

O-057-14

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK APPLICATION 2562869
BY PZ CUSSONS (INTERNATIONAL) LIMITED
TO REGISTER THE FOLLOWING TRADE MARK IN CLASS 3:**



AND

OPPOSITION THERETO (NO. 102533) BY HANDBAG.COM LIMITED

The background and the pleadings

1) The trade mark the subject of this dispute was filed by PZ Cussons (International) Limited (the “applicant”) on 1 November 2010 and published in the Trade Marks Journal on 15 July 2011. The trade mark, together with the goods for which registration is sought, is:



Class 3: Non-medicated toilet preparations for personal use; preparations for cleansing the skin; preparations for cleansing the skin and having anti-bacterial properties; facial and body moisturising preparations; body creams, milks, lotions; massage oils; aromatic and fragrance preparations; hand creams; soap; liquid soap; bath creams; bath foams; bath salts; bath oils; bath herbs; shower gels; shower creams; shaving preparations; shave gels; shaving creams; shaving foams; after-shave preparations; talc; hair preparations; hair care preparations; shampoos; conditioners; combined shampoo and conditioners; hair lotions; hair colouring preparations; hair straightening preparations; hair sprays; hair mousses; hair lacquers; perfumes, eau de toilettes; essential oils.

2) Registration of the mark is opposed by Handbag.com Limited (the “opponent”) on grounds under sections 5(2)(b) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”). Under section 5(2)(b), the opponent relies on UK trade mark registration 2208391 for the mark: HANDBAG.COM. The mark is registered for a wide range of goods and services, but the opponent relies only upon the following:

Class 3: Cosmetics, toilet preparations, soap, perfume, preparations for the hair, personal deodorants.

Class 44: Advisory services relating to beauty and healthcare.

3) The opponent’s mark was filed on 13 September 1999 and completed its registration process on 19 May 2000. Given the filing date, the mark constitutes an earlier mark as defined by section 6 of the Act. Given the date the registration process was completed, the proof of use provisions set out in section 6A of the Act are applicable because the earlier mark had been registered for five years or more as of the date of publication of the applied for mark. The opponent made a statement of use that its mark has been used in respect of all of the goods and services relied upon.

4) Under section 5(4)(a), the opponent relies on the use of the words HANDBAG.COM since as early as 2000 in relation to “on-line retail services connected with the sale of a variety of goods for women including non-medicated toiletries, cosmetics, perfumery, hair-care preparations and similar goods”. The claim is made on the basis of the law of passing-off.

5) The applicant filed a counterstatement denying the claims. It put the opponent to proof of use in relation to its earlier mark. Only the opponent filed evidence. The nature of its evidence led the opponent to request an amendment to its pleaded case. The amendment was to introduce a further claim under section 5(4)(a) based on the use of the sign HANDBAG.COM since 1999 in relation to an award scheme, whereby readers of the opponent’s online magazine vote for their favourite products (including cosmetics), with the proprietors of the winning products then being able to display stickers near the winning product’s name detailing the award won.

6) The tribunal took the view that the amendment should be allowed but gave the applicant an opportunity to challenge this and/or to file evidence directed at the new ground. The applicant neither challenged the addition of the ground nor filed evidence.

7) Neither side requested a hearing or filed written submissions in lieu. I will, of course, take into account all of the arguments that have been made in the papers before me.

The opponent’s evidence

8) The evidence was given by Mr Mango Saul, the editor of HANDBAG.COM, which he describes as a “digital magazine” published by the opponent. I note the following from Mr Saul’s evidence:

- The website handbag.com was originally launched in 1999 with HANDBAG.COM being used as the title of an on-line women’s interest magazine since at least 2006.
- The financial statements of the opponent’s directors as of 30 December 2007 described HANDBAG.COM as a leading UK lifestyle magazine for women and it was awarded the Hitwise No.1 women’s lifestyle website for the quarter ending December 2007.
- Revenue comes substantially from advertising, but some income is derived from on-line sales conducted via the “shop” pages on the handbag.com website.
- “Currently” (the witness statement is dated 31 July 2013) HANDBAG.COM receives 2 million page views per month from 500,000 unique users.

- The “shop” part of HANDBAG.COM has “for several years” featured a variety of cosmetic products for sale.
- Exhibit MS.1 contains web-prints showing cosmetic products being sold. They are said to relate to products sold in 2010 and 2012, but it is stated that similar products were available prior to this. The goods sold all carry third party brands. Mr Saul states that although the website has changed over the years, every transaction would have been conducted in such a way that “the reader sees the name HANDBAG.COM in association with the product as offered for sale, purchased and subsequently delivered”.
- In relation to the prints referred to above, 5 of the 8 prints are headed “Shop for Skin Care at Handbag.com by Shopstyle” and at the bottom of the page the words “Shopstyle is part of the PopSugar Fashion, Beauty and Shop..”. Therefore, whilst the “shop” is offered within the confines of the handbag.com website, the actual trader may well be considered by its customers as Shopstyle.
- In relation to the remaining 3 prints, they relate not to sales but to offers whereby readers of HANDBAG.COM are provided with a particular code for a discount off the price of (third party) cosmetic products, but the sale is effected via a different website (and trader) altogether.
- For “several years” HANDBAG.COM has run an annual award scheme for beauty products whereby readers vote for their favourite products. The winners (third party products) are encouraged, for promotional purposes, to place a sticker on the product bearing the name HANDBAG.COM and the year of the award.
- Exhibit MS.2 contains publicity material relating to the award scheme. Most come from the opponent’s website and the articles refer to the handbag.com beauty awards, with subsequent information being provided about particular products and the award won. The earliest award dates from 2007. One of the prints shows a badge like symbol featuring the words “handbag.com, beauty awards 2009, READERS CHOICE”.
- Exhibit MS.3 contains 5 prints from other traders’ websites which make reference to the award scheme. The prints are from companies who have won an award, or who stock products that have won an award; one is an article in a third party publication about award winners. The prints were taken in July 2013, but of the awards referred to, one dates from 2008. HANDBAG.COM is never used alone. It is always used in context, alongside the words BEAUTY AWARDS [YEAR], often with the category of award given and the product name. Two of the prints feature the following image:



- The final point made by Mr Saul is that HANDBAG.COM has “always included advisory services provided to readers relating to beauty and healthcare”. Exhibit MS.4 contains various prints on topics such as “how to detox” and “winter make-up trends”. There is an “ask our experts” feature whereby readers can pose questions including questions relating to cosmetics. There is an “expert advice” feature which gives readers tips on certain cosmetic issues.

The proof of use provisions

The legal background

9) As stated earlier, the proof of use provisions apply to the earlier mark pleaded under section 5(2)(b). The use conditions are set out in Section 6A of the Act as follows:

“(3) The use conditions are met if –

(a) within the period of five years ending with the date of publication of the application the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered [.....]”

(4) For these purposes -

(a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered [.....]

(5) “In relation to a Community trade mark [.....], any reference in subsection (3) [.....] to the United Kingdom shall be construed as a reference to the European Community”.

10) Section 100 is also relevant; it reads:

“If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

11) When considering whether genuine use has been shown, I bear in mind the leading authorities on the principles to be applied, namely: the judgments of the CJEU in *Ansul BV v Ajax Brandbeveiliging BV* [2003] R.P.C. 40 (“*Ansul*”) and *Laboratoire de la Mer Trade Marks* C-259/02 (“*La Mer*”). In *Stichting BDO and others v BDO Unibank, Inc and others* [2013] EWHC 418 (Ch), Arnold J commented on the case-law of the CJEU in relation to genuine use of a trade mark:

“In *SANT AMBROEUS Trade Mark* [2010] RPC 28 at [42] Anna Carboni sitting as the Appointed Person set out the following helpful summary of the jurisprudence of the CJEU in Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, Case C-259/02 *La Mer Technology Inc v Laboratories Goemar SA* [2004] ECR I-1159 and Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759 (to which I have added references to Case C-416/04 P *Sunrider v OHIM* [2006] ECR I-4237):

"(1) Genuine use means actual use of the mark by the proprietor or a third party with authority to use the mark: *Ansul*, [35] and [37].

(2) The use must be more than merely 'token', which means in this context that it must not serve solely to preserve the rights conferred by the registration: *Ansul*, [36].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the 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: *Ansul*, [36]; *Sunrider*, [70]; *Silberquelle*, [17].

(4) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, i.e. exploitation that is aimed at maintaining or creating an outlet for the goods or services or a share in that market: *Ansul*, [37]-[38]; *Silberquelle*, [18].

(a) Example that meets this criterion: preparations to put goods or services on the market, such as advertising campaigns: *Ansul*, [37].

(b) Examples that do not meet this criterion: (i) internal use by the proprietor: *Ansul*, [37]; (ii) the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle*, [20]-[21].

(5) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including in particular, the nature of the goods or services at issue, the characteristics of the market concerned, the scale and frequency of use of the mark, whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them, and the evidence that the proprietor is able to provide: *Ansul*, [38] and [39]; *La Mer*, [22]-[23]; *Sunrider*, [70]-[71].

(6) Use of the mark need not always be quantitatively significant for it to be deemed genuine. There is no *de minimis* rule. Even minimal use may qualify as genuine use if it is the sort of use that is appropriate in the economic sector concerned for preserving or creating market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor: *Ansul*, [39]; *La Mer*, [21], [24] and [25]; *Sunrider*, [72]”

12) If genuine use has been made of the trade mark, I must decide upon a fair specification that reflects such use. In deciding upon a fair description, the description must not be picky¹. It is necessary to consider how the relevant public would likely describe the goods and services². The General Court (“GC”) in *Reckitt Benckiser (España), SL v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-126/03 (“Aladin”)* held:

“43 Therefore, the objective pursued by the requirement is not so much to determine precisely the extent of the protection afforded to the earlier trade mark by reference to the actual goods or services using the mark at a given time as to ensure more generally that the earlier mark was actually used for the goods or services in respect of which it was registered.

44 With that in mind, it is necessary to interpret the last sentence of Article 43(2) of Regulation No 40/94 and Article 43(3), which applies Article 43(2) to earlier national marks, as seeking to prevent a trade mark which has

¹ See *Animal Trade Mark* [2004] FSR 19.

² See *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32

been used in relation to part of the goods or services for which it is registered being afforded extensive protection merely because it has been registered for a wide range of goods or services. Thus, when those provisions are applied, it is necessary to take account of the breadth of the categories of goods or services for which the earlier mark was registered, in particular the extent to which the categories concerned are described in general terms for registration purposes, and to do this in the light of the goods or services in respect of which genuine use has, of necessity, actually been established.

45 It follows from the provisions cited above that, if a trade mark has been registered for a category of goods or services which is sufficiently broad for it to be possible to identify within it a number of sub-categories capable of being viewed independently, proof that the mark has been put to genuine use in relation to a part of those goods or services affords protection, in opposition proceedings, only for the sub-category or subcategories relating to which the goods or services for which the trade mark has actually been used actually belong. However, if a trade mark has been registered for goods or services defined so precisely and narrowly that it is not possible to make any significant sub-divisions within the category concerned, then the proof of genuine use of the mark for the goods or services necessarily covers the entire category for the purposes of the opposition.

46 Although the principle of partial use operates to ensure that trade marks which have not been used for a given category of goods are not rendered unavailable, it must not, however, result in the proprietor of the earlier trade mark being stripped of all protection for goods which, although not strictly identical to those in respect of which he has succeeded in proving genuine use, are not in essence different from them and belong to a single group which cannot be divided other than in an arbitrary manner. The Court observes in that regard that in practice it is impossible for the proprietor of a trade mark to prove that the mark has been used for all conceivable variations of the goods concerned by the registration. Consequently, the concept of 'part of the goods or services' cannot be taken to mean all the commercial variations of similar goods or services but merely goods or services which are sufficiently distinct to constitute coherent categories or sub-categories.

53 First, although the last sentence of Article 43(2) of Regulation No 40/94 is indeed intended to prevent artificial conflicts between an earlier trade mark and a mark for which registration is sought, it must also be observed that the pursuit of that legitimate objective must not result in an unjustified limitation on the scope of the protection conferred by the earlier trade mark where the goods or services to which the registration relates represent, as in this instance, a sufficiently restricted category."

13) I also note the comments of Mr Geoffrey Hobbs QC, sitting as the appointed person, in *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited* BL O/345/10, where he stated:

“However, that does not appear to me to alter the basic nature of the required approach. As to that, I adhere to the view that I have expressed Page 23 of 68 in a number of previous decisions. In the present state of the law, fair protection is to be achieved by identifying and defining not the particular examples of goods or services for which there has been genuine use but the particular categories of goods or services they should realistically be taken to exemplify. For that purpose the terminology of the resulting specification should accord with the perceptions of the average consumer of the goods or services concerned.”

The relevant period

14) The period in which genuine use must be established is the five year period ending with the date of publication of the applied for mark, namely: **16 July 2006 to 15 July 2011.**

Use in relation to the class 3 goods

15) The opponent claims to have made genuine use in relation to:

Cosmetics, toilet preparations, soap, perfume, preparations for the hair, personal deodorants.

16) The evidence put forward relates to the sale of third party brands. The witness refers to sales made via the “shop” on the HANDBAG.COM website. The issue of shop names and the relationship with goods sold therein was dealt with by the CJEU in *Céline* where it was stated:

“21. The purpose of a company, trade or shop name is not, of itself, to distinguish goods or services (see, to that effect, *Case C-23/01 Robelco* [2002] ECR I-10913, paragraph 34, and *Anheuser-Busch*, paragraph 64). The purpose of a company name is to identify a company, whereas the purpose of a trade name or a shop name is to designate a business which is being carried on. Accordingly, where the use of a company name, trade name or shop name is limited to identifying a company or designating a business which is being carried on, such use cannot be considered as being ‘in relation to goods or services’ within the meaning of Article 5(1) of the directive.

22. Conversely, there is use ‘in relation to goods’ within the meaning of Article 5(1) of the directive where a third party affixes the sign constituting his company name, trade name or shop name to the goods which he

markets (see, to that effect, *Arsenal Football Club*, paragraph 41, and *Adam Opel*, paragraph 20).

23. In addition, even where the sign is not affixed, there is use 'in relation to goods or services' within the meaning of that provision 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.

[...]

26. [...] 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) of the directive 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)".

17) Jacob J considered a similar point in *Euromarket Designs Incorporated v Peters and Another* [2001] F.S.R. 201:

"57. In this connection it should be borne in mind that the Directive does not include an all-bracing definition of "use", still less of "use in relation to goods". There is a list of what may *inter alia* be specified as infringement (Article 5(3), corresponding to section 10(4)) and a different list of what may, *inter alia*, constitute use of a trade mark for the purpose of defeating a non-use attack (Article 10(2), equivalent to section 46(2)). It may well be that the concept of "use in relation to goods" is different for different purposes. Much may turn on the public conception of the use. For instance, if you buy Kodak film in Boots and it is put into a bag labelled "Boots", only a trade mark lawyer might say that that Boots is being used as a trade mark for film. Mere physical proximity between sign and goods may not make the use of the sign "in relation to" the goods. Perception matters too. That is yet another reason why, in this case, the fact that some goods were sent from the *Crate & Barrel* United States shops to the

United Kingdom in *Crate & Barrel* packaging is at least arguably not use of the mark in relation to the goods inside the packaging. And all the more so if, as I expect, the actual goods bear their own trade mark. The perception as to the effect of use in this sort of ambiguous case may well call for evidence”.

18) These cases, and others, were considered by Mr Daniel Alexander QC (sitting as the Appointed Person) in *The Light* BL/O/472/11 and he summed up the position by stating that:

“25. The effect of these authorities, both at EU and at national level, is therefore that this aspect of the non-use provisions requires the tribunal to consider whether, having regard to all the facts and circumstances, the mark been used to identify to the average consumer the proprietor as the origin of, including, having responsibility for, the particular goods or services in question.”

19) The selling of a third party cosmetic product does not establish the necessary link which would lead the average consumer to believe that the HANDBAG.COM mark is being used to identify the origin, or to indicate responsibility for, the goods in question. The mark is, at the very best, being used for the purpose of identifying the retailer of the goods. I say “at the very best” because I have doubts about whether the retailer will be perceived as HANDBAG.COM given that the prints relied upon show either the provision of a special offer (a discount code) that can be used on the website of a different retailer, or they are headed with the words “Shop for Skin Care at Handbag.com by Shopstyle”, which may be taken to indicate that the retailer is Shopstyle with the sales simply being facilitated or hosted by HANDBAG.COM. I will come back to this point when dealing with the matter under section 5(4)(a). **Genuine use has not been established in relation to the class 3 goods. The consequence of this is that such goods cannot be relied upon in relation to the section 5(2)(b) ground of opposition.**

Use in relation to the class 44 services

20) The opponent claims to have made genuine use in relation to:

Advisory services relating to beauty and healthcare

21) I accept that genuine use has been made of the trade mark in the relevant period in relation to the provision of an online women’s interest magazine. However, this per se would not count as use in relation to “advisory services relating to beauty and healthcare”. The opponent relies on the articles in its online magazine about beauty issues etc. It also relies on features such as its “ask our experts” feature. However, the articles where readers can ask an expert a specific question are from before (not within) the relevant date. Even if this

evidence could be taken into account, it is not clear if every question that comes in will make it to print (or in this case screen). Given that the website has changed over the years, it is not appropriate to infer that such features were published during the relevant period. Of the prints that date within the relevant period, there is page headed "Expert Advice". The advice is, essentially, a series of articles on particular topics, some in Q & A form. To call such a feature in an online magazine "advisory services relating to beauty and healthcare" would not, in my view, represent terminology which accords with the perceptions of the average consumer of the goods or services concerned. The opponent is not creating or maintaining a market in the field of advisory services relating to beauty and healthcare. It is creating or maintaining a share in the market for the provision of an online women's interest publication. I acknowledge that a service provider may provide more than one service under cover of its primary business. However, the nature of use and the perception of the average consumer lead me to conclude that **genuine use has not been established in relation to the class 44 services. The consequence of this is that such services cannot be relied upon in relation to the section 5(2)(b) ground of opposition.**

Section 5(2)(b)

22) The earlier mark has failed the proof of use assessment in relation to the goods and services it relies upon. Consequently, the opposition under section 5(2)(b) is dismissed.

Section 5(4)(a)

Legislation and the leading case-law

23) Section 5(4)(a) constitutes a ground of opposition in circumstances where the use of the mark in question 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.."

24) The elements of passing-off (often referred to as the classic trinity) can be summarised as: 1) goodwill, 2) misrepresentation and 3) damage. In *Reckitt & Colman Products Ltd v Borden Inc* [1990] R.P.C.341, Lord Oliver summarised the position thus:

"The law of passing off can be summarised in one short general proposition - no man may pass off his goods as those of another. More specifically, it may be expressed in terms of the elements which the plaintiff in such an action has to prove in order to succeed. These are three in number. First he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing

public by association with the identifying 'get-up' (whether it consists simply of a brand name or trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff's goods or services. Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff...Thirdly he must demonstrate that he suffers, or in a quia timet action that he is likely to suffer, damage by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff."

25) The concept of goodwill was explained in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 at 223 as:

"What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom."

26) To qualify for protection under the law of passing-off, any goodwill must be of more than a trivial nature³. However, being a small player does not prevent the law of passing-off from being relied upon⁴.

27) The test for misrepresentation was explained in *Reckitt & Colman Products Ltd v Borden Inc* thus:

"Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff"

28) In terms of misrepresentation, I must be satisfied that the goods offered under the applicant's mark would be taken (or likely to be taken) by a substantial number of the opponent's customers or potential customers to be the responsibility of the opponent (or that there is some form of connection between the opponent and the applicant). Although an intention to misrepresent would be a highly relevant factor, it is not a prerequisite. Misrepresentation can be found in innocent circumstances.

³ *Hart v Relentless Records* [2002] EWHC 1984

⁴ See, for instance, *Stannard v Reay* [1967] FSR 140, *Teleworks v Telework Group* [2002] RPC 27 and *Stacey v 2020 Communications* [1991] FSR 49

29) The goods/services must also be factored in. Although there is no requirement in passing-off for goods/services to be similar, or for there to be a common field of activity, it is nevertheless a highly relevant factor, as can be seen from the judgment in *Harrods Ltd v Harrodian School* [1996] RPC 697, where Millett LJ stated:

“The absence of a common field of activity, therefore, is not fatal; but it is not irrelevant either. In deciding whether there is a likelihood of confusion, it is an important and highly relevant consideration.”

and

“The name "Harrods" may be universally recognised, but the business with which it is associated in the minds of the public is not all embracing. To be known to everyone is not to be known for everything.”

and

“It is not in my opinion sufficient to demonstrate that there must be a connection of some kind between the defendant and the plaintiff, if it is not a connection which would lead the public to suppose that the plaintiff has made himself responsible for the quality of the defendant’s goods or services.”

30) In relation to damage, although a direct loss of sales is often the most obvious form of damage to consider, damage can arise in other ways. In *Maslyukov v Diageo Distilling Ltd* Arnold J stated:

85 Secondly, counsel submitted that the hearing officer had wrongly failed to recognise that damage resulting from Diegeo's loss of control over the marks, including erosion of distinctiveness of the marks, was sufficient damage to sustain a passing off action, as shown by the following passage from McAlpine at [20] which the hearing officer himself quoted at para.128 of the decision:

“When it comes to considering damage, the law is not so naïve as to confine the damage to directly provable losses of sales, or ‘direct sale for sale substitution’. The law recognises that damage from wrongful association can be wider than that. Thus in *Ewing v Buttercup Margarine Ltd (1917)* 34 R.P.C. 232 Warrington L.J. said:

‘To induce the belief that my business is a branch of another man’s business may do that other man damage in all kinds of ways. The quality of the goods I sell; the kind of business I do; the credit or otherwise which I might enjoy. All those

things may immensely injure the other man, who is assumed wrongly to be associated with me.'

In so saying, he was not limiting the kinds of potential damage to those listed by him. Rather, he was indicating that the subtleties of the effect of passing off extend into effects that are more subtle than merely sales lost to a passing off competitor. In *Associated Newspapers Ltd v Express Newspapers* [2003] F.S.R. 909 at 929 Laddie J. cited this passage, referred to other cases and went on to say:

'In all these cases [that is to say, the *Clock Ltd* case referred to above and *Harrods v Harrodian School* [1996] R.P.C. 679], direct sale for sale substitution is unlikely or impossible. Nevertheless the damage to the claimant can be substantial and invidious since the defendant's activities may remove from the claimant his ability to control and develop as he wishes the reputation in his mark. Thus, for a long time, the common law has protected a trader from the risk of false association as it has against the risk of more conventional goods for goods confusion.'

The same judge expressed himself more picturesquely, but equally helpfully, in *Irvine v Talksport Ltd* [2002] 1 W.L.R. 2355 at 2366. Having pointed out the more familiar, and easier, case of a defendant selling inferior goods in substitution for the claimant's and the consequential damage, he went on to say:

'But goodwill will be protected even if there is no immediate damage in the above sense. For example, it has long been recognised that a defendant cannot avoid a finding of passing off by showing that his goods or services are of as good or better quality than the claimant's. In such a case, although the defendant may not damage the goodwill as such, what he does is damage the value of the goodwill to the claimant because, instead of benefiting from exclusive rights to his property, the latter now finds that someone else is squatting on it. It is for the owner of goodwill to maintain, raise or lower the quality of his reputation or decide who, if anyone, can use it alongside him. The ability to do that is compromised if another can use the reputation or goodwill without his permission and as he likes. Thus *Fortnum and Mason* is no more entitled to use the name *FW Woolworth* than *FW Woolworth* is entitled to use the name *Fortnum and Mason ...*' 'The law will vindicate the claimant's exclusive right to the reputation or goodwill. It will not allow others so to

use goodwill as to reduce, blur or diminish its exclusivity.’ (at 2368)

In *Taittinger SA v Allbev Ltd* [1994] 4 All ER 75 at 88, Peter Gibson L.J. acknowledged that:

‘Erosion of the distinctiveness of the name champagne in this country is a form of damage to the goodwill of the business of the champagne houses.’ The same view was expressed by Sir Thomas Bingham MR at 93.”

31) To illustrate the point further, I note that in *WS Foster & Son Limited v Brooks Brothers UK Limited* [2013] EWPC 18, Mr Recorder Iain Purvis QC stated:

“Damage

55 Although proof of damage is an essential requirement of passing off cases, it will generally be presumed where a misrepresentation leading to a likelihood of deception has been established, since such deception will be likely to lead to loss of sales and/or more general damage to the exclusivity of the Claimant's unregistered mark. Mr Aikens accepted that if there was a misrepresentation in the present case, then he had no separate case on damage. I hold that damage is inevitable, at least in the sense recognised in *Sir Robert McAlpine v Alfred McAlpine* [2004] RPC 36 at 49 (the ‘blurring, diminishing or erosion’ of the distinctiveness of the mark).”

The relevant date

32) Matters must be judged at a particular point(s) in time. In *Last Minute Network Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM) Joined Cases T-114/07 and T-115/07 the GC stated:

“50 First, there was goodwill or reputation attached to the services offered by LMN in the mind of the relevant public by association with their get-up. In an action for passing off, that reputation must be established at the date on which the defendant began to offer his goods or services (*Cadbury Schweppes v Pub Squash* (1981) R.P.C. 429).

51 However, according to Article 8(4) of Regulation No 40/94 the relevant date is not that date, but the date on which the application for a Community trade mark was filed, since it requires that an applicant seeking a declaration of invalidity has acquired rights over its non registered national mark before the date of filing, in this case 11 March 2000.”

33) The relevant date at which the opponent must establish that its business had goodwill, and that the use of the applicant's mark was liable to be prevented under the law of passing-off, is 1 November 2010. In some cases it may be necessary to consider the position at an earlier date(s), if, for example, the applicant had used its mark prior to the relevant date, considering itself to be, for example, a senior or concurrent use. However, no such claim is made in these proceedings so this is not an issue here.

The claim based on the business of retailing

34) Two pleadings are made in relation to passing-off. The first is based upon a claimed goodwill in relation to:

“on-line retail services connected with the sale of a variety of goods for women including non-medicated toiletries, cosmetics, perfumery, hair-care preparations and similar goods”

35) The opponent's principal business is as a publisher of an online women's interest magazine. The sign relied upon, HANDBAG.COM, is used as its title. I have little doubt that the opponent's business had goodwill, a reasonably strong one at that, at the relevant date in relation to its principle business. The question arises as to whether the retailing service as identified above forms part of its goodwill. In relation to this, the commentary of the witness is sparse. It is stated that the website HANDBAG.COM has had a “shop” part “for several years” featuring a variety of cosmetic products for sale. No dates are given as to when this started. No evidence as to the numbers of customers is provided. No evidence as to the value of sales is provided for any products, let alone cosmetics. This is evidence that should have been within the grasp of the witness. The witness also states that the website has changed over the years, so the nature and significance of the shop part may also have changed. The witness states “the reader sees the name HANDBAG.COM in association with the product as offered for sale, purchased and subsequently delivered”. It is not clear what he means by “in association”. In relation to the prints showing the shop part of the website, five of the eight prints are headed “Shop for Skin Care at Handbag.com by Shopstyle” and at the bottom of the page the words “Shopstyle is part of the PopSugar Fashion, Beauty and Shop..”. What role Shopstyle is playing in all this is not clear. The witness does not explain. As I stated earlier, whilst the “shop” is offered within the confines of the handbag.com website, the actual retailer may be Shopstyle. This ambiguity is not helped by the paucity of the evidence as a whole. The other three prints do not assist as they merely relate to the provision of discount codes in relation to products sold on a different retail website.

36) The most one can take from the evidence is that any goodwill in relation to the retailing of cosmetic products is weak and the only certainty is that sales were facilitated or hosted on the opponent's HANDBAG.COM website as opposed to

the opponent being the retailer per se. Taking this into account, despite the similarity between the applicant's mark and the sign relied upon by the opponent, the nature of this goodwill will not lead a substantial number of persons into believing that the goods sold under the applied for mark are actually the responsibility of the opponent. On the evidence before me, the link is too tenuous a one. Further, I also bear in mind that in *Société Anonyme des Bains de Mer et du Cercle des Étrangers à Monaco v Anglofile International Limited trading as Monte Carlo Casino Entertainment* [2013] EWPC 38 Miss Recorder Amanda Michaels commented on what is necessary for an actionable misrepresentation:

"73. In case I am wrong on that point, however, I need to consider whether the Defendant's activities give rise to an actionable misrepresentation. Mr Wilkinson sought to persuade me that 'mere confusion' would suffice to establish passing off, but I cannot accept that submission. Birss J said recently (indeed, just after the trial of this action) in *Fenty v Arcadia* [2013] EWHC 2310 at [35]

"35 ... For passing off to succeed there must be a misrepresentation about trade origin. Mr Hobbs rightly referred me to the words of Jacob J (as he then was) in *Hodgkinson v Wards Mobility* [1995] FSR 169 and of the Court of Appeal in *Harrods v Harrodian School* [1996] RPC 697 about the significance of deception in passing off. Jacob J emphasised that the tort of passing off has never shown even a slight tendency to stray away beyond cases of deception. Millett LJ (as he then was) stated that it was not sufficient to demonstrate that the public would think there was a connection of some kind between the defendant and the claimant, if it is not a connection which would lead the public to suppose that the claimant has made him or herself responsible for the quality of the defendant's goods or articles."

74. Birss J also referred to [16-23] of the judgment of Jacob LJ in *Phones 4U v Phone4U.co.uk* [2007] RPC 5 on "mere confusion" where he said at [16 ff]:

"16 ... Sometimes a distinction is drawn between "mere confusion" which is not enough, and "deception," which is. I described the difference as "elusive" in *Reed Executive Plc v Reed Business Information Ltd* [2004] R.P.C. 40. I said this, [111]:

"Once the position strays into misleading a substantial number of people (going from 'I wonder if there is a connection' to 'I assume there is a connection') there will be passing off, whether the use is as a business name or a trade mark on goods."

17 This of course is a question of degree—there will be some mere wonderers and some assumers—there will normally (see below) be passing off if there is a substantial number of the latter even if there is also a substantial number of the former.

18. The current (2005) edition of Kerly contains a discussion of the distinction at paras 15–043 to 15–045. It is suggested that:

‘The real distinction between mere confusion and deception lies in their causative effects. Mere confusion has no causative effect (other than to confuse lawyers and their clients) whereas, if in answer to the question: “what moves the public to buy?”, the insignia complained of is identified, then it is a case of deception.’

19. Although correct as far as it goes, I do not endorse that as a complete statement of the position. Clearly if the public are induced to buy by mistaking the insignia of B for that which they know to be that of A, there is deception. But there are other cases too—for instance those in the *Buttercup* case. A more complete test would be whether what is said to be deception rather than mere confusion is really likely to be damaging to the claimant’s goodwill or divert trade from him. I emphasise the word ‘really.’

20. *HFC Bank Plc v Midland Bank Plc* [2000] F.S.R. 176 , ... is a case about ‘mere confusion’. The claimant Bank was known, but not very well known, as HFC. It sought to restrain the Midland with its very many branches from changing its name to HSBC. That was said to be passing off. It relied upon some 1,200 instances of alleged deception. Lloyd J. analysed the ten best (pp.189–104). None really amounted to deception. And in any event, given the scale of the parties’ respective operations, the totality of what was relied upon was trivial. The case was one on its facts. It decided no question of principle.

21. In this discussion of ‘deception/confusion’ it should be remembered that there are cases where what at first sight may look like deception and indeed will involve deception, is nonetheless justified in law. I have in mind cases of honest concurrent use and very descriptive marks. Sometimes such cases are described as ‘mere confusion’ but they are not really—they are cases of tolerated deception or a tolerated level of deception.

22. An example of the former is the old case of *Dent v Turpin* (1861) 2 J. & H. 139 . Father Dent had two clock shops, one in the City, the other in the West End. He bequeathed one to each son—

which resulted in two clock businesses each called Dent. Neither could stop the other; each could stop a third party (a villain rather appropriately named Turpin) from using 'Dent' for such a business. A member of the public who only knew of one of the two businesses would assume that the other was part of it—he would be deceived. Yet passing off would not lie for one son against the other because of the positive right of the other business. However it would lie against the third party usurper.”

Given the nature of the goodwill as I have characterized it, and its relationship with retailing, I do not think, in the words of Jacob LJ, there can really be any actual damage to the opponent’s goodwill let alone a diversion of sales. **The first claim under passing-off fails.**

The claim based on the award scheme

37) The second claim relates to the annual award scheme run by the opponent. The opponent’s concern is that the use of the applied for mark will indicate that the goods have won one of these annual awards, when in fact it has not. I have serious doubts as to whether such a claim is actionable under the law of passing-off. I am not aware of any decided cases that have been based upon similar circumstances. I bear in mind the extended form of passing-off, but I do not consider that the position is analogous here. The closest one gets is, perhaps, the issue of endorsement. False endorsement has been held to be actionable under the law of passing-off⁵. However, endorsement, by its nature, normally involves some form of economic connection or agreement to be in play, an economic connection which will not be perceived to be in play here. However, setting the potentiality of the claim to one side, it seems to me that the claim would, in any event, fail. The evidence shows that when the award scheme is referred to, its context is always given. Indications of the year of award and product type are made. The winning products, if the manufactures of them choose to market itself with reference to the award, will explain this context and/or will use one of the symbols shown in the evidence. The notional use of the applied for mark does not include such context. Without further cues, I do not consider that a substantial number of persons will see the applied for trade mark used in relation to cosmetics and come to the assumption that the use of the trade mark is indicating an award winning product. **The second claim under passing-off fails.**

Outcome

38) All claims having failed, the opposition is hereby dismissed.

⁵ See *Edmund Irvine Tidswell Ltd. v Talksport Ltd* [2002] EWHC 367 (Ch), a judgment of Mr Justice Laddie which was upheld in the Court of Appeal.

Costs

39) The applicant having been successful, it is entitled to a contribution towards its costs. My assessment of costs is as follows:

Preparing a statement and considering the other side's statement: £300

Considering the opponent's evidence: £300

Handbag.com Limited is ordered to pay PZ Cussons (International) Limited the sum of £600. This sum is 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 3rd day of February 2014

**Oliver Morris
For the Registrar,
The Comptroller-General**