

O-176-16

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 3049457
BY SAUCE APPS LIMITED
TO REGISTER THE SERIES OF TWO TRADE MARKS
SAUCE
&**



**IN CLASSES 9, 35, 38, 42 & 45
AND**

**IN THE MATTER OF OPPOSITION
THERE TO UNDER No. 402917 BY
SAUCE LABS INC.**

BACKGROUND

1) On 1 April 2014, Sauce Apps Limited (hereinafter the applicant) applied to register the series of two trade marks shown on the page above in respect of the following goods and services:

- In Class 9: Scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments; apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; compact discs, DVDs and other digital recording media; mechanisms for coin-operated apparatus; cash registers, calculating machines, data processing equipment, computers; computer software; computer software enabling website owners to make their sites more socially integrated; computer software enabling website owners to make their sites more socially integrated in order to allow users to share richer content to social media sites and discover what activities their social media network are engaging in, whilst enabling purchasers of the software to build applications on top of the core platform and customise such applications to suit their personal or corporate branding; fire-extinguishing apparatus; data processing equipment, computers; computer software; electronic databases; electronic publications recorded on computer media; downloadable graphics for mobile phones; computer software for application and database integration; application software; computer software applications, downloadable; web applications namely downloadable software for allowing data retrieval, upload, download, access and management.
- In class 35: Advertising; business management; business administration; office functions; on-line promotion of computer networks and websites; on-line advertising; promotion, advertising and marketing of on-line businesses; dissemination of advertising for others via on-line communications network on the internet; on-line advertising on a computer network; on-line data processing services; sales promotion services; the bringing together, for the benefit of others, of a variety of scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments, apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity, apparatus for recording, transmission or reproduction of sound or images, magnetic data carriers, recording discs, compact discs, DVDs and other digital recording media, mechanisms for coin-operated apparatus, cash registers, calculating machines, data processing equipment, computers, computer software, fire-extinguishing apparatus, data processing equipment, computers, computer software, computer software enabling website owners to make their sites more socially integrated, computer software enabling website owners to make their sites more socially integrated in order to allow users to share richer content to social media sites and discover what activities their social media network are engaging in, whilst enabling purchasers of the software to build applications on top of the core platform and customise such applications to suit their personal or corporate branding, electronic databases, electronic publications recorded on computer media, downloadable graphics for mobile phones, computer software for application and database integration, application software, computer software applications, downloadable, web applications, namely downloadable software for allowing data retrieval, upload, download, access and management enabling customers to conveniently view and purchase those goods in a retail shop or in a wholesale outlet and from a general merchandise catalogue or periodical

publication by mail retail order or by means of telecommunication and by means of mail retail order or by means of telecommunication; advertising of goods through social media.

- In Class 38: Telecommunications, providing on-line forums, on-line communication services, transmission of information on-line, providing access to computer, electronic and online databases, telecommunications services, namely electronic transmission of data, messages and information, providing online forums for communication on topics of general interest, providing online communications links which transfer web site users to other local and global web pages, providing an online forum for the buying and selling of products and materials and exchanging of sourcing data via a computerized network.
- In Class 42: Scientific and technological services and research and design relating thereto, Industrial analysis and research services, design and development of computer hardware and software, website development services, creation, design, development and maintenance of web sites for third parties, computer programming, computer software design services, data conversion of computer programs and data, construction of electronic platforms, designing, managing and monitoring on-line forums for discussion, providing on-line support services for computer program users, computer software integration, development of computer software applications solutions, installation and customisation of computer application software, application service provider, information services relating to computer network applications, website development services, applications for social networking, creating a virtual community, and transmission of audio, video, photographic images, text, graphics and data.
- In Class 45: Legal services, security services for the protection of property and individuals, on-line social networking services, creation of social communities, social introduction, networking and dating services, providing social services and information of a social nature in the field of on-line shopping, searchable indexes and databases of information, including text, electronic documents, databases, graphics and audio visual information, on computer and communication networks.

2) The application was examined and accepted, and subsequently published for opposition purposes on 27 June 2014 in Trade Marks Journal No.2014/027.

3) On 13 September 2014, subsequently amended, Sauce Labs Inc. (hereinafter the opponent) filed a notice of opposition. The grounds of opposition are in summary:

- a) The opponent has used the trade marks SAUCE and SAUCE LABS since 1 January 2009 throughout the UK in respect of the following:

Class 9: Software for testing and verification of web pages, sites or applications simultaneously on multiple browsers in a cloud computing environment; computer software; scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments; apparatus for recording, transmission or reproduction of sound or images; data processing equipment, computers; electronic databases; electronic publications recorded on computer media; mobile phone applications; computer software for application and database downloadable; web applications; building applications and for allowing data retrieval, upload, download, access and management.

Class 35: Advisory and consultancy services in relation to on-line promotion of computer networks and websites; on-line data processing services; the bringing together, for the benefit

of others computer software, computer software for application and database integration, application software, computer software applications.

Class 38: Telecommunications; providing on-line forums, on-line communication services, transmission of information on-line, providing access to computer, electronic and online databases, telecommunications services, namely electronic transmission of data, messages and information; providing online forums for communication on topics of general interest, providing online forums for testing and verification of web pages, websites, applications and computer software.

Class 42: Host-based computer services, namely testing and quality control services in the nature of verification of digital content of others for webpages, sites or applications simultaneously on multiple browsers in a cloud computing environment; scientific and technological services and research and design relating thereto; industrial analysis and research services; design and development of computer hardware and software; website development services; consultancy services in relation to the creation, design, development and maintenance for third parties; computer programming; consultancy and advisory services in the construction of electronic platforms, software and mobile phone applications; designing, managing and monitoring on-line forums for discussion; providing on-line support services for computer program users; computer software integration; development of computer software applications solutions; testing of computer application software; application service provider services; information services relating to computer network applications, website development services; Testing and verification of online security services for the protection of property and individuals, testing and verification services provided through social networking; advisory and consultancy services relating to all of the aforesaid.

Class 45: On-line social networking services, creation of social communities.

- b) The opponent contends that it has goodwill in the above services under its marks in the UK and as such use of the marks in suit in respect of the goods and services for which registration is sought will cause a misrepresentation which will damage the goodwill of the opponent. The marks in suit therefore offend against section 5(4)(a) of the Act.

4) On 24 November 2014, the applicant filed a counterstatement. It basically denies that the opponent has goodwill in the UK and so denies there would be misrepresentation.

5) Both sides filed evidence. Both parties seek an award of costs in their favour. Neither side wished to be heard, both sides provided written submissions which I shall refer to as and when necessary.

OPPONENT'S EVIDENCE

6) The opponent filed a witness statement, dated 22 January 2015, by Matt Peterson, the Director of Finance for the opponent, a position he has held since March 2014. He states:

“2. My company produces and sells computer software, and provides data processing software design and web hosting services. My company specialises in cloud-hosted, web and mobile application testing. We let users run, Selenium, Appium and Javascript unit tests across 350+ browser and OS platforms. Our automated cross-browser testing easily scales to speed up test cycles and boost capacity, without the hassle of setting up or managing infrastructure. These

goods and services are hereinafter referred to as the Goods/Services. My company has provided the Goods/Services since 1 August 2008.”

7) He states that the marks SAUCE / SAUCE LABS have been in continuous use in the UK since 2009. He claims that his company owns the domain names saucelabs.com and sauce.io. He states that in March 2014 his company was contacted by the applicant who wished to purchase the domain name sauce.io. He states that the offer was refused and that the applicant was informed of the opponent’s activities in the UK, its prior rights and the confusion that would be bound to occur. He states that amongst the opponent’s UK clients are the BBC, Paypal, Capital One, Twitter, Yahoo, The Guardian, The National Trust and Prudential plc. He provides a number of sample invoices at exhibit MP3 to back up the following turnover figures for the marks SAUCE/SAUCE LABS in the UK:

Year	Turnover £
2013	113,737
2014	245,622

8) Mr Peterson states that his company’s products are sold in the UK via third parties such as Thinksys and Hindsight Software. He states that these companies are well established and respected in the UK. He claims that Thinksys has approximately 200 employees and was listed on the Nasdaq in 2012. He states that Hindsight Software is based in Leatherhead, Surrey and has ten employees and has been partners with the opponent since 2012. He states that the marks SAUCE /SAUCE LABS have been promoted via the company website www.saucelabs.com; via business papers; on the software goods; google search engine, online articles, social media and sponsorship of industry exhibitions. He provides the following exhibits:

- MP2: Copies of correspondence between the parties regarding the proposed purchase by the applicant of the opponent’s domain name sauce.io. These are dated 17 March 2014. The applicant (Sauce Apps) included the following as part of its email: “but I definitely anticipate Sauce Labs becoming a standard part of our testing process moving forwards”.
- MP3: Copies of invoices dated 30 November 2013 – 24 December 2014. The nineteen invoices show addresses throughout the UK. Those invoices which have a description all refer to the purchase of testing minutes/hours upon virtual machines. The invoices with this description amount to US\$84,344. The other invoices refer to monthly or yearly contracts, presumably regarding testing, and total US\$190,854. All have the name Sauce Labs upon them.
- MP4: Pages from the internet which provide details of the two partners who sell the services of the opponent in the UK. These show both Thinksys and Hindsight have offices in the UK.
- MP5: Copies of pages from the opponent’s website which show that it offers testing software under the marks Sauce and Sauce Labs. There are also pages from the Wayback archive which show use from November 2008 of the terms Sauce Labs and Sauce in respect of testing software.
- MP8: A search of Google UK for Sauce Labs brings the opponent company’s website as the top hit. It is dated 20 January 2015.

- MP9: Articles have been produced and promoted on-line. This exhibit contains an article from the UK publication The Ministry of Testing which has over 20,000 subscribers. This is dated June 2013 and mentions Sauce Labs and its testing software.
- MP10 & 11: These pages show details of two conferences in the UK attended by the opponent where their testing software was the subject of a presentation. These are dated from 2012 in London and 2014 in Oxford, it also includes papers from a conference in Bangalore.
- MP13: This shows details of YouTube videos, dated January 2015.
- MP14: These pages show that the opponent joined Twitter and Facebook in 2008.

APPLICANT'S EVIDENCE

9) The applicant filed a witness statement, dated 1 May 2015, by Chris Houghton the Managing Director of the applicant company a position he has held since the company was incorporated in March 2014. He states that the company was set up to improve shopping online by personalising and tailoring products and promotions for customers. To achieve this aim the applicant provides online software which enables retailers to better integrate their websites with Facebook. Customers can log in on Facebook and share the site they are shopping on with their friends. This also helps retailers to better understand their clients from a range of data analysis tools that the applicant offers to retailers. They therefore sell to online retailers who have expertise in selling but lack website development skills. He states that the services of the two parties differ as they are marketed differently, are sold via different channels, have different target markets and provide very different services to customers. He also instances six companies which have the word "sauce" as part of their name and website, but does not provide evidence of these companies trading in the UK.

10) That concludes my summary of the evidence filed, insofar as I consider it necessary.

DECISION

11) The only ground of opposition is under section 5(4)(a) which reads:

"A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented –

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

(b) [.....]

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of "an earlier right" in relation to the trade mark."

12) In deciding whether the marks in question offend against this section, I intend to adopt the guidance given by Halsbury's Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165. The analysis is based on guidance given in the speeches in the House of Lords in *Reckitt & Colman Products Ltd v. Borden Inc.* [1990] R.P.C. 341 and *Erven Warnink BV v. J. Townend & Sons (Hull) Ltd* [1979] AC 731. It is (with footnotes omitted) as follows:

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

(1) that the plaintiff’s goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;

(2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by the defendant are goods or services of the plaintiff; and

(3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant’s misrepresentation.

The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House’s previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal definition of passing off, and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House.”

13) Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:

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

(1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and

(2) that members of that class will mistakenly infer from the defendant’s use of a name, mark or other feature which is the same or sufficiently similar that the defendant’s goods or business are from the same source or are connected.

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

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

(a) the nature and extent of the reputation relied upon;

(b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;

(c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;

(d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.”

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

14) First I must determine the date at which the opponent’s claim is to be assessed; this is known as the material date. *In Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC as the Appointed Person considered the relevant date for the purposes of s.5(4)(a) of the Act and concluded as follows:

“39. In *Last Minute*, the General Court....said:

‘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.’

40. Paragraph 51 of that judgment and the context in which the decision was made on the facts could therefore be interpreted as saying that events prior to the filing date were irrelevant to whether, at that date, the use of the mark applied for was liable to be prevented for the purpose of Article 8(4) of the CTM Regulation. Indeed, in a recent case before the Registrar, *J Sainsbury plc v. Active: 4Life Ltd* O-393-10 [2011] ETMR 36 it was argued that *Last Minute* had effected a fundamental change in the approach required before the Registrar to the date for assessment in a s.5(4)(a) case. In my view, that would be to read too much into paragraph [51] of *Last Minute* and neither party has advanced that radical argument in this case. If the General Court had meant to say that the relevant authority should take no account of well-established principles of English law in deciding whether use of a mark could be prevented at the application date, it would have said so in clear terms. It is unlikely that this is what the General Court can have meant in the light of its observation a few paragraphs earlier at [49] that account had to be taken of national case law and judicial authorities. In my judgment, the better interpretation of *Last Minute*, is that the General Court was doing no more than emphasising that, in an Article 8(4) case, the *prima facie* date for determination of the opponent’s goodwill was the date of the application. Thus interpreted, the approach of the General Court is no different from that of Floyd J in *Minimax*. However, given the consensus between the parties in this case, which I believe to be correct, that a date prior to the application date is relevant, it is not necessary to express a concluded view on that issue here.

41. There are at least three ways in which such use may have an impact. The underlying principles were summarised by Geoffrey Hobbs QC sitting as the Appointed Person in *Croom’s TM* [2005] RPC 2 at [46] (omitting case references):

(a) The right to protection conferred upon senior users at common law;

- (b) The common law rule that the legitimacy of the junior user's mark in issue must normally be determined as of the date of its inception;
- (c) The potential for co-existence to be permitted in accordance with equitable principles.

42. As to (b), it is well-established in English law in cases going back 30 years that the date for assessing whether a claimant has sufficient goodwill to maintain an action for passing off is the time of the first actual or threatened act of passing off: *J.C. Penney Inc. v. Penneys Ltd.* [1975] FSR 367; *Cadbury-Schweppes Pty Ltd v. The Pub Squash Co. Ltd* [1981] RPC 429 (PC); *Barnsley Brewery Company Ltd. v. RBNB* [1997] FSR 462; *Inter Lotto (UK) Ltd. v. Camelot Group plc* [2003] EWCA Civ 1132 [2004] 1 WLR 955: "date of commencement of the conduct complained of". If there was no right to prevent passing off at that date, ordinarily there will be no right to do so at the later date of application.

43. In *SWORDERS TM O-212-06* Mr Alan James acting for the Registrar well summarised the position in s.5(4)(a) proceedings as follows:

'Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made.'

15) The filing date of the application is, therefore, the material date. However, if the applicant has used its trade mark prior to this then this use must also be taken into account. It could, for example, establish that the applicant is the senior user, or that there had been common law acquiescence, or that the status quo should not be disturbed; any of which could mean that the applicant's use would not be liable to be prevented by the law of passing-off – the comments in *Croom's Trade Mark Application* [2005] RPC 2 and *Daimlerchrysler AG v Javid Alavi (T/A Merc)* [2001] RPC 42 refer. I note from the evidence that the applicant was incorporated in March 2014 and applied for the mark on 1 April 2014, however there is no evidence showing use prior to the date of the application.

16) I take account of the comments in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL):

"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. It is the one thing which distinguishes an old-established business from a new business at its first start."

17) I note that in *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 (HC), Pumfrey J. stated:

"27. There is one major problem in assessing a passing of 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 R.P.C. 97 as qualified by *BALI Trade Mark* [1969] R.P.C. 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.

28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of 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.”

18) However, in *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat) Floyd J. (as he then was) stated that:

“[The above] observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be answered of passing off. I do not understand Pumfrey J to be laying down any absolute requirements as to the nature of evidence which needs to be filed in every case. The essential is that the evidence should show, at least prima facie, that the opponent's reputation extends to the goods comprised in the application in the applicant's specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application.”

19) I also note that in *Hart v Relentless Records* [2003] FSR 36, Jacob J. (as he then was) stated that:

“62. In my view the law of passing off does not protect a goodwill of trivial extent. Before trade mark registration was introduced in 1875 there was a right of property created merely by putting a mark into use for a short while. It was an unregistered trade mark right. But the action for its infringement is now barred by s.2(2) of the Trade Marks Act 1994. The provision goes back to the very first registration Act of 1875, s.1. Prior to then you had a property right on which you could sue, once you had put the mark into use. Even then a little time was needed, see per Upjohn L.J. in BALI Trade Mark [1969] R.P.C. 472. The whole point of that case turned on the difference between what was needed to establish a common law trade mark and passing off claim. If a trivial goodwill is enough for the latter, then the difference between the two is vanishingly small. That cannot be the case. It is also noteworthy that before the relevant date of registration of the BALI mark (1938) the BALI mark had been used “but had not acquired any significant reputation” (the trial judge's finding). Again that shows one is looking for more than a minimal reputation.”

20) However, a small business which has more than a trivial goodwill can protect signs which are distinctive of that business under the law of passing off even though its reputation may be small. In *Stacey v 2020 Communications* [1991] FSR 49, Millett J. stated that:

“There is also evidence that Mr. Stacey has an established reputation, although it may be on a small scale, in the name, and that that reputation preceded that of the defendant. There is, therefore, a serious question to be tried, and I have to dispose of this motion on the basis of the balance of convenience.”

21) I note that the applicant in its written submissions contends that the opponent has no goodwill but then puts the alternative contention if the opponent is found to have goodwill that it is “in relation to the core goods and services provided by the opponent, namely cloud-hosted computer software for the testing of web and mobile applications to ensure their compatibility across various platforms and browsers (including services related thereto)”. To my mind, the opponent has provided a cogent

narrative, corroborated with exhibits, which show that it actively promotes its mark in the UK and has sold its testing software and hosting services in the UK under the marks “sauce” and “sauce labs”. The company has been mentioned in trade paper articles, although only one was exhibited, and it has participated in industry conferences. I believe that the area of goodwill suggested by the applicant is overly complex and restrictive I therefore find that the opponent has goodwill in “testing software” and “computer hosting services”. Although I accept that, given the level of sales, the goodwill is not the strongest.

22) I now turn to consider the issue of misrepresentation. In *Neutrogena Corporation and Another v Golden Limited and Another*, 1996] RPC 473, Morritt L.J. stated that:

“There is no dispute as to what the correct legal principle is. As stated by Lord Oliver of Aylmerton in *Reckitt & Colman Products Ltd. v. Borden Inc.* [1990] R.P.C. 341 at page 407 the question on the issue of deception or confusion is

“is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the public will be misled into purchasing the defendants' [product] in the belief that it is the respondents'[product]”

The same proposition is stated in Halsbury's Laws of England 4th Edition Vol.48 para 148 . The necessity for a substantial number is brought out also in *Saville Perfumery Ltd. v. June Perfect Ltd.* (1941) 58 R.P.C. 147 at page 175 ; and *Re Smith Hayden's Application* (1945) 63 R.P.C. 97 at page 101.”

And later in the same judgment:

“.... for my part, I think that references, in this context, to “more than *de minimis*” and “above a trivial level” are best avoided notwithstanding this court's reference to the former in *University of London v. American University of London* (unreported 12 November 1993) . It seems to me that such expressions are open to misinterpretation for they do not necessarily connote the opposite of substantial and their use may be thought to reverse the proper emphasis and concentrate on the quantitative to the exclusion of the qualitative aspect of confusion.”

23) In *Neutrogena Corporation and Another v Golden Limited and Another*, 1996] RPC 473, Morritt L.J. stated that:

“The role of the court, including this court, was emphasised by Lord Diplock in *GE Trade Mark* [1973] R.P.C. 297 at page 321 where he said:

‘where the goods are sold to the general public for consumption or domestic use, the question whether such buyers would be likely to be deceived or confused by the use of the trade mark is a “jury question”. By that I mean: that if the issue had now, as formerly, to be tried by a jury, who as members of the general public would themselves be potential buyers of the goods, they would be required not only to consider any evidence of other members of the public which had been adduced but also to use their own common sense and to consider whether they would themselves be likely to be deceived or confused.

The question does not cease to be a “jury question” when the issue is tried by a judge alone or on appeal by a plurality of judges. The judge's approach to the question should be the same as that of a jury. He, too, would be a potential buyer of the goods. He

should, of course, be alert to the danger of allowing his own idiosyncratic knowledge or temperament to influence his decision, but the whole of his training in the practice of the law should have accustomed him to this, and this should provide the safety which in the case of a jury is provided by their number. That in issues of this kind judges are entitled to give effect to their own opinions as to the likelihood of deception or confusion and, in doing so, are not confined to the evidence of witnesses called at the trial is well established by decisions of this House itself.”

24) In *Harrods Limited v Harrodian School Limited* [1996] RPC 697 (CA), Millet L.J. made the following findings about the lack of a requirement for the parties to operate in the a common field of activity, and about the additional burden of establishing misrepresentation and damage when they do not:

“There is no requirement that the defendant should be carrying on a business which competes with that of the plaintiff or which would compete with any natural extension of the plaintiff's business. The expression “common field of activity” was coined by *Wynn-Parry J. in McCulloch v. May* (1948) 65 R.P.C. 58, when he dismissed the plaintiff's claim for want of this factor. This was contrary to numerous previous authorities (see, for example, *Eastman Photographic Materials Co. Ltd. v. John Griffiths Cycle Corporation Ltd.* (1898) 15 R.P.C. 105 (cameras and bicycles); *Walter v. Ashton* [1902] 2 Ch. 282 (The Times newspaper and bicycles) and is now discredited. In the *Advocaat* case Lord Diplock expressly recognised that an action for passing off would lie although “the plaintiff and the defendant were not competing traders in the same line of business”. In the *Lego* case *Falconer J.* acted on evidence that the public had been deceived into thinking that the plaintiffs, who were manufacturers of plastic toy construction kits, had diversified into the manufacture of plastic irrigation equipment for the domestic garden. What the plaintiff in an action for passing off must prove is not the existence of a common field of activity but likely confusion among the common customers of the parties.

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

‘...whether there is any kind of association, or could be in the minds of the public any kind of association, between the field of activities of the plaintiff and the field of activities of the defendant’:

25) I found earlier that the opponent had used both “Sauce” and “Sauce Labs”. The applicant contends that the latter is significantly different as the term “labs” has no meaning in respect of the goods and services outlined in paragraph 21 above. However, I do not accept this contention. To my mind, the term “labs” would be seen as referring to a laboratory or scientific research centre which would be seen as suggesting that the opponent's goods and services were scientifically proven or even approved. It would add kudos to the mark. The dominant element of “Sauce Labs” would be the word “Sauce”, the term “labs” would form part of the unit i.e. the name of the laboratory. The applicant also contended that the word “sauce” is used by a number of companies in the same filed. However, the only evidence of this was a list of six domain names which had the word “sauce” as part of them, but no detail as to whether these companies were trading and precisely what they offered in terms of goods and services. I therefore do not take this into account. Whilst the applicant has applied for a series of two marks the only difference is relatively minor in that one is slightly stylised. I do not consider the stylisation to be significant, the mark will be seen as the word “sauce”. The use of an identical or highly similar sign on goods and services which are similar to those for which the opponent has goodwill will obviously cause misrepresentation as consumers will be deceived into

thinking that the opponent's goods and services are those of the applicant or vice versa. In my opinion the following goods and services fall into this category as they are related to software and computers including the transmission and storage of data:

- In Class 9: data processing equipment, computers; computer software; computer software enabling website owners to make their sites more socially integrated; computer software enabling website owners to make their sites more socially integrated in order to allow users to share richer content to social media sites and discover what activities their social media network are engaging in, whilst enabling purchasers of the software to build applications on top of the core platform and customise such applications to suit their personal or corporate branding; data processing equipment, computers; computer software; electronic databases; electronic publications recorded on computer media; downloadable graphics for mobile phones; computer software for application and database integration; application software; computer software applications, downloadable; web applications namely downloadable software for allowing data retrieval, upload, download, access and management.
- In Class 35: on-line promotion of computer networks and websites; on-line advertising; promotion, advertising and marketing of on-line businesses; dissemination of advertising for others via on-line communications network on the internet; on-line advertising on a computer network; on-line data processing services; the bringing together, for the benefit of others, of data processing equipment, computers, computer software, data processing equipment, computers, computer software, computer software enabling website owners to make their sites more socially integrated, computer software enabling website owners to make their sites more socially integrated in order to allow users to share richer content to social media sites and discover what activities their social media network are engaging in, whilst enabling purchasers of the software to build applications on top of the core platform and customise such applications to suit their personal or corporate branding, electronic databases, electronic publications recorded on computer media, downloadable graphics for mobile phones, computer software for application and database integration, application software, computer software applications, downloadable, web applications, namely downloadable software for allowing data retrieval, upload, download, access and management enabling customers to conveniently view and purchase those goods in a retail shop or in a wholesale outlet and from a general merchandise catalogue or periodical publication by mail retail order or by means of telecommunication and by means of mail retail order or by means of telecommunication; advertising of goods through social media.
- In Class 38: Telecommunications, providing on-line forums, on-line communication services, transmission of information on-line, providing access to computer, electronic and online databases, telecommunications services, namely electronic transmission of data, messages and information, providing online forums for communication on topics of general interest, providing online communications links which transfer web site users to other local and global web pages, providing an online forum for the buying and selling of products and materials and exchanging of sourcing data via a computerized network.
- In Class 42: Scientific and technological services and research and design relating thereto, Industrial analysis and research services, design and development of computer hardware and software, website development services, creation, design, development and maintenance of web sites for third parties, computer programming, computer software design services, data conversion of computer programs and data, construction of electronic platforms, designing, managing and monitoring on-line forums for discussion, providing on-line support services for

computer program users, computer software integration, development of computer software applications solutions, installation and customisation of computer application software, application service provider, information services relating to computer network applications, website development services, applications for social networking, creating a virtual community, and transmission of audio, video, photographic images, text, graphics and data.

- In Class 45: on-line social networking services, providing social services and information of a social nature in the field of on-line shopping, searchable indexes and databases of information, including text, electronic documents, databases, graphics and audio visual information, on computer and communication networks.

26) Of course, as the authorities quoted earlier in this decision make clear it is not necessary for the parties to be operating in the same field of activity for there to be misrepresentation. To my mind, the following items could all be seen as extensions of the opponent's testing software business, be they instruments used to measure or record for testing purposes or other aspects of using computers and storing data:

- Class 9: Scientific, measuring, signalling, checking (supervision), apparatus and instruments; apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; compact discs, DVDs and other digital recording media.
- Class 35: the bringing together, for the benefit of others, of a variety of scientific, measuring, signalling, checking (supervision) apparatus and instruments, apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity, apparatus for recording, transmission or reproduction of sound or images, magnetic data carriers, recording discs, compact discs, DVDs and other digital recording media.
- In Class 45: Creation of social communities, social introduction, networking and dating services.

27) I believe that the following goods and services are so far removed from the opponent's fields of activity that even when offered under an identical or highly similar sign there will be no misrepresentation.

- In Class 9: Nautical, surveying, photographic, cinematographic, optical, weighing, life-saving and teaching apparatus and instruments; mechanisms for coin-operated apparatus; cash registers, calculating machines, fire-extinguishing apparatus.
- In class 35: Advertising; business management; business administration; office functions; sales promotion services; the bringing together, for the benefit of others, of a variety of nautical, surveying, photographic, cinematographic, optical, weighing, life-saving and teaching apparatus and instruments, mechanisms for coin-operated apparatus, cash registers, calculating machines, fire-extinguishing apparatus.
- In Class 45: Legal services, security services for the protection of property and individuals.

28) I now move onto the issue of damage. In *Harrods Limited V Harroddian School Limited* [1996] RPC 697, Millett L.J. described the requirements for damage in passing off cases like this:

“In the classic case of passing off, where the defendant represents his goods or business as the goods or business of the plaintiff, there is an obvious risk of damage to the plaintiff's business by substitution. Customers and potential customers will be lost to the plaintiff if they transfer their custom to the defendant in the belief that they are dealing with the plaintiff. But this is not the only kind of damage which may be caused to the plaintiff's goodwill by the deception of the public. Where the parties are not in competition with each other, the plaintiff's reputation and goodwill may be damaged without any corresponding gain to the defendant. In the *Lego* case, for example, a customer who was dissatisfied with the defendant's plastic irrigation equipment might be dissuaded from buying one of the plaintiff's plastic toy construction kits for his children if he believed that it was made by the defendant. The danger in such a case is that the plaintiff loses control over his own reputation.

29) In the instant case given the closeness of the activities and marks of the two parties, if there is confusion about an economic connection, then this could damage the opponent's goodwill if the goods and services offered were, for some reason, regarded as sub-standard.

CONCLUSION

30) As there would be misrepresentation and damage the opposition under section 5(4)(a) must succeed in respect of the following goods and services.

- In Class 9: Scientific, measuring, signalling, checking (supervision), apparatus and instruments; apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; compact discs, DVDs and other digital recording media; data processing equipment, computers; computer software; computer software enabling website owners to make their sites more socially integrated; computer software enabling website owners to make their sites more socially integrated in order to allow users to share richer content to social media sites and discover what activities their social media network are engaging in, whilst enabling purchasers of the software to build applications on top of the core platform and customise such applications to suit their personal or corporate branding; data processing equipment, computers; computer software; electronic databases; electronic publications recorded on computer media; downloadable graphics for mobile phones; computer software for application and database integration; application software; computer software applications, downloadable; web applications namely downloadable software for allowing data retrieval, upload, download, access and management.
- In Class 35: On-line promotion of computer networks and websites; on-line advertising; promotion, advertising and marketing of on-line businesses; dissemination of advertising for others via on-line communications network on the internet; on-line advertising on a computer network; on-line data processing services; data processing equipment, computers, computer software, data processing equipment, computers, computer software, computer software enabling website owners to make their sites more socially integrated, computer software enabling website owners to make their sites more socially integrated in order to allow users to share richer content to social media sites and discover what activities their social media network are engaging in, whilst enabling purchasers of the software to build applications on top of the core platform and customise such applications to suit their personal or corporate branding, electronic databases, electronic publications recorded on computer media, downloadable graphics for mobile phones, computer software for application and database integration, application software, computer software applications, downloadable, web

applications, namely downloadable software for allowing data retrieval, upload, download, access and management enabling customers to conveniently view and purchase those goods in a retail shop or in a wholesale outlet and from a general merchandise catalogue or periodical publication by mail retail order or by means of telecommunication and by means of mail retail order or by means of telecommunication; advertising of goods through social media; the bringing together, for the benefit of others, of a variety of scientific, measuring, signalling, checking (supervision) apparatus and instruments, apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity, apparatus for recording, transmission or reproduction of sound or images, magnetic data carriers, recording discs, compact discs, DVDs and other digital recording media.

- In Class 38: Telecommunications, providing on-line forums, on-line communication services, transmission of information on-line, providing access to computer, electronic and online databases, telecommunications services, namely electronic transmission of data, messages and information, providing online forums for communication on topics of general interest, providing online communications links which transfer web site users to other local and global web pages, providing an online forum for the buying and selling of products and materials and exchanging of sourcing data via a computerized network.
- In Class 42: Scientific and technological services and research and design relating thereto, Industrial analysis and research services, design and development of computer hardware and software, website development services, creation, design, development and maintenance of web sites for third parties, computer programming, computer software design services, data conversion of computer programs and data, construction of electronic platforms, designing, managing and monitoring on-line forums for discussion, providing on-line support services for computer program users, computer software integration, development of computer software applications solutions, installation and customisation of computer application software, application service provider, information services relating to computer network applications, website development services, applications for social networking, creating a virtual community, and transmission of audio, video, photographic images, text, graphics and data.
- In Class 45: On-line social networking services, providing social services and information of a social nature in the field of on-line shopping, searchable indexes and databases of information, including text, electronic documents, databases, graphics and audio visual information, on computer and communication networks; Creation of social communities, social introduction, networking and dating services.

31) However, as the opposition failed in part the marks in suit will be registered for the following goods and services:

- In Class 9: Nautical, surveying, photographic, cinematographic, optical, weighing, life-saving and teaching apparatus and instruments; mechanisms for coin-operated apparatus; cash registers, calculating machines, fire-extinguishing apparatus.
- In class 35: Advertising; business management; business administration; office functions; sales promotion services; the bringing together, for the benefit of others, of a variety of nautical, surveying, photographic, cinematographic, optical, weighing, life-saving and teaching apparatus and instruments, mechanisms for coin-operated apparatus, cash registers, calculating machines, fire-extinguishing apparatus.

- In Class 45: Legal services, security services for the protection of property and individuals.

COSTS

32) The opponent has been largely successful and as such it is entitled to a contribution to its costs.

Preparing a statement and considering the other side's statement	£200
Preparing evidence and considering the evidence of the other side	£900
Provision of submissions	£600
TOTAL	£1,700

39) I order Sauce Apps Limited to pay Sauce Labs Inc. the sum of £1,700. This sum to be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 8th day of April 2016

**George W Salthouse
For the Registrar,
the Comptroller-General**