

O-346-14

**TRADE MARKS ACT 1994**

**IN THE MATTER OF TRADE MARK APPLICATION 2643301  
BY CORNISH SCRUMPY CO LTD  
TO REGISTER THE FOLLOWING TRADE MARK IN CLASS 33:**

**CORNISH GOLD**

**AND**

**OPPOSITION THERETO (NO. 104675) BY CORNISH ORCHARDS LIMITED**

## **The background and the pleadings**

1) These proceedings concern whether the following trade mark should be registered to Cornish Scrumpy Co Ltd (“the applicant”):

### **CORNISH GOLD**

**Class 33:** Cider produced in Cornwall

2) The applicant filed the trade mark on 22 November 2012 and it was published in the Trade Mark Journal on 28 December 2012.

3) The opponent is Cornish Orchards Limited (“the opponent”). It pleads a single ground under Section 5(4)(a) of the Trade Marks Act 1994 (“the Act”). The claim relates to the law of passing-off, the opponent relying on its use of the sign CORNISH GOLD since 23 September 2011.

4) The applicant filed a counterstatement denying the ground and putting the opponent to proof of its claims. Both sides filed evidence. Neither side requested a hearing. The applicant filed written submissions in lieu of a hearing. The opponent did not, but it did file written submissions with its evidence.

5) Section 5(4)(a) constitutes a ground of opposition in circumstances where the use of the applied for mark 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..”

6) 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."

### **The relevant date**

7) Matters must be judged at a particular point 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 General Court 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."

8) 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 22 November 2012. It is sometimes necessary to consider the position at an earlier date, if, for example, the applicant had been using its mark, considering itself to be, for example, a senior or concurrent user. No specific claim to being a senior or concurrent user was made by the applicant. However, I note from the applicant's evidence, filed by its commercial director Mr Joe Healey, that the applicant's first product, which was produced in 1982, was called CORNISH GOLD cider. However, there is no evidence about the sales made of it or any other evidence as to the level of use, so meaning that there is nothing to show any goodwill upon which a senior or concurrent user status could be demonstrated. As such, the position at any earlier dates does not require assessment in these proceedings.

### **Goodwill & misrepresentation**

9) The opponent cannot succeed if it does not have a relevant goodwill. 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.”

10) To qualify for protection under the law of passing-off, any goodwill must be of more than a trivial nature<sup>1</sup>. However, being a small player does not prevent the law of passing-off from being relied upon<sup>2</sup>. 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”

11) 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.

12) The opponent’s witness is Mr Andrew Atkinson. For reasons that will become apparent, Mr Atkinson has provided three witness statements in these proceedings. He is the opponent’s managing director. His evidence is that CORNISH GOLD is a “well known cider”, part of the opponent’s “Cornish Orchards” range. The name was coined in the spring of 2011. Buddy Creative (a design agency) was commissioned to create labels and marketing materials. CORNISH GOLD was to replace an earlier product called “CORNISH ORCHARDS BLACK & GOLD”.

13) Exhibits AA1 to AA3 contain various labels showing the CORNISH GOLD (and other) products, emails from/to the designs agency, and a print of the BLACK AND GOLD product. The emails demonstrate that 50k labels were ordered for CORNISH GOLD in July 2011. Labels for the other products in the range were also ordered, some for the same quantity, some for lower amounts. The following prints show the product range, including CORNISH GOLD:

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<sup>1</sup> *Hart v Relentless Records* [2002] EWHC 1984

<sup>2</sup> See, for instance, *Stannard v Reay* [1967] FSR 140, *Teleworks v Telework Group* [2002] RPC 27 and *Stacey v 2020 Communications* [1991] FSR 49





14) CORNISH GOLD was “introduced” to the supermarket Waitrose on 16 June 2011. A copy of the slides which were presented to Waitrose are provided in Exhibit AA4. It is a “meet the buyer” type of presentation. It gives information about the business in general terms including that the business turns over around £1million per year, that it is estimated to sell 1 million pints of cider in 2011, and that its aims to reposition itself from a local to a regional producer. One of the slides has a picture of 9 bottles of cider. They all show the name CORNISH ORCHARDS. It is just about possible to make out the words CORNISH GOLD on one of the bottles, but it is certainly not something that leaps from the slide. There is no other mention of CORNISH GOLD in any of the other slides.

15) The first sales of CORNISH GOLD were made at the Cornwall Food and Drink Show on 23 September 2011. A photograph of the opponent’s stand is shown in exhibit AA5. It shows banners with the words CORNISH ORCHARDS upon them. The stand has numerous bottles of cider upon it, CORNISH GOLD is one of them, together with the other ciders in the range. In his second witness statement Mr Atkinson states that this event was attended by 43k people. Mr Atkinson states that turnover for CORNISH GOLD cider between September 2011 and November 2012 was £93,912.

16) Exhibit AA6 contains a selection of invoices which Mr Atkinson states relate to sales throughout the UK and also for export. Sales have been made to businesses in Devon, the Isles of Scilly, Essex, Bucks, Northumberland, Cornwall, Italy, Holland, Pembrokeshire, London, Yorkshire, Finland, Denmark, Singapore & Herts. The invoices are headed with the CORNISH ORCHARDS name (and logo). The CORNISH GOLD product is invoiced as “Cornish Gold Sparkling Cider...”. The invoices all show sales of other products in the range.

17) Mr Atkinson states that CORNISH GOLD has been stocked in Tesco supermarkets since 5 November 2012, some 17 days before the relevant date. In Exhibit AA7 he provides an extract from the business’ accounts showing details of the stores where the product is stocked. There are around 125. The print is headed “Period 5<sup>th</sup> - 22 Nov 2012”.

18) Exhibit AA9 features a selection of press cuttings. Mr Atkinson states that these feature CORNISH GOLD cider. From a perusal of the articles, one does not mention CORNISH GOLD in the article all (but Cornish Orchards is mentioned a number of times), although it does contain a photograph with three bottles of cider one of which appears to be CORNISH GOLD (but it is very difficult to make out). Another, about the Cornish Orchards business, lists “Cornish gold” as one of the products exported (the other products listed being descriptive terminology). The final article from April 2012 (albeit the publication is not known), carries the text “from the crisp and fruity delights of Cornish Gold and the smooth mellow appeal of Farmhouse Cider, to the rich berry notes of blush cider, there’s a refreshing and quaffable option for all pallets”. The article refers heavily to CORNISH ORCHARDS as the responsible company. Exhibit AA10

contains other promotional material which shows the product along with the other products in the range. Mr Atkinson states that CORNISH GOLD has quickly become a well known and reputed product and that customers recognize it as a brand owned by Cornish Orchards. He believes that if unrelated parties used the name CORNISH GOLD CIDER, customers would believe that it emanated from the opponent and would damage its business.

19) The one aspect of Mr Atkinson's evidence I have yet to touch upon is the provision of letters from some of the opponent's customers which, Mr Atkinson believes, show that CORNISH GOLD has become a well regarded and important product. The letters can be characterised as "to whom it may concern" letters and are provided in Exhibit AA8. Those which are dated come from August 2013 (I assume that the others were also written around this time). The details of the letters are as follows:

- i) *Cornwall Food & Drink* (a collective organisation). The letter writer is clearly aware of the CORNISH ORCHARDS business. CORNISH GOLD is described as a highly regarded and well known cider produced by Cornish Orchards and associated in people's minds with Cornish Orchards. The letter writer has been aware of it since launch in September 2011. The letter writer states that it plays a significant and important part within the range of ciders produced by Cornish Orchards.
- ii) *RSC Food and Farming*, the letter writer was aware of the product "CORNISH GOLD" from the summer of 2011. The letter writer hopes that the opponent is successful in its effort to retain use "of this popular brand name".
- iii) *The Essex Cider Shop*, the letter writer states that they have been selling Cornish Orchards Gold since August 2011 along with others in the range.
- iv) *St Ives Harbour Hotel*, the letter writer states that CORNISH GOLD has been its cider offering since May 2012. It stocks some of the others in the range also. They "Love the CORNISH GOLD product and intend to stock it long term as it is a well-known and regarded product that is popular and a favourite with our customers".
- v) *Kingsley Village Food Hall*, the letter writer states that it has stocked CORNISH ORCHARDS products since 2006 and has stocked CORNISH GOLD since its launch in 2011. The letter writer believes that CORNISH GOLD is a high quality, well produced and excellently branded local cider and an integral part of the Cornish Orchards range. He refers to visitors buying the product and that CORNISH GOLD makes an excellent addition to the Christmas hampers it sells.
- vi) *Steps Gift Shop*, the letter writer states that CORNISH GOLD has been sold in its retail shop since 2011 and is a popular and important cider in our full range of Cornish Orchards products.



- vii) *Tapenade restaurant*, the letter writer states that it is a trade customer of Cornish Orchards and CORNISH GOLD has been served since August 2011. It is a well-known and regarded product that is popular and a favorite with its customers.
- viii) *Eden Product*, the letter writer explains that Cornish Orchards is one of its key suppliers. They are pleased with the success of CORNISH GOLD in its shop since August 2011 and they are delighted to continue stocking Cornish Orchards products.
- ix) *Cornish Bottles Beer & Cider*, the letter writer states that they have sold your (presumably Cornish Orchards) products since they started trading. They are pleased with the success of CORNISH GOLD which has been a key product within its range of ciders we launched in June 2011; customers are very complimentary about this high quality, locally produced cider from Cornish Orchards.
- x) *Purely Cornish*, the letter writer states that CORNISH GOLD has been sold since its launch in 2011 and is a popular and important cider in our full range of Cornish Orchards products.
- xi) *Plough to Plate*, the letter writer states that it has sold Cornish Gold since its launch and is a very popular product and would be very much missed.
- xii) *Landsdown Dairy*, the letter writer states that it has stocked the products of Cornish Orchards for a number of years. Cornish Gold is a superb product that is highly regarded. It has been stocked since the product was launched. They carry the whole range of Cornish Orchards product and Cornish Gold is one of its core products.
- xiii) *Duloe Community Shop*, the letter writer states that it has stocked CORNISH GOLD, supplied by Cornish Orchards, since August 2012 and is one of its main stay cider products, much loved by local and holiday maker shoppers.
- xiv) *Pig's Ears Beer Ltd*, the letter writer states that Cornish Orchards is one of its main suppliers. CORNISH GOLD has been a key product within its range of ciders since 15 January 2013 (after the relevant date) and its customers are very complimentary about this high quality, locally produced cider from Cornish Orchards.
- xv) *Wadebridge Wines*, the letter writer states that it has been working with Cornish Orchards for over 10 years. It has taken CORNISH GOLD continuously. It is stated that the name CORNISH GOLD is inherently linked to this high quality, locally made Cornish product. It is an integral part of our business and any challenge to its status will impact greatly upon it. The letter writer believes that CORNISH GOLD intellectually and morally belongs to Cornish Orchards. It is stated that we have all worked hard to promote and build this fantastic product.

20) The applicant's witness is Mr Joe Healey, its commercial director. He comments on these letters in his evidence. He states that the letters constitute hearsay and, furthermore, that the letter writers received an inducement (a

quantity of free cider) to provide their letters. In his second witness statement Mr Atkinson accepts that as a token of thanks, 12 bottles of cider were sent to each letter writer because his request for assistance was made during the busiest time of the year. He states that the letters were independently produced by their authors. Further evidence was then provided by Mr Healey in which he provided the email in which Mr Atkinson solicited the letters. Mr Healey makes three points: i) that the letters were not independently produced because the email provided various options that could be cut and pasted into the letters, ii) that there was a clear inducement (the 12 bottles of cider) and, iii) that Mr Atkinson made an unjustified allegation of aggressive maneuvering by the applicant when in fact the applicant had used the mark in 1982. I detail some of the text from Mr Atkinson's email below:

~~It is often the case when you have a successful product that it soon becomes emulated by another company. In the case of our CORNISH GOLD Cider another cider company is attempting to capture the product name and I find myself having to provide evidence of use to the Government IP office, in order to defend Cornish Orchards' intellectual property rights to this hugely popular Cornish cider.~~

~~As a most loyal customer that has purchased Cornish Gold for a long time, I would value and appreciate your assistance in providing supporting written evidence. To save you time I have suggested various options below that you are able to cut and paste. Please feel free to include any additional information, or to formulate your own wording.~~

~~This is a very busy period for us all and I realise time is precious for you. To assist with this, I am proposing to collect by hand any support letter from customers and as an offer of my thanks and appreciation, I will be leaving a case of 12 x 500ml Cornish Gold. Alternatively, if the letter is returned electronically, I will arrange for a case to be delivered.~~

~~In order to achieve the legal deadlines we would need to gather all replies by Friday the 10th August~~

and

PLEASE PREPARE ON YOUR BUSINESS HEADED NOTE PAPER

We are (the name of business) and (state your relationship with Cornish Orchards)

PLEASE SELECT FROM THE MOST APPROPRIATE WORDING OPTIONS BELOW OR FORMULATE YOUR OWN STATEMENT BASED ALONG THESE LINES.

CORNISH GOLD is a highly regarded and well known cider produced by Cornish Orchards. We have been aware of this product since 12/34/5678

CORNISH GOLD has been sold in our retail shop since 12/34/5678 and is a popular and important cider in our full range of Cornish Orchards products.

I have served CORNISH GOLD in our restaurant since 12/34/5678, it is a well-known and regarded product that is a popular and a favourite with our customers.

(Name of Shop) has sold CORNISH GOLD since 12/34/5678 and has come to rely on this product as an important and established line within our selection.

CORNISH GOLD has been very well received by our customers since its addition to our Cornish Orchards offering on 12/34/5678.

We are extremely pleased with the success of CORNISH GOLD in our shop since 12/34/5678 and are delighted to continue stocking Cornish Orchard products.

CORNISH GOLD has been a key product within our range of ciders since 12/34/5678 and our customers are very complimentary about this high quality, locally produced cider from Cornish Orchards.

21) Mr Atkinson provided a further witness statement in response. He deals primarily with the inducement point. His position is that the token compensatory offer made was such a small thing (costing just £7) it would hardly influence the large and high profile customers who have filed letters. He believes the letters should be given full weight as independent, honest views of established and well regarded institutions.

22) As I have stated above, the law of passing-off is often broken down into the classic trinity: goodwill, misrepresentation and damage. Ultimately, though, it is still a holistic question that needs to be answered, particularly in a case such as this where there is a clear elision between the issue of goodwill and misrepresentation (and by extension damage). I say this because the opponent is clearly a business with goodwill. However, the goodwill appears to be primarily associated with the name CORNISH ORCHARDS. The question that arises is the extent to which the sign CORNISH GOLD is associated with that goodwill and the nature of that association. For its goodwill to be relevant in these proceedings, the words CORNISH GOLD must be distinctive of the opponent. If it is not, misrepresentation will not occur if CORNISH GOLD were to be used by another party. As I see it, some of the key facts are:

- The nature of the use gives little prominence to the words CORNISH GOLD. The labels (etc) are dominated by the words CORNISH ORCHARDS (and an accompanying device).
- The other products in the range carry largely descriptive designations (farmhouse, heritage, blush, wassail (a hot mulled cider) etc.) in the same place that CORNISH GOLD appears in its label.
- None of the advertising/marketing appears to have promoted CORNISH GOLD above any of the other products in the range.
- The opponent's use of CORNISH GOLD is not longstanding, it was first used just 14 months before the relevant date.
- The level of sales of CORNISH GOLD, although not wholly insignificant, is not that high.

23) Most of the above has been highlighted by the applicant in its submissions. The opponent submits that the name CORNISH GOLD is distinctive of it. It states that it does not matter that CORNISH GOLD is subordinate to CORNISH ORCHARDS. Whilst it does not accept that its goodwill is just a local one, it adds that misrepresentation is stronger in the area of Cornwall where there are only a low number of producers and the producers use distinctive names to differentiate their products from each other.

24) In passing-off, it is perfectly legitimate to consider the perspective of both trade customers and end-consumers (members of the general public). The concept of no man being able to pass his goods off as those of another equally applies (see, for example, *Ewing v Buttercup Margarine Co Ltd* [1917] 34 RPC 232). In relation to trade customers, evidence from such intermediaries is provided in the form of the various “to whom it may concern” letters. Whilst I would normally be wary of any form of inducement to provide such a letter, I am not overly troubled with the free cider point. I agree with Mr Atkinson that businesses such as those he has provided letters from are unlikely to have been overly influenced by the offer made. I am, however, more troubled by the fact that Mr Atkinson provided various forms of wording for the letter writers to include, options (or text very similar to them) which found their way into many of the letters. I suspect that this was simply another way of saving the letter writer time, however, it is always much better to know exactly what the person wishes to say in their own words. This is particularly so in a case where the letter writer has not filed direct evidence (their evidence is akin to hearsay) and so they cannot be cross-examined on what they have said. Furthermore, the options that most of the letter writers have chosen do little to inform me as to the significance they give to CORNISH GOLD. They clearly know that CORNISH GOLD is one of a number of products in the CORNISH ORCHARDS range, but they would know that because they all sell it. What is not clear is whether they regard CORNISH GOLD as a sign which is distinctive of the opponent. I accept that a few of the letter writers do go one step further, for example, *Wadebridge Wines* refer to the name as being “inherently linked” and that it “intellectually and morally” belongs to the opponent and *RSC Food and Farming* refer to it as a brand name. However, it would, in my view, be dangerous to extrapolate such an opinion (an opinion which is immunised against cross-examination) to a significant proportion of customers or potential customers. The language used by Mr Atkinson may also have contributed to more letters being received than otherwise might have done in an effort to support a fellow businessman and their supplier from some would be interloper. All things considered, I come to the view that the letters from the trade should be accorded little weight other than as evidence that traders associate the name CORNISH GOLD as one of a number of designations which are part of a range of CORNISH ORCHARDS products.

25) Having assessed the matter carefully, I come to the view that the words CORNISH GOLD per se are not associated with the applicant’s goodwill in a trade origin sense. The question of whether a sign is distinctive of a particular party is always a question of fact. Obviously, the inherent qualities of the mark are indicative of a greater or lesser capacity of the sign to be distinctive of a party. In this case the mark is inherently weak, it is freighted with geographical (Cornish) and qualitative (GOLD) suggestions. However, what puts paid to it being distinctive of the opponent is, primarily, the manner of use (the swamping, and the use alongside other designations which appear to be descriptive designations), use which, in any event, is not greatly significant or longstanding. I come to the view that consumers and trade customers are likely to regard it as a

designation used by the opponent simply to indicate a particular version in its range of CORNISH ORCHARDS products, along with other products such as farmhouse, heritage etc, but not in a distinctive sense. The manner of use has prevented the sign from acting as any form of sub-brand or other distinctive sign.

26) Even if I have characterised this inappropriately, the words would, at the relevant date, have only been very weakly distinctive of the opponent. In such circumstances, customers or potential customers (or a substantial proportion thereof) would be unlikely to assume that CORNISH GOLD used on its own was a product of the opponent. They may bring the opponent's product to mind, but without anything else to indicate that it is CORNISH ORCHARDS CORNISH GOLD they will put this down simply to a co-incidental use of a not particularly distinctive term. **The opposition under section 5(4)(a) fails.**

### **Costs**

27) 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 and filing evidence:	£800
Written submissions:	£500

**Cornish Orchards Limited is ordered to pay Cornish Scrumpy Co Ltd the sum of £1600. 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 5th day of August 2014**

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