM*, paragraph 67). Furthermore, the Court has held, as *OHIM* points out in its appeal, that that method of assessment is also applicable to an analysis of the distinctive character of signs consisting solely of a colour per se, three-dimensional marks and slogans (see, to that effect, respectively, Case C-447/02 P *KWS Saat v. OHIM* [2004] ECR I-10107, paragraph 78; *Storck v. OHIM*, paragraph 26; and *Audi v. OHIM*, paragraphs 35 and 36).
33. However, while the criteria for the assessment of distinctive character are the same for different categories of marks, it may be that, for the purposes of applying those criteria, the relevant public’s perception is not necessarily the same in relation to each of those categories and it could therefore prove more difficult to establish distinctiveness in relation to marks of certain categories as compared with marks of other categories (see Joined Cases C-473/01 P and C-474/01 P and C-474/01 P *Procter & Gamble v. OHIM* [2004] ECR I-5173, paragraph 36; Case C-64/02 P *OHIM v. Erpo Möbelwerk* [2004] ECR I-10031, paragraph 34; *Henkel v. OHIM*, paragraphs 36 and 38; and *Audi v. OHIM*, paragraph 37).
34. In that regard, the Court has already stated that difficulties in establishing distinctiveness which may be associated with certain categories of marks because of their very nature – difficulties which it is legitimate to take into account – do not justify laying down specific criteria supplementing or derogating from application of the criterion of distinctiveness as interpreted in the case-law (see *OHIM v. Erpo Möbelwerk*, paragraph 36, and *Audi v. OHIM*, paragraph 38).

...

37. ... it should be pointed out that, even though it is apparent from the case-law cited that the Court has recognised that there are certain categories of signs which are less likely prima facie to have distinctive character initially, the Court, nevertheless, has not exempted the trade mark authorities from having to carry out an examination of their distinctive character based on the facts.

...

45. As is clear from the case-law of the Court, the examination of trade mark applications must not be minimal, but must be stringent and full, in order to prevent trade marks from being improperly registered and, for reasons of legal certainty and good administration, to ensure that trade marks whose use could be successfully challenged before the courts are not registered (see, to that effect, *Libertel*, paragraph 59, and *OHIM v. Erpo Möbelwerk*, paragraph 45).”
57. *Article 3(1)(c) of the Directive/Article 7(1)(c) of the Regulation*. The principles to be applied under Article 7(1)(c) of the CTM Regulation were summarised by the CJEU in Case C-51/10P *Agencja Wydawnicza Technopol sp. z o.o. v OHIM* [2011] ECR I-1541 as follows:
- “33. A sign which, in relation to the goods or services for which its registration as a mark is applied for, has descriptive character for the purposes of Article 7(1)(c) of Regulation No 40/94 is – save where Article 7(3) applies – devoid of any distinctive character as regards those goods or services (as regards Article 3 of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1), see, by analogy, Case C-265/00 *Campina Melkunie* [2004] ECR I-1699, paragraph 19; as regards Article 7 of Regulation No 40/94, see Case C-191/01 P *OHIM v Wrigley* [2003] ECR I-12447, paragraph 30, and the order in Case C-150/02 P *Streamserve v OHIM* [2004] ECR I-1461, paragraph 24).
36. ... due account must be taken of the objective pursued by Article 7(1)(c) of Regulation No 40/94. Each of the grounds for refusal listed in Article 7(1) must be interpreted in the light of the general interest underlying it (see, *inter alia*, Joined Cases C-456/01 P and C-457/01 P *Henkel v OHIM* [2004] ECR I-5089, paragraph 45, and Case C-48/09 P *Lego Juris v OHIM* [2010] ECR I-0000, paragraph 43).
37. The general interest underlying Article 7(1)(c) of Regulation No 40/94 is that of ensuring that descriptive signs relating to one or more characteristics of the goods or services in respect of which registration as a mark is sought may be freely used by all traders offering such

goods or services (see, to that effect, *OHIM v Wrigley*, paragraph 31 and the case-law cited).

38. With a view to ensuring that that objective of free use is fully met, the Court has stated that, in order for OHIM to refuse to register a sign on the basis of Article 7(1)(c) of Regulation No 40/94, it is not necessary that the sign in question actually be in use at the time of the application for registration in a way that is descriptive. It is sufficient that the sign could be used for such purposes (*OHIM v Wrigley*, paragraph 32; *Campina Melkunie*, paragraph 38; and the order of 5 February 2010 in Case C-80/09 P *Mergel and Others v OHIM*, paragraph 37).
39. By the same token, the Court has stated that the application of that ground for refusal does not depend on there being a real, current or serious need to leave a sign or indication free and that it is therefore of no relevance to know the number of competitors who have an interest, or who might have an interest, in using the sign in question (Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee* [1999] ECR I-2779, paragraph 35, and Case C-363/99 *Koninklijke KPN Nederland* [2004] ECR I-1619, paragraph 58). It is, furthermore, irrelevant whether there are other, more usual, signs than that at issue for designating the same characteristics of the goods or services referred to in the application for registration (*Koninklijke KPN Nederland*, paragraph 57).
- ...
46. As was pointed out in paragraph 33 above, the descriptive signs referred to in Article 7(1)(c) of Regulation No 40/94 are also devoid of any distinctive character for the purposes of Article 7(1)(b) of that regulation. Conversely, a sign may be devoid of distinctive character for the purposes of Article 7(1)(b) for reasons other than the fact that it may be descriptive (see, with regard to the identical provision laid down in Article 3 of Directive 89/104, *Koninklijke KPN Nederland*, paragraph 86, and *Campina Melkunie*, paragraph 19).
47. There is therefore a measure of overlap between the scope of Article 7(1)(b) of Regulation No 40/94 and the scope of Article 7(1)(c) of that regulation (see, by analogy, *Koninklijke KPN Nederland*, paragraph 67), Article 7(1)(b) being distinguished from Article 7(1)(c) in that it covers all the circumstances in which a sign is not capable of distinguishing the goods or services of one undertaking from those of other undertakings.
48. In those circumstances, it is important for the correct application of Article 7(1) of Regulation No 40/94 to ensure that the ground for refusal set out in Article 7(1)(c) of that regulation duly continues to be applied only to the situations specifically covered by that ground for refusal.

49. The situations specifically covered by Article 7(1)(c) of Regulation No 40/94 are those in which the sign in respect of which registration as a mark is sought is capable of designating a ‘characteristic’ of the goods or services referred to in the application. By using, in Article 7(1)(c) of Regulation No 40/94, the terms ‘the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service, or other characteristics of the goods or service’, the legislature made it clear, first, that the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service must all be regarded as characteristics of goods or services and, secondly, that that list is not exhaustive, since any other characteristics of goods or services may also be taken into account.
50. The fact that the legislature chose to use the word ‘characteristic’ highlights the fact that the signs referred to in Article 7(1)(c) of Regulation No 40/94 are merely those which serve to designate a property, easily recognisable by the relevant class of persons, of the goods or the services in respect of which registration is sought. As the Court has pointed out, a sign can be refused registration on the basis of Article 7(1)(c) of Regulation No 40/94 only if it is reasonable to believe that it will actually be recognised by the relevant class of persons as a description of one of those characteristics (see, by analogy, as regards the identical provision laid down in Article 3 of Directive 89/104, *Windsurfing Chiemsee*, paragraph 31, and *Koninklijke KPN Nederland*, paragraph 56).”
58. Whether a sign consists of a non-distinctive word accompanied by some visual elements, questions can arise as to whether the visual elements suffice to prevent it from consisting “exclusively” of subject matter within the scope of Article 3(1)(c)/Article 7(1)(c). One approach to this problem is to say that a sign remains objectionable under Article 3(1)(c)/Article 7(1)(c) if it is basically descriptive by reason of the visual (and hence aural and conceptual) dominance of the wording it contains, even if it contains some other visual content. Another approach is to say that such a sign is free from objection under Article 3(1)(c)/Article 7(1)(c), but caught by Article 3(1)(b)/Article 7(1)(b): see the discussion in *Starbucks (HK) Ltd v British Sky Broadcasting Group plc* [2012] EWHC 3074 (Ch), [2013] FSR 29 at [96]-[97] and [116] (affirmed [2013] EWCA Civ 1465, [2014] FSR 20).
59. *Acquired distinctive character*. I have reviewed the law on this subject a number of times, most recently in *Enterprise v Europcar* at [144]-[152].

Assessment

60. *Inherent distinctive character of the UK Word Mark*. In my judgment the UK Word Mark is descriptive when used in relation to animal food. One of the dictionary meanings of the word “supreme” is “of the highest quality” (*Shorter Oxford English Dictionary*, 2nd ed), and that meaning is apposite in this context. In the alternative, even if the word is not descriptive, it is certainly laudatory and thus lacking in

distinctive character for that reason. Counsel for Supreme Petfoods did not argue to the contrary.

61. *Inherent distinctive character of the UK and Community Stylised Word Marks.* In my judgment the specific font of the UK and Community Stylised Word Marks adds nothing to their distinctive character. The question is whether the stylised S makes them distinctive. In my view this is a borderline case, but on balance I consider that it does not. If I am wrong about that, the distinctive character resides solely in the visual presentation of the S.
62. *Inherent distinctive character of the UK and Community Ribbon Marks.* In my judgment the UK and Community Ribbon Marks do have some distinctive character as result of the visual presentation of the mark.
63. *Acquired distinctive character of the UK Word Mark.* It is common ground that the relevant date for assessing whether the UK Word Mark has acquired a distinctive character for the purposes of validity is the date of Henry Bell's Counterclaim, namely 18 July 2013. I shall consider the factors identified by the CJEU in turn. Before doing so, it is worth emphasising the obvious point that the issue is not whether the expression SUPREME PETFOODS has acquired distinctive character, but whether the word SUPREME has.
64. So far as market share is concerned, Supreme Petfoods' annual UK turnover declined from £6.3 million in 2008 to £4.5 million in 2013. The figure for 2014 is not in evidence. 90% of this turnover relates to the small animal market, of which most relates to small animal food.
65. The use is reasonably longstanding (since 1990) and has been made throughout the UK. I do not consider that the use can be described as intensive prior to 2007. Even since 2007, the use has not been particularly intensive: the Ribbon Mark is not particularly prominent on the packaging, with one exception the consumer is not told that SUPREME (as opposed to the Ribbon Mark) is registered and use of SUPREME as a trade mark has been accompanied by descriptive use of it (see paragraph 21(iii) above)
66. Supreme Petfoods' UK marketing expenditure declined from about £475,000 in 2007-8 to about £194,000 in 2013-14. Its marketing takes the following forms:
 - i) advertising in the trade press;
 - ii) advertising in the consumer press;
 - iii) advertising in the veterinary press;
 - iv) press editorial coverage;
 - v) exhibiting at trade shows;
 - vi) leaflets and guides on various aspects of small animal care;
 - vii) collateral material such as posters, soft toys and other point of sale material;

- viii) videos;
 - ix) social media;
 - x) websites;
 - xi) competitions and other promotions;
 - xii) sponsorship;
 - xiii) sampling.
67. This effort covers all of Supreme Petfoods' marketing, however, and thus is not confined to advertising and promotion of SUPREME. In my judgment the advertising and promotion of SUPREME through these channels has been fairly modest. The emphasis is on the product brands such as Russel Rabbit and so on.
68. In addition to the channels listed above, Supreme Petfoods engages in telephone marketing to its trade customers. Ms Kibble and Ms Newby are employed to do this. Ms Kibble gave evidence that she introduced herself interchangeably as "Debbie from Supreme Petfoods" and "Debbie from Supreme". On the other hand, it is clear from Ms Kibble's and Ms Newby's evidence that retailers frequently do not know who "Supreme" is, or sometimes even "Supreme Petfoods", until reference is made to Russel Rabbit and the like.
69. In addition to Supreme Petfoods' own advertising and promotion of SUPREME, counsel for Supreme Petfoods relied upon the fact that there is evidence that wholesalers list Supreme Petfoods' products in their catalogues and price lists, and in some cases refer to the supplier of those products simply as SUPREME. While this is so, such use is directed to people in the trade, not consumers. Furthermore, the context makes it clear to the reader what the word SUPREME denotes.
70. Counsel for Supreme Petfoods relied strongly on the trade evidence as establishing that SUPREME had acquired a distinctive character. This comprises evidence from wholesalers (Messrs Bamford and Bone), pet shop owners (Mr Brewer, Mr Burgess, Mr Hollins, Ms Rees, Mr Smart, Ms Till, Ms Turner and Ms Walsh), people in the veterinary field (Mr Chapman and Dr Grell) and an owners' club (Ms Todd). In my judgment this evidence clearly establishes that, in an appropriate context, many people in the trade would understand the word SUPREME to denote Supreme Petfoods and its products. What it does not clearly establish is that such people would understand the word SUPREME when used in relation to animal food to denote Supreme Petfoods or its products without the assistance of contextual circumstances or material which supported that understanding (such as the subject matter of the conversation being a supplier who is offering a discount or reference being made to Russel Rabbit or Gerty Guinea Pig etc).
71. Still less does the trade evidence establish that pet owners would understand the word in that way absent such circumstances or material. Indeed, the general flavour of the trade evidence was that, with the exception of Russel Rabbit or Gerty Guinea Pig, brand awareness among pet owners was generally not high. Rather, many pet owners rely upon the appearance of the packaging and/or the nature of the product.

72. Ms Hamblion referred in her evidence to 11 surveys carried out by or on behalf of Supreme Petfoods, but as she accepted in cross-examination a number of these are not relevant for present purposes. In my view the two most relevant surveys are as follows:
- i) A Small Pet Survey carried out by The Pet Food Consultant and analysed in a report dated 23 November 2012. This was an online survey using SurveyMonkey. 500 of respondents completed the survey, 221 of whom were vets, 174 pet owners and 27 were retailers. The survey found that SUPREME had “top of mind” awareness of 29% (versus 53% for Burgess) in relation to food for small pets and total aided awareness of 78% (versus 83% for Burgess). There was little difference between the scores for vets on the one hand and owners and others on the other hand. Despite these figures, it was noted that there was “Poor recollection/awareness of Manufacturer names, and much confusion between Brand and Manufacturers especially for Supreme”.
 - ii) A Shopper Behaviour Research survey carried out by POPAI in 2014. This survey was carried out Pets at Home and Seapets, and 127 shoppers were interviewed. When asked the question “What is your preferred brand for small pet foods?”, 14% replied Supreme (versus 22% for Burgess and 20% for Pet at Home own brand). When asked “Did you buy Supreme products today?”, 47% did not know who Supreme was. When asked “Would you recommend Supreme products to others?”, 66% were unable to answer because they had never used/heard of Supreme. The conclusion drawn was that “Supreme has low brand awareness”. Ms Hamblion’s explanation for this was that most of the respondents were shoppers in Pets at Home, and Pets at Home stocked very few of Supreme Petfoods’ products.
73. For her part, counsel for Henry Bell relied upon the extensive third party use of SUPREME in relation to animal food. It is fair to say that a lot of this relates to bird food, cat food and dog food, none of which Supreme Petfoods sells. Such goods are covered by the registrations of the Trade Marks, however. Furthermore, there is a clear overlap between the average consumers of bird, cat, and dog food on the one hand and small animal food on the other hand. It is also fair to say that some of the evidence of use in relation to rabbit food is historic.
74. Taking all of the evidence into account, I consider that this is again a borderline case. It is clear from the evidence that, even now, Supreme Petfoods’ product brands, and in particular Russel Rabbit and Gerty Guinea Pig, are much better known, particularly to pet owners, than its house mark SUPREME. Nevertheless, on balance I consider that the UK Word Mark had acquired a slender degree of distinctive character in relation to small animal food, but not otherwise, by July 2013. Counsel for Henry Bell pointed out in her closing submissions that Supreme Petfoods had never advanced any fallback position with regard to the validity of the UK Trade Mark, and in particular had not formulated a narrower specification of goods than that for which it is registered. She submitted that Henry Bell would be prejudiced if the UK Trade Mark were found to be valid for a narrower specification. I do not accept this, since it has always been clear that Supreme Petfoods’ use of the Mark has been primarily in relation to small animal food. Accordingly, I will declare the UK Word Mark to have been invalidly registered except in relation to small animal food.

75. It is convenient to note at this point that I would not reach any different conclusion in relation to the distinctive character of the UK Word Mark as at March 2012. I am not satisfied, however, that the UK Word Mark had acquired a distinctive character at any date significantly earlier than that, and certainly not prior to 2007.
76. *Acquired distinctive character of the UK and Community Stylised Word Marks.* In my view this stands or falls with the UK Word Mark. Accordingly, I will declare these Trade Marks to have been invalidly registered except in relation to small animal food.

Contextual assessment of infringement claims

77. In determining whether there is a likelihood of confusion under Article 5(1)(b) of the Directive and Article 9(1)(b) of the Regulation, the court must take into account the precise context in which the sign has been used: see Case C-533/06 *O2 Holdings Ltd v Hutchison 3G UK Ltd* [2008] ECR I-4231 at [64], *Specsavers International Healthcare Ltd v Asda Stores Ltd* [2012] EWCA Civ 24, [2012] FSR 19 (“*Specsavers (CA I)*”) at [87] and Case C-252/12 *Specsavers International Healthcare Ltd v Asda Stores Ltd* [EU:C:2013:497] (“*Specsavers (CJEU)*”) at [45]. In my judgment the same principle must apply when determining whether the use falls within Article 5(1)(a) of the Directive/Article 5(1)(a) of the Regulation or within Article 5(2) of the Directive/Article 9(1)(c) of the Regulation.

Date of assessment of infringement claims

The law

78. The CJEU has held that the question whether the use of a sign infringes a trade mark pursuant to Article 5(1) of the Directive falls to be assessed as at the date that the use of the sign was commenced: see Case C-145/05 *Levi Strauss & Co v Casucci SpA* [2006] ECR I-3703. As discussed in *Stichting BDO v BDO Unibank, Inc* [2013] EWHC 418 (Ch), [2013] FSR 35 at [95]-[96], the question of what the relevant date is can give rise to some difficulty in cases where the defendant has been using the sign for some time and/or where circumstances change during the course of the defendant’s use.

The relevant date in the present case

79. Supreme Petfoods contends that the relevant date for the assessment of its Article 5(1)(a) claim is the date the claim form was issued, namely February 2013, while the relevant date for the assessment of its Article 5(1)(b)/9(1)(b) and Article 5(2)/Article 9(1)(c) claims is either March 2012, when Henry Bell redesigned its packaging and extended its use of the sign SUPREME, or February 2007, six years before the issue of the claim form. Henry Bell contends that the relevant date is about 1994, when SEJL started using the sign SUPREME in relation to rabbit food, alternatively the date with effect from which the UK Trade Mark was registered.
80. In my judgment the relevant date cannot differ depending on whether the claim is made under Article 5(1)(a)/Article 9(1)(a) on the one hand or Article 5(1)(b)/9(1)(b) and Article 5(2)/Article 9(1)(c) on the other hand. Nor can the date be earlier than the date from which the trade mark registration has effect (October 2003 in the case of the UK Word Mark).

81. In the present case I am clear that the relevant date cannot be later than March 2012. I am rather less sure about whether it is earlier. Counsel for Henry Bell argued that there had been no material change of circumstances in March 2012: although Henry Bell has expanded its SUPREME range, it had only expanded it to additional kinds of small animal food, that is to say, additional identical goods; the manner of Henry Bell's use of the word SUPREME had not materially changed; and Henry Bell had sold its products in both large and small packs before that date. I accept these points. On the other hand, the fact remains that Henry Bell did revamp and relaunch an expanded SUPREME range in redesigned packaging, and that is the use of which Supreme Petfoods complains. Accordingly, I conclude with some hesitation that the correct date is March 2012.
82. The consequence of this conclusion is that Supreme Petfoods' claims fall to be assessed as at a date when I have found that the UK Word Mark had acquired a slender degree of distinctive character.

Infringement under Article 5(1)(a) of the Directive

The law

83. *The six conditions.* The case law of the CJEU establishes that the proprietor of a trade mark can only succeed in a claim under Article 5(1)(a) of the Directive or Article 9(1)(a) of the Regulation if six conditions are satisfied: (i) there must be use of a sign by a third party within the relevant territory; (ii) the use must be in the course of trade; (iii) it must be without the consent of the proprietor of the trade mark; (iv) it must be of a sign which is identical to the trade mark; (v) it must be in relation to goods or services which are identical to those for which the trade mark is registered; and (vi) it must affect, or be liable to affect, one of the functions of the trade mark: see in particular Case C-206/01 *Arsenal Football plc v Reed* [2002] ECR I-10273 at [51], Case C-245/02 *Anheuser-Busch Inc v Budejovicky Budvar np* [2004] I-10989 at [59], Case C-48/05 *Adam Opel AG v Autec AG* [2007] ECR I-1017 at [18]-[22], Case C-17/06 *Céline SARL v Céline SA* [2007] ECR I-7041 at [16], Case C-62/08 *UDV North America Inc v Brandtraders NV* [2009] ECR I-1279 at [42] and Case C-487/07 *L'Oréal SA v Bellure NV* [2009] ECR I-5185 at [58]-[64].
84. In the present case there is no dispute that conditions (i)-(iv) are satisfied, and it is therefore unnecessary for me to say more about them.
85. *Condition (v).* The CJEU has held that use of a sign "in relation to" goods or services means use "for the purpose of distinguishing" the goods or services in question, that is to say, as a trade mark as such: see Case C-63/97 *Bayerische Motorenwerke AG v Deenik* [1999] ECR I-905 at [38], *Anheuser-Busch* at [64] and *Céline* at [20]; and cf. Article 5(5) and Case C-23/01 *Robelco NV v Robeco Groep NV* [2002] ECR I-10913 at [28]-[34]. It should be noted, however, that the Court of Justice's case law is unfortunately not consistent on this point. In particular, the Court has repeatedly confused the fifth condition with the first condition. In some cases the Court has appeared to say that the first condition is not satisfied when it means that the fifth condition is not satisfied; while in other cases the Court has proceeded on the basis that, if the first condition is satisfied, it automatically follows that the fifth condition is satisfied.

86. *Condition (vi)*. Condition (vi) is not one which appears on the face of Article 5(1)(a) or Article 9(1)(a). Instead, it is a condition which has been read into those provisions by the CJEU as a matter of interpretation. As I have discussed in a number of previous judgments, this condition gives rise to considerable difficulty in understanding and applying the law. This is for five main reasons. The first is that it is far from clear from the jurisprudence of the CJEU what condition (vi) adds to condition (v). The second reason is that it is far from clear from the jurisprudence of the CJEU what the functions of a trade mark are for this purpose, and in what circumstances they are liable to be affected. The third reason is that it is far from clear from the jurisprudence of the CJEU what the relationship is between Article 5(1)(a)/Article 9(1)(a) and Article 5(2)/Article 9(1)(c) given that the CJEU has also held that Article 5(2)/Article 9(1)(c) extend to double identity cases: see Case C-292/00 *Davidoff & Cie SA v Gofkid Ltd* [2003] ECR I-389 and Case C-408/01 *Adidas-Salomon AG v Fitnessworld Trading Ltd* [2003] ECR I-12537. The fourth reason is that the CJEU's jurisprudence concerning condition (vi) is difficult to reconcile with its jurisprudence concerning the exhaustion of trade mark rights. The fifth reason is that the CJEU's recent jurisprudence with regard to condition (vi) in the context of keyword advertising appears to have blurred the distinction between Article 5(1)(a)/Article 9(1)(a) and Article 5(1)(b)/Article 9(1)(b). I will touch on each of these points below.
87. In the light of the arguments in this case, I must now revisit this topic once again, and attempt to answer two interrelated questions. First, which party bears the onus of proof: does the claimant have to show that the use of the sign complained of affects, or is liable to affect, one of the functions of the trade mark in order to establish infringement or does the defendant have to show that the use of the sign complained of does not affect, and is not liable to affect, any of the functions of the trade mark in order to escape infringement? Secondly, can the claimant rely upon a rebuttable presumption of a likelihood of confusion in accordance with Article 16(1) of TRIPS?
88. So far as the first question is concerned, in principle there are three possible answers to this question: (1) the claimant bears the onus of proof, (2) the defendant bears the onus of proof and (3) this is a matter for the national law of each Member State (cf. the last sentence of recital (11) concerning Article 5(1)(b) of the Directive and Article 97(3) of the Regulation). In my view there are a number of problems with the third possible answer. First, it would lead to disparities in the protection afforded to trade marks between different Member States: see e.g. Case C-405/03 *Class International BV v Colgate-Palmolive Co* [2005] ECR I-8735 at [73]. Secondly, as discussed below, it is clear that the CJEU has adopted an autonomous and uniform interpretation of the incidence of the burden of proof with respect to a number of the other conditions, and in particular conditions (i) and (iii). It would therefore be very odd if the burden of proof with regard to condition (vi) were governed by national law. Thirdly, all Member States are equally bound by TRIPS. Accordingly, I consider that the choice is between the first two answers.
89. *The CJEU's case law from Hölderhoff to Bellure*. In attempting to determine whether the claimant or the defendant bears the onus of proof, it is necessary to go back to the beginning. The seeds for condition (vi) were sown in Case 2/00 *Hölderhoff v Freiesleben* [2002] ECR I-4210. In that case Dr Freiesleben was the proprietor of two German trade marks for the expressions SPIRIT SUN and CONTEXT CUT registered

for “diamonds for further processing as jewellery” and “precious stones for further processing as jewellery” respectively. He also owned two patents for specific forms of gemstone cut and confined his use of the trade marks to gemstones with those cuts. Mr Hölterhoff was a gemstone cutter and dealer who sold two garnets (hence goods both identical and similar to those for which the trade marks were registered) to a Ms Haverkamp. The Oberlandesgericht (Higher Regional Court) Düsseldorf found that Mr Hölterhoff had orally used the expressions SPIRIT SUN and CONTEXT CUT to indicate not the origin of the gemstones, but rather the way in which they had been cut, and that Ms Haverkamp had understood that the stones came from Mr Hölterhoff. It asked the Court of Justice whether there was infringement under Article 5(1) of the Directive where the defendant used the sign “solely for descriptive purposes”, so that there could be no question of it being used to denote the origin of the goods.

90. In his Opinion Advocate General Jacobs expressed the view (at [33]-[46]) that Article 5(1) and (2) were confined to use of the sign for the purposes of distinguishing goods or services, and accordingly Article 5(1) did not entitle a trade mark proprietor to prevent third parties from referring orally to his trade mark when offering their goods for sale if they made it clear that he did not produce those goods and if there could be no question of the mark being perceived in trade, whether at that stage or subsequently, as indicating the origin of the goods offered for sale. Although he did not refer to Article 16(1) of the TRIPS, he did say (emphasis added):

“41. Nor is it significant in my view that Article 5(1)(a) ... contains no reference to the likelihood of confusion. On the contrary, its absence is consistent with the view that the paragraph concerns only use for the purpose of indicating origin. Where a sign used to indicate the origin of goods is identical to a registered trade mark and the goods are identical to those in respect of which the mark is registered, confusion as to origin is by definition not only likely but practically inevitable. Where there is only similarity, however, there may not always be a danger of confusion - all the circumstances must be taken into account - and it was thus necessary to include the proviso in Article 5(1)(b).

42. On the other hand, where use of a sign does not indicate origin, there can by definition be no confusion as to the origin of two sets of goods, regardless of whether they are identical or merely similar, and also of whether the sign is identical or merely similar to the protected mark. It would in my view introduce unnecessary inconsistency into the scheme of the provision if a right to prevent use other than for the purpose of indicating origin were to depend on likelihood of confusion in some cases and not in others.”

91. The Advocate General did not address the question of which party would bear the burden of proving in a double identity case that the use of the sign did not indicate origin, and hence did not give rise to a likelihood of confusion, but this reasoning would seem to suggest that it would be for the defendant to prove this. It is also worth noting that the Advocate General went on (at [47]-[54]) to express the view that, if the use of the sign fell within Article 5(1), Mr Hölterhoff was entitled to rely upon Article

6(1)(b). It seems clear that, in this regard, he regarded the burden of proof as having lain upon Mr Hölterhoff.

92. In its judgment the Court of Justice essentially adopted the Advocate General's interpretation of Article 5(1). It ruled that:

“Article 5(1) ... is to be interpreted as meaning that the proprietor of a trade mark cannot rely on his exclusive right where a third party, in the course of commercial negotiations, reveals the origin of goods which he has produced himself and uses the sign in question solely to denote the particular characteristics of the goods he is offering for sale so that there can be no question of the trade mark used being perceived as a sign indicative of the undertaking of origin”.

Again, this seems to suggest that it would be for the defendant to prove that he has used the sign solely to denote the characteristics of the goods and hence that the sign would not be perceived as indicating the origin of the goods.

93. Although it was foreshadowed in *Hölterhoff v Freiesleben*, the case which established the existence of condition (vi) was *Arsenal v Reed*. In that case Arsenal owned various trade marks for clothing. Mr Reed sold merchandise bearing those trade marks from a stall bearing a notice that the merchandise was unofficial. Laddie J referred the following questions to the Court of Justice:

- “1. Where a trade mark is validly registered and
 - (a) a third party uses in the course of trade a sign identical with that trade mark in relation to goods which are identical with those for whom the trademark is registered; and
 - (b) the third party has no defence to infringement by virtue of Article 6(1) ...;does the third party have a defence to infringement on the ground that the use complained of does not indicate trade origin (i.e. a connection in the course of trade between the goods and the trade mark proprietor)?
2. If so, is the fact that the use in question would be perceived as a badge of support, loyalty or affiliation to the trade mark proprietor a sufficient connection?”

94. It can be seen that these questions proceeded on the basis that the use of the signs complained of was *prima facie* within Article 5(1)(a) of the Directive and asked whether the third party had a defence. If that was the correct way of viewing the matter, that would imply that the burden of proving that defence would lie upon the third party.

95. In a renowned *tour de force* of an Opinion, Advocate General Ruiz-Jarabo Colomer divided his analysis of the first question into four parts. In the first part (at [31]-[40]), he opined that a systematic interpretation of Articles 5, 6 and 7 of the Directive led to the conclusion that Article 5(1) entitled the trade mark proprietor to object to the use by a third party of the sign as a trade mark.
96. In the second part of his analysis (at [41]-[51]), he considered what was meant by the concepts “use of the trade mark to distinguish” and “use as a trade mark”. In the course of this discussion, he observed (at [46]) that it was “simplistic reductionism to limit the function of the trade mark to an indication of trade origin” and (at [47]) that he saw “no reason whatever not to protect ... other functions of the trade mark”. Accordingly, he proposed (at [49]) that Article 5(1)(a) should be interpreted as entitling the trade mark proprietor to “prevent third parties from using, in relation to the same goods or services, signs identical with those of which the trade mark consists, which are capable of giving a misleading indication as to their origin, provenance, quality or reputation³⁸”. In footnote 38 he drew attention to the Court of Justice’s case law concerning the exhaustion of trade mark rights (as to which, see below).
97. Importantly, he went on (emphasis added):
- “50. To put it in the negative and more restrictive terms in which the High Court has framed its question, anyone who uses another's trade mark may claim in defence to the proprietor's objection that his use of it does not indicate the origin of the goods or of the services or give rise to confusion over their quality and reputation.
51. As against the maximalist arguments advanced by Arsenal and the Commission, for which, in a case such as that in point in the main proceedings, and in the absence of the conditions laid down in Article 6(1) ..., the proprietor of a trade mark is entitled to prevent anyone from using it, I share the more qualified view of the Surveillance Authority of the European Free Trade Association. My position is thus based on the considerations I have set out in the preceding paragraphs and, furthermore, on the reasoning which the European Free Trade Association Surveillance Authority sets out at paragraph 19 of its observations; namely that when the Directive says that protection is absolute in the case of identity³⁹ it must be understood as meaning that, in light of the aim and the purpose of trade mark law, ‘absolute’ means that protection is afforded to the proprietor, irrespective of whether there is a likelihood of confusion, because in such situations there is a presumption that there is such a likelihood,⁴⁰ and not, on the contrary, that protection is accorded to the proprietor *erga omnes* and in all circumstances.”
98. Footnote 39 cites what is now recital (11) of the Directive. Footnote 40 reads as follows (emphasis added):

“Advocate General Jacobs, in the Opinion which he delivered in *LTJ Diffusion*, cited above, argues that, in cases of identity, a likelihood of confusion is to be presumed (see paragraphs 35 *et seq.*). According to Article 16(1) of the Agreement on Trade-Related Aspects of Intellectual Property Rights, annexed to the Agreement establishing the World Trade Organisation, made in Marrakesh on 15 April 1994 (OJ 1994 L 336, p. 1), where a third party uses a sign identical to that registered as a trade mark by the proprietor, for identical goods or services, a likelihood of confusion is to be presumed.”

99. In the third part of his analysis (at [52]), the Advocate General considered this presumption further (emphasis added):

“I have just observed that, in cases of identity, likelihood of confusion may be presumed. The same reason as that which justifies that presumption allows the conclusion that, where there is such identity, the use a third party makes of a trade mark is use of it as such. That presumption, which is *iuris tantum*, may be rebutted by proof to the contrary. Accordingly, there is a possibility, however remote it may be, that in a specific case use of a sign identical with another registered as a trade mark may not be prevented by the proprietor on the basis of Article 5(1)(a) of the Directive.”

100. In the fourth part of his analysis (at [53]-[54]), the Advocate General said that the determination of when a third party used a sign as a trade mark was a question of fact to be determined by the national court in the circumstances of the case.
101. The Advocate General went on to consider the second question (at [55]-[87]), concluding that it was irrelevant that the sign would be perceived as a badge of support, loyalty or affiliation and that the decisive factor was that consumers acquired the goods because they incorporated the sign.
102. It is clear from the Advocate General’s reasoning that he considered that, in double identity case, there was a presumption that the use of the sign was use as a trade mark, and hence gave rise to a likelihood of confusion, but that this presumption could be rebutted by the defendant. It would follow that the burden of proving that the use was not trade mark use and did not give rise to a likelihood of confusion lay on the defendant.
103. In its judgment the Court of Justice considered both questions together. The Court expressed the issue which they raised (at [42]) as follows:

“To answer the High Court's questions, it must be determined whether Article 5(1)(a) ... entitles the trade mark proprietor to prohibit any use by a third party in the course of trade of a sign identical to the trade mark for goods identical to those for which the mark is registered, or whether that right of prohibition presupposes the existence of a specific interest of the proprietor as trade mark proprietor, in that use of the sign in

question by a third party must affect or be liable to affect one of the functions of the mark.”

104. Having stated (at [48]) that “the essential function of a trade mark is to guarantee the identity of origin of the marked goods or services to the consumer or end user by enabling him, without any possibility of confusion, to distinguish the goods or services from others which have another origin”, and (at [50]) that “[f]or that guarantee of origin ... to be ensured, the proprietor must be protected against competitors wishing to take unfair advantage of the status and reputation of the trade mark by selling products illegally bearing it”, the Court made the following statement of principle:

“51. It follows that the exclusive right under Article 5(1)(a) ... was conferred in order to enable the trade mark proprietor to protect his specific interests as proprietor, that is, to ensure that the trade mark can fulfil its functions. The exercise of that right must therefore be reserved to cases in which a third party's use of the sign affects or is liable to affect the functions of the trade mark, in particular its essential function of guaranteeing to consumers the origin of the goods.

...

54. The proprietor may not prohibit the use of a sign identical to the trade mark for goods identical to those for which the mark is registered if that use cannot affect his own interests as proprietor of the mark, having regard to its functions. Thus certain uses for purely descriptive purposes are excluded from the scope of Article 5(1) ... because they do not affect any of the interests which that provision aims to protect, and do not therefore fall within the concept of use within the meaning of that provision (see, with respect to a use for purely descriptive purposes relating to the characteristics of the product offered, Case C-2/00 *Hölterhoff* [2002] ECR I-4187, paragraph 16).”

105. The Court went on to distinguish the instant case from *Hölterhoff v Freiesleben*: the use of the sign was “obviously not intended for purely descriptive purposes” ([55]); it was “such as to create the impression that there is a material link in the course of trade between the goods concerned and the trade mark proprietor” ([56]); consumers who encountered the goods after they had been sold would not see the notice on the stall ([57]); accordingly, the use of the sign was liable to jeopardise the guarantee of origin ([60]); and it was immaterial that the sign was perceived as a badge of support, loyalty or affiliation ([61]).

106. Although it reached similar conclusions, the Court’s reasoning does not precisely replicate that of the Advocate General. In particular, although the Court’s reasoning at [55]-[60] amounts to saying that condition (vi) is satisfied where there is a likelihood of confusion, there is no reference to any presumption, still less to Article 16(1) of TRIPS. As a result, it is much less clear from the judgment where the burden of proof lies.

107. *Anheuser-Busch v Budvar* was one of the many battles in the long-running Budweiser war. The facts are slightly complicated, but in essence Anheuser-Busch alleged that Budvar had infringed its Finnish trade marks. Budvar relied in its defence upon its registration of its trade name in Czechoslovakia, which was protected in Finland pursuant to Article 8 of the Paris Convention. The Korkein Oikeus (Finnish Supreme Court) referred a number of questions to the Court of Justice concerning the applicability and interpretation of Article 16(1) of TRIPS, of which the second is most pertinent for present purposes.
108. In his Opinion Advocate General Tizzano expressed the view (at [71]) that, where Article 5(1)(a) of the Directive applied, “the legislature presumes a likelihood of confusion”. He went on (at [81]-[82]) to point out that this was entirely compatible with Article 16(1) of TRIPS. He therefore proposed (at [84]) that the Court should answer the second question as follows (emphasis added):
- “... a trade name may be considered to incorporate the essential features of a ‘sign’ that conflicts with a registered trade mark, use of which may be prevented by the owner of that trade mark, pursuant to Article 16(1) of the TRIPs Agreement and Article 5(1) of Directive 89/104, if that trade name is being used to perform the function of a trade mark, that is to say, to establish a link between the goods and the undertaking which manufactures (or distributes) them, and if it may cause confusion in the mind of consumers, preventing them from easily understanding whether specific products come from the owner of the trade name or the owner of the registered trade mark. There is presumed to be a likelihood of confusion in circumstances in which signs and goods are identical; if they are not identical, the national court must make a global assessment of the specific situation to ascertain whether that likelihood of confusion exists.”
109. In its judgment the Court of Justice reiterated (at [42]) that, since the Community was a party to TRIPS, it was obliged to interpret its trade mark legislation, as far as possible, in the light of the wording and purpose of TRIPS, and (at [55]-[57]) that (as noted above) national trade mark legislation was likewise to be interpreted, as far as possible, in the light of the wording and purpose of TRIPS, as well as the Directive.
110. The Court began its answer to the second question by recapitulating its jurisprudence with regard to the interpretation of Article 5(1) as follows:
- “59. ... it follows from the Court’s case-law on the definition of use by a third party, for which provision is made in Article 5(1) ..., that the exclusive right conferred by a trade mark was intended to enable the trade mark proprietor to protect his specific interests as proprietor, that is, to ensure that the trade mark can fulfil its functions and that, therefore, the exercise of that right must be reserved to cases in which a third party’s use of the sign affects or is liable to affect the functions of the trade mark, in particular its essential function of guaranteeing to consumers

the origin of the goods (see Case C-206/01 *Arsenal Football Club* [2002] ECR I-10273, paragraphs 51 and 54).

60. That is the case, in particular, where the use of that sign allegedly made by the third party is such as to create the impression that there is a material link in trade between the third party's goods and the undertaking from which those goods originate. It must be established whether the consumers targeted, including those who are confronted with the goods after they have left the third party's point of sale, are likely to interpret the sign, as it is used by the third party, as designating or tending to designate the undertaking from which the third party's goods originate (see, to that effect, *Arsenal Football Club*, cited above, paragraphs 56 and 57).
 61. The national court must establish whether that is the case in the light of the specific circumstances of the use of the sign allegedly made by the third party
 62. The national court must also confirm whether the use made in the present case is one 'in the course of trade' and 'in relation to goods' within the meaning of Article 5(1) ... (see, inter alia, *Arsenal Football Club*, paragraphs 40 and 41).
 63. Where those conditions are satisfied, it follows from the case-law of the Court that, in the event of identity of the sign and the trade mark and of the goods or services, the protection conferred by Article 5(1)(a) ... is absolute, whereas, in the situation provided for in Article 5(1)(b), the proprietor, in order to enjoy protection, must also prove that there is a likelihood of confusion on the part of the public because the signs and trade marks and the designated goods or services are identical or similar (see, to that effect, Case C-292/00 *Davidoff* [2003] ECR I-389, paragraph 28, and Case C-291/00 *LTJ Diffusion* [2003] ECR I-2799, paragraphs 48 and 49).
 64. However, where the examinations to be carried out by the national court, referred to in paragraph 60 of this judgment, show that the sign in question in the main case is used for purposes other than to distinguish the goods concerned – for example, as a trade or company name – reference must, pursuant to Article 5(5) ..., be made to the legal order of the Member State concerned to determine the extent and nature, if any, of the protection afforded to the trade-mark proprietor who claims to be suffering damage as a result of use of that sign as a trade name or company name (see Case C-23/01 *Robelco* [2002] ECR I-10913, paragraphs 31 and 34)."
111. The Court then turned to consider Articles 15 and 16 of TRIPS, and held (at [70]) that interpretation of the relevant provisions of national trade mark law so as far as possible in the light of the wording and purpose of the relevant provisions of the

Directive “is not prejudiced by” an interpretation in keeping with the wording and purpose of the relevant provisions of TRIPS. Accordingly, it held (at [71]) that the relevant provisions of national trade mark law must be interpreted “to the effect that the exercise of the exclusive right conferred on the proprietor of the trade mark to prevent the use of the sign of which that mark consists or of a sign similar to that mark must be reserved to cases in which a third party’s use of the sign prejudices or is liable to prejudice the functions of the trade mark, in particular its essential function of guaranteeing to consumers the origin of the goods”. The Court made no reference to the presumption of a likelihood of confusion required by Article 16(1).

112. Again, therefore, it is not clear from the Court’s judgment where the burden of proof lies. Read in isolation, the passage at [59]-[64] tends to suggest that the onus lies on the trade mark proprietor to establish that the use of the sign affects, or is liable to affect, one of the functions of the trade mark. On the other hand, the Court clearly recognises that there is no requirement for a likelihood of confusion under Article 5(1)(a). Furthermore, such a reading is difficult to reconcile with the Court’s holdings that Article 5(1)(a) must so far as possible be, and can be, interpreted compatibly with Article 16(1) of TRIPS.
113. In *Adam Opel v Autec* Opel had registered its “blitz” logo for both vehicles and toys. Autec sold 1:24 scale model cars as toys, including a replica of an Opel car which reproduced the logo on its radiator grille. The Landgericht (Regional Court) Nürnberg-Fürth referred questions concerning the interpretation of Articles 5(1)(a) and 6(1)(b) of the Directive to the CJEU.
114. In the section of his Opinion which addressed the question concerning the interpretation of Article 5(1)(a) (at [18]-[46]), Advocate General Ruiz-Jarabo Colomer distinguished between use of the sign as a trade mark and uses unrelated to the functions proper to trade marks. So far as the former was concerned, he observed (footnotes omitted and emphasis added):
 - “24. The *Arsenal Football Club* case is of paramount importance in this context. In my Opinion in that case, I pointed out that, when the Directive says that protection is absolute in the case of identity, it must be understood as meaning that, in light of the aim and the purpose of trade mark law, ‘absolute’ means that protection is afforded to the proprietor, irrespective of whether there is a likelihood of confusion, because in such situations there is a presumption that there is such a likelihood, and not, on the contrary, that protection is accorded to the proprietor erga omnes and in all circumstances. Article 5(1)(a) therefore creates a presumption iuris tantum, where there is identity between the products.
 25. Similarly, the judgments of the Court of Justice, taking a teleological approach to the provisions at issue, have held that the exclusive right under Article 5(1)(a) ... was conferred in order to enable the trade mark proprietor to protect his specific interests as proprietor, that is, to ensure that the trade mark can fulfil its functions, in particular the function of guaranteeing to consumers the origin of the goods.

...

28. ... the judgment in [*Arsenal*] indicated the limits of the exercise of the powers conferred by Article 5(1) ... on the proprietor of a sign, denying him the right to prohibit the use of an identical sign if that use cannot affect his own interests as proprietor of the mark in the terms set out. Thus certain uses for purely descriptive purposes are excluded from the scope of the provision.
 29. The judgment in *Anheuser-Busch* indicated the means of establishing possible damage, indicating that this is the case when the use of that sign allegedly made by the third party is such as to create the impression that there is a material link in trade between the third party's goods and the proprietor of the trade mark. It must be established whether the consumers targeted interpret the sign, as it is used by the third party, as designating the undertaking which is the proprietor of the trade mark. ..."
115. It appears from this that the Advocate General was unsure as to whether the Court of Justice had agreed with him that there was a presumption of likelihood of confusion. On the one hand, he describes the Court's approach as similar to his own, but on the other hand, his reference to "the means of establishing possible damage" suggests that burden of proving possible damage lies on the trade mark proprietor. He went on (at [35]-[46]) to opine that use of the sign in question was not use of a trade mark within Article 5(1)(a).
116. In its judgment the Court of Justice repeated (at [21]) what it had said in *Anheuser-Busch* at [59] and continued:
- "22. Therefore, the affixing by a third party of a sign identical to a trade mark registered for toys to scale models of vehicles cannot be prohibited under Article 5(1)(a) ... unless it affects or is liable to affect the functions of that trade mark.
 23. In the case in the main proceedings, which is characterised by the fact that the trade mark in question is registered both for motor vehicles and for toys, the referring court has explained that, in Germany, the average consumer of the products of the toy industry, normally informed and reasonably attentive and circumspect, is used to scale models being based on real examples and even accords great importance to absolute fidelity to the original, so that that consumer will understand that the Opel logo appearing on Autec's products indicates that this is a reduced-scale reproduction of an Opel car.
 24. If, by those explanations, the referring court intended to emphasise that the relevant public does not perceive the sign identical to the Opel logo appearing on the scale models marketed by Autec as an indication that those products come from Adam Opel or an undertaking economically linked to it, it would have to conclude that

the use at issue in the main proceedings does not affect the essential function of the Opel logo as a trade mark registered for toys.

25. It is for the referring court to determine, by reference to the average consumer of toys in Germany, whether the use at issue in the main proceedings affects the functions of the Opel logo as a trade mark registered for toys. Moreover, Adam Opel does not appear to have claimed that that use affects functions of that trade mark other than its essential one.”
117. Again, it is not clear from this who bears the burden of proof, but the way the Court expresses itself at [22] and [25] suggests that the burden lies on the trade mark proprietor to prove that the use of the sign affects, or is liable to affect, one of the functions of the trade mark. There is no reference to Article 16(1) of TRIPS, however.
118. In *Céline v Céline* the claimant was a clothing supplier founded in Paris in 1928 while the defendant was a clothing shop in Nancy which had been trading since 1950. The claimant claimed that the defendant’s use of its company name and shop sign infringed its trade mark. The Cour d’Appel de Nancy referred a question concerning the interpretation of Article 5(1) to the Court of Justice. The Opinion of Advocate General Sharpston does not shed any light on the present question.
119. The Court of Justice began its consideration of the question by stating (at [16]):
- “As is clear from the Court’s case-law (*Arsenal Football Club*; Case C-245/02 *Anheuser-Busch* [2004] ECR I-10989; and *Adam Opel*), the proprietor of a registered mark may prevent the use of a sign by a third party which is identical to his mark under Article 5(1)(a) ... only if the following four conditions are satisfied:
- that use must be in the course of trade;
 - it must be without the consent of the proprietor of the mark;
 - it must be in respect of goods or services which are identical to those for which the mark is registered, and
 - it must affect or be liable to affect the functions of the trade mark, in particular its essential function of guaranteeing to consumers the origin of the goods or services.”
120. The Court proceeded to note (at [17]-[18]) that it was common ground that the sign was identical to the mark, that the use complained of was in the course of trade and that it was without the consent of the proprietor i.e. conditions (i)-(iv) were satisfied. It then addressed (at [19]-[24]) condition (v), and in particular the question of whether the sign was being used “in relation to” goods. It held that use of a sign was “in relation to” goods if it was used for the purpose of distinguishing goods, and that, even if the sign was not affixed to goods, it was used in relation to goods “where the

third party uses that sign in such a way that a link is established between the sign which constitutes the company, trade or shop name of the third party and the goods marketed or the services provided by the third party”. Although the Court did not say so in terms, clearly there was no dispute that the defendant’s goods were identical to those for which the claimant’s trade mark was registered.

121. The Court then considered condition (vi):

“25. Lastly, Celine SARL claims that there could be no confusion on the part of the public as to the origin of the goods in question.

26. As was noted at paragraph 16 of this judgment, the unauthorised use by a third party of a sign which is identical to a registered mark in relation to goods or services which are identical to those for which that mark is registered cannot be prevented under Article 5(1)(a) ... unless it affects or is liable to affect the functions of the mark, in particular its essential function of guaranteeing to consumers the origin of the goods or services.

27. That is the situation where the sign is used by the third party in relation to his goods or services in such a way that consumers are liable to interpret it as designating the origin of the goods or services in question. In such a case, the use of the sign is liable to imperil the essential function of the mark, since, for the trade mark to be able to fulfil its essential role in the system of undistorted competition which the EC Treaty seeks to establish and maintain, it must offer a guarantee that all the goods or services bearing it have been manufactured or supplied under the control of a single undertaking which is responsible for their quality (see, to that effect, *Arsenal Football Club*, paragraph 48 and the case-law cited, and paragraphs 56 to 59).

28. In the main proceedings, it is for the national court to determine whether the use by Céline SARL of the Céline sign affects or is liable to affect the functions of the ‘Céline’ sign, particularly its essential function.”

122. Again, it is not clear from this which party bears the burden of proving that the use of the sign affects, or is liable to affect, one of the functions of the trade mark. The way in which the Court articulates the four conditions at [16] suggests that the burden lies on the trade mark proprietor. When one turns to the reasoning at [25]-[28], however, the opposite appears to be the case. In effect, the Court appears to be saying that, once it has been established that the sign has been used in a manner which would be perceived as denoting the origin of the goods (i.e. condition (v) is satisfied), then there is a likelihood of confusion (and hence condition (vi) is satisfied). The Court does not use the language of presumption or refer to Article 16(1) of TRIPS, but that is the effect of its reasoning.

123. In *UDV v Brandtraders* UDV was the proprietor of the trade mark Smirnoff Ice for alcoholic beverages. Brandtraders was a Belgian company which operated a brokerage website which permitted buyers and sellers to negotiate transactions on the basis that the resulting contracts of sale were entered into by Brandtraders as the vendor's broker i.e. in its own name but on behalf of the vendor. Using the website, a Gibraltar company called Hillyard negotiated the sale of a consignment of (apparently genuine) Smirnoff Ice from South Africa to an English company called Checkprice. The contract was made by Brandtraders on behalf of Hillyard. Although the contract did not mention the trade mark, a letter of confirmation and the invoice issued by Brandtraders both did. The goods were subsequently imported into and marketed in the United Kingdom. UDV sued Brandtraders for infringement. The Hof van Cassatie (Belgian Court of Cassation) asked the Court of Justice whether it is necessary, in order for there to be use of a sign with Article 9(1)(a) of the Regulation, for the third party to use the sign on his own behalf or in relation to goods in which he was himself interested as a contractual party.

124. Considering that the answer to the questions referred admitted of no reasonable doubt, the Court of Justice disposed of the reference by reasoned order. Having pointed out that the reference concerned the use by Brandtraders of the sign Smirnoff Ice in the letter of confirmation and the invoice, the Court held:

“42. Indeed, having regard to the established case-law of the Court concerning the concept of ‘use’ within the meaning of Article 5(1) ... (see, inter alia, Case C-206/01 *Arsenal Football Club* [2002] ECR I-10273; Case C-245/02 *Anheuser-Busch* [2004] ECR I-10989; Case C-48/05 *Adam Opel* [2007] ECR I-1017; Case C-17/06 *Céline* [2007] ECR I-7041 and Case C-533/06 *O2 Holdings and O2 (UK)* [2008] ECR I-0000, paragraph 57), a provision which is identical to Article 9(1) ... and must be interpreted in the same way, in order for the proprietor of a mark to be able to invoke its exclusive rights, in a situation such as that at issue in the main proceedings, which comes within the scope of that referred to in the abovementioned Articles 5 and 9(1)(a), namely the use by a third party of any sign which is identical with that mark in relation to goods or services which are identical with those for which that mark was registered, it suffices that the following four conditions be fulfilled:

- that use is without the consent of the proprietor of the mark,
- it is in the course of trade,
- it is in relation to goods or services,
- the third party uses that sign as a trade mark, that is to say that the use of that sign by the third party must affect or be capable of affecting the functions of the trade mark, in particular its essential function of

guaranteeing to consumers the origin of the goods or services.

43. In light of those conditions for application, the fact that the third party at issue uses a sign which is identical with a registered mark in relation to goods which are not its own goods, in that it does not have title to them, is not relevant and can therefore not mean by itself that that use does not fall under the concept of ‘use’ for the purpose of Article 9(1)”
125. The Court went on to hold that conditions (v) and (vi) were both satisfied for the following reasons:
- “47. In addition, it is clear that the use at issue in the main proceedings is in relation to goods since, even though it is not a case of affixing to a third party’s goods a sign which is identical with a registered mark, there is use ‘in relation to goods or services’ within the meaning of Article 9(1)(a) ... where the third party uses that sign in such a way that a link is established between the sign and the goods marketed or the services provided by the third party, in the main proceedings in the form of the use of the sign at issue in business papers (see, to that effect, *Arsenal Football Club*, paragraph 41, and *Céline*, paragraphs 22 and 23).
48. Since such a link is established, it is, besides, irrelevant that the third party uses a sign which is identical with a registered mark for the marketing of goods which are not its own goods in the sense that it does not acquire title to those goods in the course of the transaction in which it acts.
49. It cannot, furthermore, be disputed that the use of that sign by the third party, in a situation such as that at issue in the main proceedings, is likely to be interpreted by the public targeted as designating or tending to designate the third party as the undertaking from which the goods originate and is therefore such as to create the impression that there is a material link in trade between those goods and the undertaking from which they originate (see, to that effect, *Anheuser-Busch*, paragraph 60).
50. Indeed, by such use, the third party assumes de facto the essential prerogative that is granted to the proprietor of a mark, namely the exclusive power to use the sign at issue so as to distinguish goods.
51. In such a case, this is clearly a question of use of the mark as a mark. In that regard, it is, moreover, irrelevant that the use is by the third party in the context of the marketing of goods on behalf of another operator having sole title to those goods.”

126. Again, it is unclear from this which party bears the burden of proof with regard to condition (vi). Again, the way the Court articulates the conditions at [42] suggests that the trade mark proprietor does, but again the Court's reasoning at [47]-[51] appears to be that, once it has been established that the sign has been used in a manner which would be perceived as denoting the origin of the goods (i.e. condition (v) is satisfied), then there is a likelihood of confusion (and hence condition (vi) is satisfied). Again, the Court does not use the language of presumption or refer to Article 16(1) of TRIPS, but that is the effect of its reasoning.
127. In *L'Oréal v Bellure* L'Oréal made various claims concerning the sale of "smell-alike" perfumes by the defendants. One of L'Oréal's claims was that the defendants had infringed a number of its trade marks under Article 5(1)(a) by issuing comparison lists which indicated which L'Oréal perfumes a number of Bellure perfumes were intended to smell like. The Court of Appeal referred a number of questions to the Court of Justice, the first two of which concerned this claim. The Opinion of Advocate General Mengozzi does not shed any light on the present question.
128. In its judgment the Court of Justice held:
- “58. The Court has already held that the exclusive right under Article 5(1)(a) ... was conferred in order to enable the trade mark proprietor to protect his specific interests as proprietor, that is, to ensure that the trade mark can fulfil its functions and that, therefore, the exercise of that right must be reserved to cases in which a third party's use of the sign affects or is liable to affect the functions of the trade mark (Case C-206/01 *Arsenal Football Club* [2002] ECR I-10273, paragraph 51; Case C-245/02 *Anheuser-Busch* [2004] ECR I-10989, paragraph 59; and Case C-48/05 *Adam Opel* [2007] ECR I-1017, paragraph 21). These functions include not only the essential function of the trade mark, which is to guarantee to consumers the origin of the goods or services, but also its other functions, in particular that of guaranteeing the quality of the goods or services in question and those of communication, investment or advertising.
59. The protection conferred by Article 5(1)(a) ... is thus broader than that provided by Article 5(1)(b), the application of which requires that there be a likelihood of confusion and accordingly the possibility that the essential function of the mark may be affected (see, to that effect, *Davidoff*, paragraph 28, and *O2 Holdings and O2 (UK)*, paragraph 57). By virtue of the 10th recital in the preamble to Directive 89/104, the protection afforded by the registered trade mark is absolute in the case of identity between the mark and the sign and also between the goods or services, whereas, in case of similarity between the mark and the sign and between the goods or services, the likelihood of confusion constitutes the specific condition for such protection.

60. It is apparent from the case-law cited in paragraph 58 of this judgment that the proprietor of the mark cannot oppose the use of a sign identical with the mark on the basis of Article 5(1)(a) ... if that use is not liable to cause detriment to any of the functions of that mark (see also *Arsenal Football Club*, paragraph 54, and *Adam Opel*, paragraph 22).
 61. Thus, the Court has already held that certain uses for purely descriptive purposes are excluded from the scope of application of Article 5(1) ..., because they do not affect any of the interests which that provision is intended to protect and accordingly do not constitute ‘use’ within the meaning of that provision (see, to that effect, Case C-2/00 *Hölterhoff* [2002] ECR I-4187, paragraph 16).
 62. It must, however, be made clear that the situation described in the main proceedings is fundamentally different from that which gave rise to the judgment in *Hölterhoff*, in that the word marks belonging to L’Oréal and Others are used in the comparison lists distributed by Malaika and Starion not for purely descriptive purposes, but for the purpose of advertising.
 63. It is for the referring court to determine whether, in a situation such as that which arises in the main proceedings, the use which is made of the marks belonging to L’Oréal and Others is liable to affect one of the functions of those marks, such as, in particular, their functions of communication, investment or advertising.”
129. Again, it is unclear from this which party bears the burden of proof with regard to condition (vi). Although the Court notes at [59] that “protection ... is absolute” in double identity cases, whereas a likelihood of confusion is “the specific condition for protection” where either the sign or the goods or services are merely similar, there is no reference to Article 16(1) of TRIPS.
 130. Before leaving this case, I would point out that, as the Court of Appeal and the Court of Justice both held, the comparison lists were a form of comparative advertising. Thus it was an example of referential use of the trade mark, where the trade mark was being used directly in relation to the trade mark proprietor’s own goods and indirectly in relation to the defendant’s goods. The Court of Justice has held that referential use is use within Article 5(1): see *O2 v Hutchison* at [33]-[36].
 131. Taking stock at this stage of my review of the case law, I would make the following observations. First, Advocates General Jacob in *Hölterhoff v Freiesleben*, Ruiz-Jarabo Colomer in *Arsenal v Reed* and Tizzano in *Anheuser-Busch v Budejovicky Budvar* were unanimously of the opinion that, where there is use of a sign identical to the trade mark in the course of trade in relation to goods identical to those for which the trade mark was registered, it is to be presumed that there is a likelihood of confusion.
 132. Secondly, the clearest, fullest and most persuasive analysis is that of Advocate General Ruiz-Jarabo Colomer in *Arsenal v Reed*. His analysis has two particular

strengths. First, so far as likelihood of confusion is concerned, he expressly takes into account Article 16(1) of TRIPS as supporting his interpretation of Article 5(1)(a). Secondly, his analysis expressly addresses the incidence of the burden of proof.

133. Thirdly, despite these strengths, I consider that there is a possible weakness in Advocate General Ruiz-Jarabo Colomer's analysis. This comes when he generalises the analysis beyond likelihood of confusion and effect on the origin function, thereby anticipating the Court of Justice's later decision in *L'Oréal v Bellure*. When one is considering effect on the origin function, not merely does Article 16(1) of TRIPS require a likelihood of confusion to be presumed, but also this makes good sense. In the ordinary case, where a third party uses an identical sign in relation to identical goods or services, it is inherently likely that this will cause confusion. (Problems only start to arise when one is dealing with use in relation to the trade mark proprietor's own goods and referential use.) But once one interprets Article 5(1)(a) as embracing effects on other functions of the trade mark, the position is different. Not only does Article 16(1) of TRIPS not require a likelihood of damage to functions other than the origin function to be presumed, but also it is much less obvious why such damage should be presumed. This is particularly so when one remembers that Article 5(1)(a), unlike Article 5(2), does not require the trade mark to have a reputation. On the other hand, as footnote 38 of his Opinion suggests that the Advocate General appreciated, his analysis is consistent with the CJEU's case law on exhaustion of trade marks discussed below.
134. Fourthly, the judgments of the Court of Justice that I have reviewed are deeply unclear on this issue. In particular, even though the Court held that Article 5(1)(a) should be, and can be, interpreted in compliance with Article 16(1) of TRIPS, it did not address the presumption required by Article 16(1).
135. *The CJEU's case law with regard to exhaustion of trade marks.* The CJEU's case law with regard to exhaustion of trade marks establishes the following propositions.
136. First, use of the trade mark in relation to goods put on the market outside the EEA by or with the consent of the trade mark proprietor, but which have not been put on the market inside the EEA by or with the consent of the proprietor is an infringement under Article 5(1)(a): see Case C-355/06 *Silhouette International Schmiedt GmbH & Co KG v Hartlauer Handelgesellschaft mbH* [1998] ECR I-4799, Case C-173/98 *Sebago Inc v GB-Unic SA* [1999] ECR I-4130, Joined Cases C-414/99, C/415/99 and C-416/99 *Zino Davidoff SA v A & G Imports Ltd* [2001] ECR I-8691, Case C-244/00 *Van Doren + Q GmbH v Lifestyle Sports + Sportswear Handgesellschaft mbh* [2003] ECR I-3051, Case C-16/03 *Peak Holding AB v Axolin-Elinor AB* [2004] ECR I-11313, *Class International v Colgate-Palmolive*, Case C-281/05 *Montex Holdings Ltd v Diesel SpA* [2006] ECR I-10881, Case C-59/08 *Copad SA v Christian Dior Couture SA* [2009] ECR I-3421, Case C-324/08 *Makro Zelfbedieningsgroothandel CV v Diesel SpA* [2009] ECR I-10019, Case C-127/09 *Coty Prestige Lancaster Group GmbH v Simex Trading AG* [2010] ECR I-4965, Case C-324/09 *L'Oréal SA v eBay International AG* [2011] ECR I-6011 and Case C-46/10 *Viking Gas A/S v Kogan Gas A/S* [2011] ECR I-6161.
137. Secondly, use of the trade mark in relation to goods put on the market within the EEA by or with the consent of the proprietor, but which the proprietor has legitimate reasons for opposing the further commercialisation of because the goods have been

repackaged in a manner which does not comply with one or more of the pre-conditions laid down by the CJEU is an infringement under Article 5(1)(a): see Joined Cases C-427/93, C-429/93 and C-436/93 *Bristol-Myers Squibb v Paranova A/S* [1996] ECR I-3457, Case C-349/95 *Loendersloot v George Ballantine & Son Ltd* [1997] ECR I-6227, Case C-379/97 *Pharmacia & Upjohn SA v Paranova A/S* [1999] ECR I-6854, Case C-143/00 *Boehringer Ingelheim KG v Swingward Ltd* (“*Boehringer I*”) [2002] ECR I-3759, Case C-348/04 *Boehringer Ingelheim KG v Swingward Ltd* (“*Boehringer II*”) [2007] ECR I-3391, Case C-276/05 *Wellcome Foundation Ltd v Paranova Pharmazeutika Handels GmbH* [2008] ECR I-10479 and Joined Cases C-400/09 and Case C-207/10 *Orifarm A/S v Merck Sharp & Dohme Corp* [2011] ECR I-7063.

138. It necessarily follows that all six conditions are satisfied in these cases, but on what basis is condition (vi) satisfied? Which function of the trade mark is adversely affected and why? None of the Court of justice’s judgments cited in the two preceding paragraphs addresses this question in the context of Article 5(1)(a). Many of these judgments do discuss the question of whether the use is liable to affect the functions of the trade mark, and in particular its essential function of indicating origin, but they do so in the context of considering whether the defendant has a defence under Article 7 of the Directive (or Article 34 of the Treaty on the Functioning of the European Union). This assumes that the use is within Article 5(1)(a), since if the use does not fall within Article 5(1)(a), the defendant has no need of a defence under Article 7 (or Article 34 TFEU).
139. I would suggest that there are only two possible ways of explaining this case law. The first is that it is sufficient for use of a sign to fall within Article 5(1)(a) (and hence for such use to be an infringement unless the defendant has a defence under Articles 6 or 7 or on some other basis) that conditions (i)-(v) are satisfied, and there is no requirement for condition (vi) to be satisfied. But this analysis cannot be reconciled with the CJEU’s case law reviewed above.
140. The second possibility is that condition (vi) is taken to be satisfied unless the defendant demonstrates to the contrary. In the first class of case the defendant cannot do this, while in the second class of case the defendant can. If Article 5(1)(a) was confined to use which affects, or is liable to affect, the origin function of the trade mark, it would remain difficult to see why this should be affected given that the goods are the trade mark proprietor’s own goods. The only explanation would be that the origin function must be understood expansively as extending to an absolute right of the trade mark proprietor to decide which goods bearing the trade mark are marketed within the EEA and a qualified right to determine also in what condition they shall be marketed. If Article 5(1)(a) embraces use which affects, or is liable to affect, other functions of the trade mark, then this line of cases is somewhat easier to understand.
141. This analysis is reinforced by the light which this case law sheds on the proper approach to the burden of proof in Article 5(1)(a) cases. In the first type of case, the burden lies on the trade mark proprietor to show that the defendant has used (or threaten to use) the trade mark within the European Union, and if the goods are under the external transit procedure or the customs warehousing procedure, that involves proving either release for free circulation of the goods or an offering or sale of the goods which necessarily entails putting them on the market in the EU: see *Class International v Colgate-Palmolive* at [67]-[74]. If the proprietor proves this, the

burden lies on the defendant to prove that the trade mark proprietor has consented to the goods being placed on the market in the EEA: see *Zino Davidoff v A & G* at [54] and *Class International v Colgate-Palmolive* at [74].

142. In the second type of case, the burden lies on the defendant to show that the pre-conditions laid down by the CJEU (enforcement of the trade mark would lead to artificial partitioning of market, no effect on the condition of the goods, identification of the manufacturer and repackager, presentation not damaging to the reputation of the trade mark or its proprietor, prior notice to the trade mark proprietor) have been complied with: see *Boehringer II* at [48]-[54].
143. Accordingly, this case law indicates that, as one would expect, it is for the trade mark proprietor to prove that conditions (i), (ii), (iv) and (v) are satisfied. If there is an issue as to condition (iii), consent, it is for the defendant to prove consent, not for the trade mark proprietor to prove its absence. As for condition (vi), there is nothing in this case law to suggest that the trade mark proprietor must prove that the use affects, or is liable to affect, any of the functions. On the contrary, it suggests that, in the first type of case, this is irrebuttably presumed and, in the second type of case, it is rebuttably presumed.
144. *The CJEU's case law with regard to honest concurrent use.* Case C-482/09 *Budejovicky Budvar NP v Anheuser-Busch Inc* [2011] ECR I-8701 was another battle in the Budweiser war. In the UK both parties had been registered as proprietors of the trade mark Budweiser on the same day following Anheuser-Busch's unsuccessful claim for passing off and the parties' respective beers had coexisted in the market for many years prior to that date. Four year and 364 days after the registration, Anheuser-Busch applied for a declaration of invalidity of Budvar's registration pursuant to Article 4(1)(a) of the Directive on the ground that its application had pre-dated Budvar's application, and so its trade mark was an earlier trade mark. The Court of Appeal referred three questions to the Court of Justice, the third of which essentially asked whether honest concurrent use could be relied upon as answer to a claim for declaration of invalidity.
145. The Court of Justice began its consideration of the third question by noting (at [67]-[70]) that Article 4(1)(a) was the counterpart in the registration context to Article 5(1)(a) in the infringement context, and thus the Court's interpretation of Article 5(1)(a) was applicable to Article 4(1)(a). It continued (emphasis added):
 - “71. It follows from the Court's case-law that the exclusive right under Article 5(1)(a) ... was conferred in order to enable the trade mark proprietor to protect his specific interests as proprietor, that is, to ensure that the trade mark can fulfil its functions and that, therefore, the exercise of that right must be reserved to cases in which another party's use of the sign affects or is liable to affect the functions of the trade mark. Those functions include not only the essential function of the trade mark, which is to guarantee to consumers the origin of the goods or services, but also its other functions, in particular that of guaranteeing the quality of the goods or services in question and those of communication, investment or advertising (see, inter alia, Case C-487/07 *L'Oréal and Others*

[2009] ECR I-5185, paragraph 58, and Joined Cases C-236/08 to C-238/08 *Google France and Google* [2010] ECR I-2417, paragraph 77).

72. It should be added that Article 5(1)(a) ... does not require evidence that there exists a likelihood of confusion on the part of the public in order to afford absolute protection in the case of identity of the sign and the trade mark and of the goods or services (*LTJ Diffusion*, paragraph 49).

...

74. ... it follows from the foregoing that Article 4(1)(a) ... must be interpreted as meaning that a later registered trade mark is liable to be declared invalid where it is identical with an earlier trade mark, where the goods for which the trade mark was registered are identical with those for which the earlier trade mark is protected and where the use of the later trade mark has or is liable to have an adverse effect on the essential function of the trade mark which is to guarantee to consumers the origin of the goods.”

146. The Court went on to explain (at [76]-[81]) that the circumstances of the instant case were “exceptional” for five reasons, among which were that “United Kingdom consumers are well aware of the difference between the beers of Budvar and those of Anheuser-Busch, since their tastes, prices and get-ups have always been different” and that “the beers of Anheuser-Busch and Budvar were clearly identifiable as being produced by different companies”. Accordingly, the Court concluded (at [84]):

“In the light of the foregoing, the answer to the third question is that Article 4(1)(a) ... must be interpreted as meaning that the proprietor of an earlier trade mark cannot obtain the cancellation of an identical later trade mark designating identical goods where there has been a long period of honest concurrent use of those two trade marks where, in circumstances such as those in the main proceedings, that use neither has nor is liable to have an adverse effect on the essential function of the trade mark which is to guarantee to consumers the origin of the goods or services.”

147. It seems clear from this reasoning that it is for the defendant to the claim for a declaration of invalidity under Article 4(1)(a) to prove that the respective trade marks have coexisted on the market for a long period without there being confusion, and hence that the use of the defendant’s trade mark has not had, nor is liable to have, an adverse affect on the origin function of the claimant’s trade mark. Although the Court did not refer to a presumption or refer to Article 16(1) of TRIPS, this strongly supports the proposition that a likelihood of confusion is rebuttably presumed in a double identity case.

148. It is rather less clear what the position is with regard to adverse effect on the other functions of the trade mark. Does the defendant also have to demonstrate that there

has been no effect on any other function? Or can the defendant rely upon coexistence without confusion as shifting the burden to the claimant to show an adverse effect, or a likelihood of adverse effect, on some other function?

149. *The CJEU's case law with regard to the territorial scope of injunctions.* In Case C-235/09 *DHL Express France SAS v Chronopost SA* [2011] ECR I-2801 Chronopost was the proprietor of a Community trade mark for the word WEBSHIPPING. DHL had been found to have infringed the trade mark through use of the signs WEBSHIPPING and WEB SHIPPING. As I understand it, that finding was made pursuant to Article 9(1)(a) of the Regulation. The Cour de Cassation (French Supreme Court) referred questions to the CJEU concerning the nature and scope of the injunction which should be granted. The Court of Justice held that a prohibition against further infringement or threatened infringement of a Community trade mark issued by a competent Community trade mark court must, as a rule, extend to the entire area of the EU. It went on, however, to say there could be exceptions to this general rule:

“46. However, the territorial scope of the prohibition may, in certain circumstances, be restricted. The exclusive right of a Community trade mark proprietor, as provided for under Article 9(1) of Regulation No 40/94, is conferred in order to enable that proprietor to protect his specific interests as such, that is, to ensure that the trade mark is able to fulfil its functions. The exercise of that right must therefore be reserved to cases in which a third party's use of the sign affects or is liable to affect the functions of the trade mark (see, to that effect, Joined Cases C-236/08 to C-238/08 *Google France and Google* [2010] ECR I-0000, paragraph 75 and the case-law cited).

47. It follows, as the European Commission has pointed out, that the exclusive right of a Community trade mark proprietor and, hence, the territorial scope of that right, may not extend beyond what that right allows its proprietor to do in order to protect his trade mark, that is, to prohibit only uses which are liable to affect the functions of the trade mark. The acts or future acts of a defendant (namely the person whose use of the Community trade mark is complained of) which do not affect the functions of the Community trade mark, cannot therefore be prohibited.

48. Accordingly, if a Community trade mark court hearing a case in circumstances such as those of the main proceedings finds that the acts of infringement or threatened infringement of a Community trade mark are limited to a single Member State or to part of the territory of the European Union, in particular because the applicant for a prohibition order has restricted the territorial scope of its action in exercising its freedom to determine the extent of that action or because the defendant proves that the use of the sign at issue does not affect or is not liable to affect the functions of the trade mark, for example on

linguistic grounds, that court must limit the territorial scope of the prohibition which it issues.”

150. It can be seen that, in this context, the Court has expressly held that it is for the defendant to prove that the use of the sign does not affect, and is not liable to affect, the functions of the trade mark in Member States other than the State where the Community trade mark court is located. While it does not necessarily follow that the burden of proof should also lie upon the defendant with regard to effect on the functions of the trade mark in the forum Member State, for the reasons given in paragraph 88 above, it would make sense for the incidence of the burden of the proof to be uniform.
151. *Academic commentary.* Academic commentary supports the proposition that, at least in an ordinary case, Article 5(1)(a) should be interpreted in accordance with Article 16(1) of TRIPS as requiring a likelihood of confusion to be rebuttably presumed. By way of example, I refer to the following (in date order):
- i) Andrew Griffiths, “The trade mark monopoly: an analysis of the core zone of absolute protection under Article 5(1)(a)” [2007] IPQ 312 at 317-318.
 - ii) Tobias Cohen Jehoram, Constant van Nispen and Tony Huydecoper, *European Trademark Law* (Wolters Kluwer, 2010) at §8.4.1.
 - iii) Martin Senftleben, “Function theory and international exhaustion: why it is wise to confine the double identity rule in EU trade mark law to cases affecting the origin function” [2014] EIPR 518 at 523.
 - iv) Graeme Dinwoodie and Dev Gangee, “The Image of the Consumer in European Trade Mark Law” (Oxford Legal Research Paper No. 83/2024, November 2014) at 12, 21.
152. *The CJEU’s case law with regard to keyword advertising.* The CJEU has considered the trade mark issues raised by keyword advertising in a series of six cases: Joined Cases C-236/08 to C-238/08 *Google France SARL v Louis Vuitton Malletier SA* [2010] ECR I-2417; Case C-278/08 *Die BergSpechte Outdoor Reisen und Alpinschule Edi Koblmüller GmbH v Guni* [2010] ECR I-2517; Case C-91/09 *Eis.de GmbH v BBY Vertriebsgesellschaft mbH* [2010] ECR I-43; Case C-558/08 *Portakabin v Primakabin* [2010] ECR I-6963; *L’Oréal SA v eBay*; and Case C-323/09 *Interflora Inc v Marks & Spencer plc* [2011] ECR I-0000, [2012] ETMR 1 (“*Interflora (CJEU)*”).
153. I reviewed some of these cases in *DataCard Corp v Eagle Technologies Ltd* [2011] EWHC 244 (Pat), [2011] RPC 17 at [260]-[272] and all of them in *Interflora Inc v Marks and Spencer plc* [2013] EWHC 1291 (Ch), [2013] ETMR 35 (“*Interflora (Trial)*”) at [225]-[281]. I shall not repeat that exercise here, but it is nevertheless convenient to recall two points.
154. The first is that in *Google France*, which was an Article 5(1)(a) case, the Court of Justice held (at [84]):

“The function of indicating the origin of the mark is adversely affected if the ad does not enable normally informed and

reasonably attentive internet users, or enables them only with difficulty, to ascertain whether the goods or services referred to by the ad originate from the proprietor of the trade mark or an undertaking economically connected to it or, on the contrary, originate from a third party (see, to that effect, *Céline*, paragraph 27 and the case-law cited).”

In *BergSpechte*, the Court stated the test to be applied in an Article 5(1)(b) case in precisely the same terms (at [39]).

155. The second point is that the Court of Justice nevertheless reiterated in *Google France* (at [78]):

“The protection conferred by Article 5(1)(a) of Directive 89/104 and Article 9(1)(a) of Regulation No 40/94 is, in this regard, more extensive than that provided for in the respective paragraphs (1)(b) of those articles, the application of which requires that there be a likelihood of confusion (see, to that effect, *Davidoff*, paragraph 28, and *L’Oréal and Others*, paragraph 59).”

The Court repeated this in even clearer terms in *Interflora (CJEU)* (at [36]).

156. I would add that there is no mention of Article 16(1) of TRIPS in any of the Court of Justice’s judgments or order concerning keyword advertising.
157. This case law has now been considered by the Court of Appeal in *Interflora Inc v Marks and Spencer plc* [2014] EWCA Civ 1403, [2015] ETMR 5 (“*Interflora (CA III)*”) at [71]-[106] and [131]-[151]. In a judgment delivered by Kitchin LJ, the Court of Appeal held that the onus of proof lay on the trade mark proprietor to prove that condition (vi) was satisfied.
158. The following points may be noted about the Court of Appeal’s decision. First, the Court of Appeal was concerned with a keyword advertising case, not an ordinary case such as the present. To the extent that the Court of Appeal’s dicta went beyond keyword advertising, they were obiter. Indeed, the Court of Appeal’s statement at [132] that “the Court of Justice has, in its decision in *Google France* (at [82] to [90]), enunciated a new test to be applied by the national court in assessing whether the accused use has adversely affected, or is liable adversely to affect, the origin function of a trade mark at least in the context of keyword advertising cases (emphasis added)” expressly recognises that the position may be different in other cases. As I commented in *DataCard v Eagle* at [264], it is difficult to see why the test should be different in the context of keyword advertising to other contexts. A possible explanation, however, is that keyword advertising involves a form of referential use of the trade mark. In this regard, it may be noted that in *Google France* the Court of Justice explicitly drew an analogy (at [68]-[71]) between keyword advertising and comparative advertising, albeit without deciding whether keyword advertising constituted comparative advertising.

159. Secondly, even in the context of keyword advertising, the Court of Appeal did not suggest that its interpretation of Article 5(1)(a) and of the CJEU’s case law was *acte clair*.
160. Thirdly, the Court of Appeal did not refer to any of the following in relation to this question, presumably because they were not cited:
- i) the CJEU’s case law with regard to TRIPS (see paragraphs 48-49 above);
 - ii) the CJEU’s case law from *Hölterhoff* to *Bellure* (see paragraphs 89-134 above);
 - iii) the CJEU’s case law with regard to exhaustion of trade marks other than *Class International v Colgate-Palmolive* (see paragraphs 135-143 above);
 - iv) the CJEU’s case law with regard to honest concurrent use (see paragraphs 144-148 above);
 - v) the CJEU’s case law with regard to the territorial scope of injunctions (see paragraphs 149-150 above), although this was referred to elsewhere by the Court of Appeal; or
 - vi) academic commentary (see paragraph 151 above).
161. Fourthly, the Court of Appeal (at [136]-[139]) interpreted *Class International v Colgate-Palmolive* as establishing that “the burden of proving all six of the necessary conditions of a successful claim for infringement (emphasis added)” lay on the trade mark proprietor, even though the issue which the Court of Justice decided in that passage was the burden of proof with respect to condition (i) and even though the Court of Appeal quoted (at 135) the paragraph from the Court of Justice’s judgment (at [74]) in which the Court of Justice reiterated that the burden of proof with regard to condition (iii) lay on the defendant (as to which, see also *Mastercigars Direct Ltd v Hunters & Frankau Ltd* [2007] EWCA Civ 176, [2007] RPC 24).
162. Fifthly, all that the Court of Appeal said (at [135]) about Article 16(1) of TRIPS was the following (emphasis added):
- “Specifically, and notwithstanding Article 16(1) of TRIPS, the Court has now held in a long line of decisions that the right under Article 5(1)(a) (and Article 9(1)(a)), though ‘absolute’, is conferred to enable the trade mark proprietor to protect his interests as proprietor, that is to ensure the trade mark can fulfil its functions. The exercise of the right must therefore be reserved to cases in which a third party's use of the sign adversely affects, or is liable adversely to affect, one of those functions.”

This seems to imply that the Court of Justice has either disregarded or flouted Article 16(1). With respect, I do not consider that it has done either. The Court of Justice has certainly not disregarded Article 16(1), as can be seen in particular from *Anheuser-*

Busch v Budvar. In my opinion the Court of Justice has not flouted Article 16(1) either. Rather, it has not yet fully engaged with it.

163. *Conclusion*. The conclusion which I draw from this analysis is that it is unclear which party bears the burden of proof with regard to condition (vi). There are four possible interpretations of Article 5(1)(a) and Article 9(1)(a). The first is that, once the trade mark proprietor has shown that condition (v) is satisfied, the defendant bears the onus of proving that the use does not affect, nor is liable to affect, any of the functions of the trade mark. The second possibility is that the defendant bears the onus of proving that there is no likelihood of confusion, and hence no damage to the origin function, in which case the onus shifts to the trade mark proprietor to prove that the use affects, or is liable to affect, some other function of the trade mark. The third possibility is that, even if the trade mark proprietor bears the burden of proof in keyword advertising cases and other cases of referential use, the defendant bears the burden of proof in ordinary cases. The fourth possibility is that the proprietor bears the onus of proof in all cases.
164. In my view this is an important issue of European trade mark law which will have to be referred to the CJEU for determination, preferably sooner rather than later. But having regard to my other conclusions, I do not consider it necessary to refer the issue to the CJEU in this case. I shall therefore adopt what I consider to be the better view, which is that the first interpretation set out in the preceding paragraph is the correct one. While the second interpretation might be preferred for the reasons given in paragraph 133 above, it seems to me that the first is more consistent with the CJEU's case law on exhaustion. I doubt that the difference between the first and second interpretations would be significant in many cases.

Assessment

165. *Condition (v)*. Correctly framed, the question here is whether Henry Bell has used the sign SUPREME since March 2012 for the purposes of distinguishing its goods, that is to say, as a trade mark. It would suffice for this purpose if the use was partly distinctive and partly descriptive. Counsel for Supreme Petfoods submitted that Henry Bell's use was at least partly distinctive because SUPREME was used to denote a range of products. In my view this is a *non sequitur*: a manufacturer may have a "standard" range of widgets and a "premium" range, but the fact that there is a range of each does not mean that the words "standard" and "premium" are being used distinctively. In my judgment Henry Bell's use of the sign SUPREME would be understood by the average consumer as being purely descriptive.
166. *Condition (vi)*. If I am right that condition (v) is not satisfied because Henry Bell's use of the sign SUPREME is purely descriptive, then it necessarily follows that condition (vi) is not satisfied either. If I am wrong about condition (v), and Henry Bell's use of the sign SUPREME is at least partly distinctive, then, for the reasons given above, a likelihood of confusion is to be presumed. Henry Bell contends, however, that its and its predecessor's use of the sign SUPREME amounts to honest concurrent use in accordance with *Budvar v Anheuser-Busch*, since that use has coexisted with Supreme Petfoods' use of the UK Word Mark for over 20 years without causing confusion, and this demonstrates that the use has no adverse effect on the origin function of the UK Word Mark (or indeed any other function).

167. By the end of the trial there was little dispute that Henry Bell and its predecessors had continuously used the sign SUPREME in relation to rabbit food since at least October 1994 or that such use had coexisted with Supreme Petfoods' use of SUPREME in relation to small animal food throughout that period. Furthermore, there is no evidence of any actual confusion having occurred prior to the commencement of these proceedings. Supreme Petfoods contends, however, that it has found evidence of actual confusion since the proceedings were commenced. In his closing submissions counsel for Supreme Petfoods placed very little reliance upon this evidence, accepting that "some inroads" had been made into the evidence in cross-examination and going no further than to submit that the evidence was "not valueless". In my judgment this evidence does not establish that there has been actual confusion for the following reasons.
168. In January 2014 Mr Baker spoke to Ms Kibble and asked her if she and Ms Newby could record any apparent instances of confusion that they came across during the course of their normal telephone calls to customers. Ms Kibble said that she was told by Mr Baker that this was because they were "gathering facts" due to the use of SUPREME on Mr Johnson's products and that there might in the future be an action of some sort. Ms Kibble relayed this instruction to Ms Newby. Since Ms Newby made far more calls than Ms Kibble, all the instances recorded between then and June 2014 were recorded by Ms Newby.
169. Ms Newby made notes of each of these instances in an email sent after the call. Those notes were neither exactly contemporaneous, nor verbatim records of the conversations. In January 2014 Ms Newby had only just started working for Supreme Petfoods. Prior to this, she had no experience of the pet food industry and knew nothing about rabbit food at all. Ms Newby averages between 60 and 70 calls a day, so has spoken to thousands of customers in the year that she has been at Supreme Petfoods. Ms Newby did not realise the importance of keeping accurate records of the conversations she was having, and nobody suggested to her that it would be helpful.
170. In June 2014 there was a meeting between Mr Baker, Ms Kibble, Ms Newby and Mr Phillips during which Mr Phillips asked Ms Newby to approach some of the customers who had featured in her notes to ask them if they would be prepared to speak to Supreme Petfoods' trade mark advisor, in order that they could be asked whether they would be prepared to give evidence. Mr Phillips also asked Ms Kibble and Ms Newby to carry on recording apparent instances of confusion and to ask the customers concerned if they would be prepared to speak to the trade mark advisor.
171. After this, Ms Kibble recorded two supposed instances of confusion, one involving Mr Hollins. She also recorded these in emails sent after the calls. It is fair to say that her notes appear to be fuller and more accurate than those of Ms Newby, but they are still not precisely verbatim records.
172. Unfortunately Ms Newby does not appear to have been well briefed as to how she should go about recontacting the customers she had previously spoken to. It is clear that on at least one occasion she spoke to a different person altogether, yet told that person that she had had a previous conversation with him. On at least two occasions she told the person she was speaking to that the person she had spoken to before had been confused, when the note of the previous conversation does not in fact suggest that that person had been confused. On several occasions she told the person she was

speaking to that other retailers had been confused. It follows in my view that all the evidence deriving from this exercise must be treated with great caution.

173. In total, Supreme Petfoods relied upon 27 records of instances of supposed confusion. Two of these were made by Ms Kibble as discussed in paragraph 169 above. The remaining 25 were made by Ms Newby. Of those, Ms Newby re-contacted the customer on five occasions. In an additional two cases, Ms Newby spoke to the customer on two different occasions, and on both occasions the customer was supposedly confused. One of these customers was Ms Walsh.
174. Supreme Petfoods was only able to obtain witness statements from two of these witnesses, Mr Hollins and Ms Walsh. As noted above, only Ms Walsh attended for cross-examination. Ms Walsh gave evidence about two conversations she had with Ms Newby, the first on 4 February 2014 and the second on 5 June 2014.
175. Ms Newby's note of the first conversation was as follows:

“Me – Hello this is Penny from Supreme Pet Foods, I wonder do you stock any of our products?

Lady – Yes!

Me – Do you stock any of the Selective range?

Lady – Yes! I stock the tropical fruit mix.

Me – Oh, I think you are referring to the Mr Johnsons range?

Lady – Hang on im on the wrong thing!!!”

176. Ms Walsh said that she recalled this conversation very well. When Ms Newby had called, Ms Walsh had been very busy because she was the only staff member on duty. Her shop kept all their rabbit foods loose in bins with a cut out from the front of the bag on each bin. She had looked over towards the bins, saw the word SUPREME on the Mr Johnson's Tropical Fruit mix, which was a relatively new product for the shop, and mentioned that. She said she had immediately realised she was looking at the wrong bin and that she was not looking at a SUPREME PETFOODS product.

177. Ms Newby's note of the second conversation was as follows:

“Me – Hello its Penny again from Supreme!

Debbie – Oh great really glad you called back, I was about to submit my order today to Vital. What was the offer on the 12.5kg (Buy 5 Get 1 free). OK I would like to take that one up! I want Hamster and Gerbil Mix and special rabbit mix.....

Me – Oh I think you may have confused our Russel and Gerty with Mr Johnsons??.....(this is exactly how the previous conversation went)

Debbie – Oh I am completely confused..... then placed her order.”

178. Ms Walsh did not recall this conversation as well, but believed that she was in a rush because she was in the process of placing her order as well as doing everything else. She confirmed that she knew that Mr Johnson’s did not make a 12.5 kg bag of Hamster & Gerbil mix (and my understanding is that the same is true of the Rabbit mixes). She attributed her confusion to being in a rush.
179. I am not persuaded that this evidence shows that Ms Walsh was misled by the use of the sign SUPREME on Henry Bell’s products into thinking that those products came from, or were associated with, Supreme Petfoods. All it shows is that a harassed individual can momentarily make mistakes.
180. As for the other instances of supposed confusion recorded in Ms Kibble’s and Ms Newby’s notes, these are no more persuasive. Indeed, many of them are even less convincing.
181. In addition to the evidence described above, Supreme Petfoods called Ms Lees and Ms Till to testify to supposed confusion amongst consumers. This evidence was even less impressive. Ms Lees said that people coming into her shop often asked for “Supreme Rabbit”, and when asked whether they wanted SUPREME RABBIT MIX from Mr Johnson’s or a rabbit food from SUPREME PETFOODS, they often did not know. When this happened, Ms Lees showed them the product itself or the packaging, whereupon they usually recognised what they had had in the past. It is clear from this that her customers know what they want and are able to identify it. All this shows is that, from the retailer’s perspective, a request for “Supreme Rabbit” is ambiguous.
182. Ms Till said in her witness statement that “we had a number of problems with customers who had bought the Mr Johnson’s product when they intended to buy the Supreme product”. It emerged in cross-examination that she was referring to events that took place at least eight years ago and that she had not even spoken with the customers at the time – it would “probably” have been the manageress, but she had not spoken to the manageress recently, or indeed before she had made her witness statement. This is not evidence that I can rely on.
183. Given the coexistence of Mr Johnson’s SUPREME RABBIT MIX with Supreme Petfoods’ use of SUPREME for over 20 years and the absence of confusion, I conclude that Henry Bell has established that its use of the sign does not adversely affect the origin function of the UK Trade Mark (or any other function, not that any other function is relied upon by Supreme Petfoods for this purpose).

Infringement under Article 5(1)(b) of the Directive/Article 9(1)(b) of the Regulation

The law

184. I have reviewed the law on this subject a number of times, most recently in *Enterprise v Europcar* at [112]-[117].

Assessment

185. I can deal with this claim relatively briefly. For the purposes of its claim under Article 5(1)(b)/Article 9(1)(b), Supreme Petfoods relies upon the UK and Community Stylised Word Marks and the UK and Community Ribbon Marks I have considered the average consumer and the distinctive character of these Trade Marks above. I shall assume that Henry Bell has used the sign SUPREME in relation to its goods, which are identical goods to those covered by these Trade Marks. The sign is visually, aurally and conceptually identical to the SUPREME element of these Trade Marks, but there is no similarity with any of the graphical elements of these Trade Marks. In my judgment there is no likelihood of confusion, because there is no distinctive resemblance between the sign and the Trade Marks. The presence of the common non-distinctive element consisting of the word SUPREME is not enough for a likelihood of confusion. Furthermore, even if there might otherwise be a likelihood of confusion, the context of the use, which is always subsidiary to the prominent and well-known Mr Johnson's® branding, would suffice to negate such a likelihood.
186. I would add that there is nothing to suggest that any likelihood of confusion that there may be is attributable to similarity with these Trade Marks as opposed to the UK Word Mark i.e. SUPREME *simpliciter*. In other words, if Supreme Petfoods fails in its Article 5(1)(a) claim for infringement of the UK Word Mark, then it cannot succeed in its Article 5(1)(b)/Article 9(1)(b) claims for infringement of the UK and Community Stylised Word Marks and the UK and Community Ribbon Marks.

Infringement under Article 5(2) of the Directive/Article 9(1)(c) of the Regulation

The law

187. I have reviewed the law on this subject a number of times, most recently in *Enterprise v Europcar* at [118]-[127]. The concept of “due cause” was considered by the CJEU in Case C-65/12 *Leidseplein Beheer BV v Red Bull GmbH* [EU:C:2014:49].

Assessment

188. Supreme Petfoods only relies upon detriment to the distinctive character of the UK and Community Ribbon Marks. Again, I can deal with this claim relatively briefly.
189. *Reputation*. In my judgment Supreme Petfoods has not established that the Ribbon Marks had the requisite reputation even as at March 2012. While there is evidence of use of the Ribbon Marks on a reasonable scale in the UK over the preceding five years, there is very little evidence indeed that this had translated into a reputation. Such evidence of reputation as there is relates to the Word Mark, not the Ribbon Marks.
190. *Link*. Even if Supreme Petfoods scrapes over the hurdle of establishing the requisite reputation, in my judgment the average consumer would not link Henry Bell's use of the sign SUPREME with the Ribbon Marks, since there is no similarity apart from the non-distinctive word SUPREME.
191. *Detriment*. Even if there was a link, I do not consider that Supreme Petfoods has shown that Henry Bell's use of the sign SUPREME has been, or is likely to be,

detrimental to the distinctive character of the Ribbon Marks. The distinctive character of the Ribbon Marks resides in the graphical elements. There is nothing similar in Henry Bell's sign. Furthermore, use of the sign SUPREME is commonplace in the animal food sector.

192. *Due cause.* If it were necessary to consider whether Henry Bell had due cause to use the sign, I would conclude that it did. Henry Bell and its predecessors have been using the sign for over 20 years, they have done so descriptively and, although the extent of the use has recently been extended beyond rabbit food to other types of small animal food, this does not represent a material change.

Defence under Article 6(1)(b) of the Directive/Article 12(b) of the Regulation

193. Henry Bell contends that, even if the UK Word Mark has a distinctive character and even if its use of the sign SUPREME falls within Article 5(1)(a) or Article 5(1)(b)/Article 9(1)(b) or Article 5(2)/Article 9(1)(c), it has a defence under Article 6(1)(b)/Article 12(b). I shall consider this defence on the assumption, contrary to my conclusion above, that Henry Bell's use falls within Article 5(1)(a).

The law

194. I have reviewed the law on this subject a number of times, most recently in *Samuel Smith Old Brewery (Tadcaster) v Lee* [2011] EHC 1879 (Ch), [2012] FSR 7 at [111]-[120].

Assessment

195. Counsel for Supreme Petfoods did not seriously dispute that Henry Bell's use of the sign SUPREME was use of an "indication concerning the ... quality ... of goods" within Article 6(1)(b). He submitted that Henry Bell had failed to establish that its use was in accordance with honest practices in industrial and commercial matters. Both counsel addressed me on the checklist of factors set out in *Samuel Smith*, which I shall consider in turn.
196. *Whether the defendant knew of the existence of the trade mark, and if not whether it would have been reasonable for it to conduct a search.* GHJ was informed of the existence of the UK Word Mark by Supreme Petfoods' trade mark attorneys in their letter dated 8 November 2005. Counsel for Supreme Petfoods submitted, and I accept, that this knowledge is to be attributed to Henry Bell as GHJ's successor in business.
197. *Whether the defendant used the sign complained of in reliance on competent legal advice based on proper instructions.* There is no evidence that this is the case.
198. *The nature of the use complained of, and in particular the extent to which it is used as a trade mark for the defendant's goods or services.* Even if Henry Bell's use of the sign SUPREME would be perceived by the average consumer as partly distinctive, the fact remains that the word is descriptive, or at least laudatory.
199. *Whether the defendant knew that the trade mark owner objected to the use of the sign complained of, or at least should have appreciated that there was a likelihood that the owner would object.* Counsel for Henry Bell submitted, and I agree, that the effect of

Supreme Petfoods' correspondence with Henry Bell's predecessors (see paragraphs 28-30 and 36 above) would have been to give them the impression that Supreme Petfoods had no objection to their use of the sign SUPREME *per se*, but only to particular presentations of that sign. Again, this knowledge is to be attributed to Henry Bell.

200. *Whether the defendant knew, or should have appreciated, that there was a likelihood of confusion.* There is no evidence that Henry Bell, or its predecessors, knew that there was a likelihood of confusion. Nor do I consider that they should have appreciated this.
201. *Whether there has been actual confusion, and if so whether the defendant knew this.* I have not found that there has been actual confusion. Even if there has been actual confusion, there is no evidence that Henry Bell, or its predecessors, knew about prior it to service of Supreme Petfoods' witness statements in these proceedings.
202. *Whether the trade mark has a reputation, and if so whether the defendant knew this and whether the defendant knew, or at least should have appreciated, that the reputation of the trade mark would be adversely affected.* There is no reason why Henry Bell or its predecessors should have appreciated that the reputation of the Trade Mark would be adversely affected.
203. *Whether the defendant's use of the sign complained of interferes with the owner's ability to exploit the trade mark.* In my view Henry Bell's use of the sign SUPREME does not interfere with Supreme Petfoods' ability to exploit the UK Word Mark.
204. *Whether the defendant has a sufficient justification for using the sign complained of.* In my view Henry Bell has, and its predecessors had, a good justification for using the sign, namely that it was a common descriptive/laudatory epithet.
205. *The timing of the complaint from the trade mark owner.* Although Supreme Petfoods complained, and then brought proceedings, reasonably promptly after Henry Bell's relaunch, it did not press its earlier complaints.
206. *Conclusion.* Overall, I conclude that Henry Bell's use of the sign SUPREME does not amount to unfair competition with Supreme Petfoods and is in accordance with honest practices in industrial and commercial matters. Accordingly, Henry Bell's defence under Article 6(1)(b)/Article 12(b) is made out.

Passing off

207. Although Supreme Petfoods pleaded a claim for passing off, counsel for Supreme Petfoods sensibly conceded in his closing submissions that, if Supreme Petfoods lost on its Article 5(1)(b)/Article 9(1)(b) case, then it could not succeed in its claim for passing off either. Accordingly, it is not necessary for me to say anything about this issue.

Summary of conclusions

208. For the reasons given above, I conclude that:

- i) the UK Word Mark is invalidly registered save in relation to small animal food;
- ii) the UK and Community Stylised Word Marks are invalidly registered save in relation to small animal food;
- iii) the UK and Community Ribbon Marks are validly registered;
- iv) Henry Bell has not infringed the UK Word Mark pursuant to Article 5(1)(a) of the Directive;
- v) Henry Bell has not infringed the UK and Community Stylised Word Marks or UK and Community Ribbon Marks pursuant to Article 5(1)(b) of the Directive/Article 9(1)(b) of the Regulation;
- vi) Henry Bell has not infringed the UK and Community Ribbon Marks pursuant to Article 5(2) of the Directive/Article 9(1)(c) of the Regulation;
- vii) even if it would otherwise have infringed, Henry Bell would have a defence under Article 6(1)(b) of the Directive/Article 12(b) of the Regulation; and
- viii) Henry Bell has not committed passing off.