

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO 12311  
BY TANGERINE HOLDINGS LIMITED  
FOR A DECLARATION OF INVALIDITY IN  
RESPECT OF TRADE MARK NO 2220897  
IN THE NAME OF CAPRIVET LIMITED**

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**IN THE MATTER OF Application No 12311  
by Tangerine Holdings Limited  
for a Declaration of Invalidity in  
respect of Trade Mark No 2220897  
in the Name of Caprivet Limited**

## BACKGROUND

1. Trade mark No 2220897 is for the mark FARMSENSE and is registered in Classes 5 and 31 of the register for the following specifications of goods:

### **Class 5**

Veterinary preparations and substances; additives and supplements for foodstuffs for animals and birds.

### **Class 31**

Foodstuffs for animals; additives and supplements for animal foodstuffs.

2. The marks stand registered from a filing date of 31 January 2000.

3. On 8 February 2001 Tangerine Holdings Ltd applied for the invalidation of the trade mark registration under Section 47(2)(b) of the Act on the ground that there is an earlier right in relation to which the condition set out in Section 5(4) is satisfied, in particular Section 5(4)(b) and also under Section 47(1) of the Act in that the mark was registered in breach of Section 3(6). The Registrar subsequently allowed the applicant for invalidation to amend its statement of grounds in order that “Section 5(4)(b)” of the Act be replaced with “Section 5(4)(a)”.

4. In the statement of case, as amended, the applicant stated that the company FARMSENSE LIMITED (Company registration No. 2590151) is a wholly owned subsidiary of Tangerine Holdings Limited (the applicant) and trades from the same address. The statement adds that Farmsense Limited traded as Nu Wave Health Products Ltd until 1 July 1996 when the name was changed to Farmsense Limited and the change registered with Companies House. Farmsense Limited manufactures, packages, warehouses and distributes animal nutrition and health products to the specialist animal health dealer ie agricultural co-operatives, animal feed and health shops and agricultural chemists, who in turn retail them to the user, the farmer. The annual sales of Farmsense Limited are stated to be £500,000 since inception and the company’s advertising spend over the period 1996-2000 approximately £30,000 - £40,000 per

annum. In relation to Section 3(6) the statement of case submits that the registered proprietor must have been aware of the applicant's subsidiary company name FARMSENSE LIMITED and therefore the application to register the mark in suit could not have been bona fide.

5. The registered proprietor, through its agent, informed the Registrar that it would not defend the registration, would not file a counterstatement in response to the applicant's amended statement of case and would take no further part in the proceedings.

6. The applicant for invalidation filed evidence in the form of a statutory declaration by David Alan Haythornwaite, the Chairman and Managing Director of Tangerine Holdings Limited (the applicant) and the Managing Director of Farmsense Limited. Neither party requested a hearing.

### **Applicant's Evidence**

7. Mr Haythornwaite's declaration is dated 9 November 2001. He states that his company has used the trade mark FARMSENSE since 1 July 1996 and traded under that title since 1 August 1996. Supporting documentation including copies of Companies House certificates is at "Appendix 1" to his declaration.

8. Mr Haythornwaite declares that his company is a manufacturer of a range of nutritional products for the use of livestock farmers in the UK and other export countries. In particular, this includes specialist feeds for new born calves, foals and lambs, drenches for growing and adult ruminants and animal health products. At "Appendix 2" to Mr Haythornwaite's declaration are photographs showing the use of FARMSENSE on sheep and lamb feeds and on a retail display stand. Mr Haythornwaite goes on to state that his company markets its product to retail shops and other outlets which sell direct to the livestock farmer. He refers to "Appendix 3" to his declaration which comprises a list of customers for the FARMSENSE OVICOL range of products for the year 2000, with 354 invoices.

9. In relation to turnover under the trade mark FARMSENSE Mr Haythornwaite provides the following information covering the UK and Europe:

1 July 1996 to 30 June 1997	-	£576,032
1 July 1997 to 30 June 1998	-	£629,808
1 July 1998 to 30 June 1999	-	£580,669
1 July 1999 to 30 June 2000	-	£442,444
1 July 2000 to 30 June 2001	-	£533,456

10. Turning to advertising and promotion of the mark, Mr Haythornwaite states that approximately £40,000 - £50,000 has been spent on advertising the proprietor's goods under the trade mark in the UK. He adds that advertisements have appeared in various magazines and national journals including The Scottish Farmer, The Farmers Weekly, Dairy Farmer and The Farm and Country Retailer. Appendix 4 to his declaration contains examples of such advertisements placed prior to the relevant date for these proceedings (31 January 2000).

11. This completes my summary of the evidence filed. I now turn to the decision.

## DECISION

12. Firstly, I consider the ground of opposition under Section 5(4)(a) of the Act, which states:

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

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

13. I intend to apply the test outlined in Halsbury’s Law of England (4<sup>th</sup> Edition) as adopted by Mr G Hobbs WC. In *Wild Child* [1998] RPC at 460. The relevant passages are reproduced below:

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

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

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

- (1) *that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and*
- (2) *that members of that class will mistakenly infer from the defendant’s use of a name, mark or other feature which is the same or sufficiently similar that the defendant’s goods or business are from the same source or are connected.*

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

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

- (a) *the nature and extent of the reputation relied upon;*
- (b) *the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;*
- (c) *the similarity of the mark, name etc used by the defendant to that of the plaintiff;*
- (d) *the manner in which the defendant makes use of the name, mark etc complained of and collateral factors; and*
- (e) *the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.*

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

14. Thus to succeed in a passing off action, it is necessary for the applicant to establish that at the relevant date (31 January 2000): (i) they had acquired goodwill under the trade mark; (ii) that use of the mark by the registered proprietor would amount to a misrepresentation likely to lead to confusion as to origin of the goods; and (iii) that such confusion is likely to cause real damage to the applicant’s goodwill.

15. With these considerations in mind I turn to assess the evidence in these proceedings. I will consider the issue under the three main headings of Goodwill, Misrepresentation and Damage.

## **GOODWILL**

16. The applicant for invalidation claims that since 1996 it has enjoyed a multi-hundred thousand pound annual turnover in specialist animal feeds, animal food supplements and animal health products under their FARMSENSE trade mark. This is not disputed by the registered proprietor and the applicant’s evidence goes to support the claim that, prior to the relevant date, the applicant was actively conducting significant business in the UK under the FARMSENSE trade mark. I have no doubt that the applicant’s activities sufficed to provide the goodwill necessary to mount a passing off action.

## **MISREPRESENTATION**

17. To succeed under this heading the applicant has to show that the relevant public will believe the goods offered by the registered proprietor are the goods and services of the

applicant. The relevant public in his case are, given that the goods are directed at animals, the owners of animals, in particular farmers.

18. The evidence demonstrated that the applicant carries on the business on manufacturing and selling specialist animal feeds, animal food supplements and animal health products to retail shops and other outlets which sell direct to the farmer. The registered proprietor has provided no evidence of use of the mark in suit but the specifications of goods covered by this mark include animal foodstuffs, animal food supplements and animal health products. Accordingly, the goods of the applicant and registered proprietor are identical and it follows that there is no reason why they should not follow the same trade channels to reach the same potential customer. The goods are in direct competition. As the mark in suit is identical to the applicant's trade mark I have no doubt that, considering the relevant customer for the goods, there would be confusion and deception among a substantial number of persons.

### **DAMAGE**

19. It is accepted that, where the parties are in the same field of activity, if there is confusion between the products there will be damage through diversion of trade.

### **CONCLUSION**

20. The application for invalidation having succeeded under Section 47(2)(b) of the Act by virtue of Section 5(4)(a) I have no need to go on and consider the other grounds raised.

21. In accordance with Section 47(6) of the Act, the registration will be declared invalid and deemed never to have been made.

### **COSTS**

22. The applicants are entitled to a contribution towards their costs. I order the registered proprietor to pay the applicant the sum of **£800**. This sum to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 14<sup>TH</sup> day of October 2002**

**JOHN MacGILLIVRAY**  
**For the Registrar**  
**the Comptroller General**