

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 2227020
BY LUCA CASALENA TO REGISTER A TRADE MARK
IN CLASSES 29 AND 30**

**AND IN THE MATTER OF OPPOSITION THERETO
UNDER No. 51312
BY PAUL JONATHAN BENDIT**

**AND IN THE MATTER OF AN APPEAL
BY THE APPLICANT
TO THE APPOINTED PERSON
AGAINST THE DECISION OF MR. M. REYNOLDS
DATED 27 SEPTEMBER 2002**

DECISION

Background

1. On 23 March 2000, Luca Casalena (“the Applicant”) applied under No. 2227020 to register the following trade mark in which the colours green, white and red are claimed as an element:



2. The specified goods are:

Class 29: Meat extracts; preserved, dried and cooked fruits and vegetables; jellies, jams, fruit sauces; olives and olive oil

Class 30: Coffee; flour and preparations made from cereals, bread, pastry and confectionery; honey; baking powder; vinegar; sauces (condiments); spices.

3. On 17 August 2000, Paul Jonathan Bendit (“the Opponent”) filed notice of opposition to Application No. 2227020 on the grounds inter alia that:
 - (a) Under section 5(4)(a) of the Trade Marks Act 1994 (“TMA”) use in the United Kingdom of the mark in suit was liable to be prevented by the law of passing off protecting the Opponent’s earlier rights in the trading name EATALIA DIRECT, the website www.eataliadirect.com and the EATALIA DIRECT device mark or “logo” as shown below:



- (b) Application No. 2227020 was made in bad faith and should be refused registration by virtue of section 3(6) of the TMA.
4. The Opponent’s additional grounds of objection under section 3(1)(b) and (c) and 3(3)(b) of the TMA were withdrawn.
5. The opposition came up for hearing by Mr. M. Reynolds, the Hearing Officer acting for the Registrar, on 28 August 2002. In a written decision issued on 27 September 2002, the Hearing Officer dismissed the Opponent’s section 3(6) objection but held that the opposition succeeded under section 5(4)(a) of the TMA.

The appeal

6. On 25 October 2002, the Applicant gave notice to appeal to an Appointed Person under section 76 of the TMA. The appeal is limited to the Hearing Officer’s decision under section 5(4)(a) of the TMA. At the hearing of the appeal, the Applicant was represented by Ms. Helyn Mensah of Counsel, instructed by Messrs. Fry Heath Spence. The Opponent was neither present nor represented at the hearing. Written submissions on the Opponent’s behalf were contained in a letter dated 28 April 2003 from the Opponent’s Solicitors, Mills & Reeve.
7. The Applicant accepts that the appeal is by way of review only. The correct approach is as indicated by Robert Walker L. J. in *REEF Trade Mark* [2003] RPC 101 at para. 28:

“In this case the hearing officer had to make what he himself referred to as a multi-factorial comparison, evaluating similarity of marks,

similarity of goods and other factors in order to reach conclusions about the likelihood of confusion and the outcome of a notional passing-off claim. It is not suggested that he was not experienced in this field, and there is nothing in the Civil Procedure Rules to diminish the degree of respect which has traditionally been shown to a hearing officer's specialised experience. ... On the other hand the hearing officer did not hear any oral evidence. In such circumstances an appellate court should in my view show a real reluctance, but not the very highest degree of reluctance, to interfere in the absence of a distinct and material error of principle."

Findings of fact can and will be disturbed if they are plainly wrong.

8. Ms. Mensah reminded me that the onus is on an opponent to make out any objections he raises under section 5 of the TMA. In that regard, she referred me to the observations of Pumfrey J. at first instance in *REEF Trade Mark* [2002] RPC 387 at 400 on the nature of evidence required to support an objection under section 5(4)(a):

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

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

9. No challenge is made to the Hearing Officer's statement of the elements of passing off, which was derived from the decision of Mr. Geoffrey Hobbs QC sitting as the Appointed Person in *WILD CHILD Trade Mark* [1998] RPC 455 at 460. The Applicant contends on appeal that the Hearing Officer incorrectly held on the evidence that the Opponent had established those elements at the relevant date (23 March 2000) and, in particular, goodwill and reputation, and/or deception.

The Opponent's section 5(4)(a) evidence

10. The Opponent's evidence in support of the objection under section 5(4)(a) consisted of a statutory declaration by Paul Jonathan Bendit dated 30 March 2001. Mr. Bendit is a director of and the sole shareholder in Eatalia Direct Limited. He states that his company supplies Italian food and drink under the EATALIA DIRECT name predominantly by mail order but also via the Internet from the website www.eataliadirect.com. The EATALIA DIRECT business was apparently launched in June 1999 with a half-page advertisement in a magazine called "Living South". Mr. Bendit understands that that magazine is distributed to approximately 65,000 households in South London. Little further information is given about the magazine launch. In particular, no copy of the advertisement/magazine is exhibited, there is no description of the contents of the advertisement (did the EATALIA DIRECT name/domain name/logo appear and in relation to what goods or services?) and the basis and time for Mr. Bendit's understanding of the magazine's distribution figures is not explained. Mr. Bendit states that the half-page advertisement cost £650 but no invoice or other documentation is supplied. An A4 flyer dated 13 May 1999 featuring the EATALIA DIRECT name and logo in relation to the home delivery of Italian manufacturer-branded olive oil, Parma ham, coffee and Parmesan cheese is exhibited at PJB2. Mr. Bendit says that the flyer was prepared and distributed on an individual basis by Eatalia Direct Limited to promote the EATALIA DIRECT business at the same time as the launch in "Living South". Again Mr. Bendit provides no information regarding distribution of the flyer over and above an estimated "initial promotional activities" spend of £425 – printing, £450 – design and £175 – postage.

11. Mr. Bendit says that his company has used the EATALIA DIRECT name and logo for the supply of Italian food and drink continuously in the UK since May 1999 in or on catalogues, advertisements, brochures, packaging, flyers and a variety of other printed material. Apart from the May 1999 flyer, the only other printed material exhibited (PJB3) is a catalogue bearing the EATALIA DIRECT logo, name and website address. The catalogue offers the direct supply of selected Italian manufacturer-branded coffee, oil, Parma ham, Parmesan cheese, sauces and paste, confectionery and wine. The catalogue is dated Autumn/Winter 1999 and tells the customer that it is the second of its kind. Mr. Bendit says that the catalogue was distributed as an insert to approximately 60,000 subscribers of the BBC Good Food magazine and approximately 5,000 readers of the Food and Travel magazine. It was also sent by post to approximately 1,400 individuals on a newly acquired mailing list. The costs are listed as catalogue printing – £8,550, design and photography – £1,340, distribution as inserts – £7,215, postage – £790. However, no supporting evidence is exhibited whatsoever and no explanation is given for the subscriber/reader figures. Ms. Mensah drew my attention to an error in the Hearing Officer's decision regarding the latter. The Hearing Officer assumes wide coverage for the catalogue insert in the BBC Good Food magazine since "the magazine is said to have 60,000 subscribers and a further 300,000 sales from retail outlets". In fact Mr. Bendit specifies these figures later in his declaration in relation to an article in the March 2000 issue of the BBC Good Food magazine. The catalogue insert is said by him only to have

gone to subscribers. Ms. Mensah additionally notes that Mr. Bendit gives no dates (of magazine issues or otherwise) for the catalogue distribution.

12. As regards the EATALIA DIRECT website, Mr. Bendit says that he has maintained this since December 1999 having acquired the domain names www.eataliadirect.com and www.eataliadirect.co.uk four months earlier. A print out is provided at PJB4 but is dated 26 March 2001, which is well after the relevant date.
13. Mr. Bendit claims that the EATALIA DIRECT business received regular press coverage in a number of national food and drink magazines and publications. He mentions that EATALIA DIRECT was featured as a new mail order business in the editorial of “Women at Home” journal in the summer of 1999 and another (unspecified) food and travel magazine at the same time. No example editorial is provided. Neither the magazines nor their readership are described. Mr. Bendit goes on to say that EATALIA DIRECT also featured in the News section of Harpers Trade Journals (Wine & Spirits) in or around December 1999, which is widely regarded as the industry journal. Again no example is provided and again it is impossible to discern any manner of use or the goods or services concerned. Ms. Mensah reminded me that the Applicant makes no claim to wines and spirits. The Hearing Officer intimates in his decision that he believed these deficiencies in the evidence were compensated for by the breakdown of expenditure given by Mr. Bendit for setting up the business and promoting it to potential customers. As might be expected, no item of expenditure is attributed to press coverage, so it is difficult to follow the reasoning of the Hearing Officer at this juncture.
14. Three items of press coverage were exhibited to Mr. Bendit’s declaration (PJB5): an entry in an article entitled “The Bounty of the Web” in “thenet” magazine, March 2000 issue; an entry in “Websites of the Month” in the BBC Good Food magazine, March 2000 issue; and mention under the heading “Hey, Pesto” in “Living Food Talk” an article by Nigella Lawson appearing in Vogue, April 2000 issue, published in March 2000. The Hearing Officer said of these references:

“As the publication of these magazines took place in the last month of the relevant period, their effect in terms of business generated by 23 March 2000 must be doubtful. Nevertheless they would have contributed to the reputation already established by that time.”

Whilst accepting that the references apparently did not form part of the Hearing Officer’s decision on goodwill and reputation (stated by the Hearing Officer already to have been made), Ms. Mensah took issue with the conclusion in the second sentence quoted above. She points out that the entries in “thenet” and BBC Good Food magazine refer only to the website address and the EATALIA DIRECT logo appears in none of the extracts. Moreover no evidence was adduced by the Applicant to show that any of the magazines were available to the public before the relevant date and so could have contributed at all to the generation of relevant goodwill.

15. Mr. Bendit also refers to Internet coverage for EATALIA DIRECT. He states that example print outs from www.shopsmart.com and www.britishshopping.com are exhibited (PJB5). The print out from www.britishshopping.com is dated 19 March 2001, well after the relevant date. The print out from www.shopsmart.com, dated 26 March 2001, makes no mention of EATALIA DIRECT. A third website www.nobags.com is said to have provided further coverage but no example is supplied. No dates are specified for the stated Internet coverage although Mr. Bendit adds: "Prior to April 2000, similar reviews featured on each of these sites." The Hearing Officer did not identify in his decision these deficiencies in the evidence of Internet coverage. Finally, Mr. Bendit adds that EATALIA DIRECT exhibited and sold products at five charity fairs in November and December 1999 in and around London, including high profile events for Cancer Research and that as a result EATALIA DIRECT accumulated approximately 250 additional names for the mailing list. No supporting evidence is supplied. Here it seems the Hearing Officer accepted the Applicant's criticism that the Opponent's references to exhibiting at Charity Fairs were vague and unsubstantiated.

16. The Hearing Officer characterised the effect of the Opponent's trading activity under the EATALIA DIRECT name and logo as "modest but not insignificant". Under the heading "Sales and Turnover" Mr. Bendit states:

"Eatalia Direct Limited's approximate annual turnover in the United Kingdom in respect of the business provided under the EATALIA DIRECT name and the EATALIA DIRECT Mark up to 31 March 2000 was £30,300".

No order or invoice or other sales material is supplied in support. There is no indication of how the turnover figure was made up, the range of customers, whether the sales and, if so, what proportion of those sales took place before the relevant date, what goods were the subject of the said business activity (as Ms. Mensah observed they could have been wines, which are not claimed by the Applicant) and so on. The Hearing Officer seems to have justified these omissions by reference to findings, in my view unsubstantiated on the evidence, that the Opponent was operating in a niche market and did not wish to disclose customer lists to a potential trade rival. Even then, the Hearing Officer concedes that a mailing list (as referred to by Mr. Bendit in his statutory declaration) is not the same as a customer list (unmentioned by Mr. Bendit in his declaration).

17. The Hearing Officer's conclusion on the requirement for goodwill and reputation was as follows (at para. 78):

" Each case must be considered on its own facts and circumstances. I do not think Mr. Justice Pumfrey [at first instance in *REEF Trade Mark*, supra.] was setting out to provide an exhaustive list of the sort of evidence that must be available to reach a finding in favour of an opponent. It is important to bear in mind the picture built up by the evidence as a whole. The nature of Mr. Bendit's business has been

fully explained and the applicant has not challenged his evidence. I remain of the view that customer/order information would have helped to substantiate the basic claims but it is, in my view, a reasonable inference that the turnover figure is likely to have been generated as a result of orders by a not insignificant number of customers. It would be strained reading of the evidence (given the nature of the evidence and the advertising methods used) to conclude otherwise. Goodwill at the relevant date may not have been extensive but it existed.”

Did the Opponent discharge the burden of making out his objection under section 5(4)(a)?

18. I accept Ms. Mensah’s contention that the Opponent’s “best evidence” comprised the 13 May 1999 flyer and Autumn/Winter 1999 catalogue. I also accept the Opponent’s submission made below that the fact that a business is very small does not prevent it having a goodwill (*Stannard v. Reay* [1967] RPC 589). Nevertheless, the law of passing off does not protect a goodwill of trivial extent (*Hart v. Relentless Records* [2002] EWHC 1984 (Ch)). I believe that the Hearing Officer erroneously concluded on the evidence before him that the Opponent had established protectable goodwill and reputation in the EATALIA DIRECT name and/or logo for the goods comprised in the specifications of the Applicant’s goods at the relevant date, 23 March 2000. Much of that evidence was, as detailed above, vague and unsubstantiated. Most importantly, in my view, there was no evidence (even in Mr. Bendit’s declaration) of significant trading activity under the EATALIA DIRECT name/logo in the goods concerned taking place before the relevant date.
19. In those circumstances it is unnecessary for me to decide whether, assuming protectable goodwill and reputation, the Hearing Officer correctly decided that registration/use of the Applicant’s mark would be likely to lead the public to believe that the goods the subject of Application No. 2227020 were those of the Opponent.

Conclusion

20. In the result, this appeal succeeds and the opposition against Application No. 2227020 for Eat Alia Device in Classes 29 and 30 is dismissed. The Hearing Officer assessed the costs to be awarded to the successful party on opposition at £2000. I direct that the Opponent pay the Applicant the sum of £2000 in respect of the opposition and a further sum of £1,150 towards the Applicant’s costs of this appeal, to be paid on the same basis as indicated by the Hearing Officer.

Professor Ruth Annand, 28 May 2003

Ms. Helyn Mensah instructed by Fry Heath Spence appeared as Counsel on behalf the Applicant.

The Opponent was not represented and did not appear in person.