

O-082-19

TRADE MARKS ACT 1994

IN THE MATTER OF:

TRADE MARK APPLICATION No. 3234243
BY LB KITCHEN LIMITED
TO REGISTER THE FOLLOWING TRADE MARK
IN CLASS 43



AND

OPPOSITION THERETO (NO. 410190)
BY LA-Z-BOY INCORPORATED

Background and pleadings

1) On 30 May 2017, LB Kitchen Limited ('the applicant') applied to register the following trade mark in the UK:



2) It was accepted and published in the Trade Marks Journal on 9 June 2017 in respect of the following services:

Class 43: Provision of food and drink; restaurant, cafe and bar services; catering services; sandwich and snack bar services; preparation and serving of food and beverages; preparation of foodstuffs or meals for consumption off the premises; take away fast food services; consultancy, information and advisory services to all the aforesaid services.

3) La-Z-Boy Incorporated ('the opponent') oppose the trade mark on the basis of Sections 5(3) and 5(4)(a) of the Trade Marks Act 1994 ('the Act'). The section 5(3) claim is based on three earlier trade mark registrations. Pertinent details of the registrations are as follows:

UKTM: 605575

Mark: LA-Z-BOY

Filing Date: 24 March 1939

Date of entry in register: 24 March 1939

Goods: Class 20 *Chairs*

EUTM: 40691¹

Mark: LA-Z-BOY

Filing date: 1 April 1996

Date of entry in register: 5 October 1998

Goods: Class 20: *Furniture*

EUTM: 3371119

Mark: L A  B O Y

Filing date: 25 September 2003

Date of entry in register: 2 March 2005

Goods: Class 20: *Furniture*

4) The opponent argues that the applicant has chosen a mark to use in relation to fast food which is 'very similar' to its earlier marks which have been used in relation to furniture and sofas for several decades. It argues that all of the earlier marks are similar particularly since 'they both begin with the word "lazy" followed by the word "boy". The earlier mark uses the letter "Z" as an abbreviation of the syllable "zy" pronounced "zee". Therefore, the dominant part of the application is phonetically identical to the earlier mark.'

5) It states that the applicant will benefit from the opponent's investment in advertising, leading to advantage. The opponent also claims that the later use will be out of its control and 'The Opponent's reputation would suffer is the Applicant's services under the mark LAZY BOY were of a low standard. Therefore, a mistaken connection could lead to the Opponent's reputation being wrongly tarnished.'

6) With regard to the section 5(4)(a) claim the opponent alleges earlier rights in the sign LA-Z-BOY. It claims to have been selling 'furniture products, including sofas, arm chairs, recliners' under this sign since 1992 and has acquired goodwill under the sign. Use of the trade mark applied for would therefore be a misrepresentation to the public and result in damage to the aforementioned goodwill.

¹ A date of seniority has been claimed for 24 March 1939 based on UK trade mark registration no. 605575.

7) The applicant filed a counterstatement denying the claims made. The applicant also states that the opponent's marks for chairs and furniture "do not relate to our mark application under class 43". Whilst the opponent's mark constitutes an earlier mark in accordance with section 6 of the Act and is old enough to be the subject of the proof of use conditions contained in section 6A of the Act, however the applicant stated (by ticking the 'No' box in the Form TM8) that it did not require the opponent to provide evidence of such use.

Evidence

Opponent's evidence

8) The opponent's evidence comprises of two witness statements. The first is from Ms Colleen M. Fogle who is a director of the opponent, a position she has held since October 2005. Prior to this Ms Fogle was the Director of Occasional and Accessor Products and the Director of La-Z-Boy International Sales Administration.

9) Ms Fogle states that the opponent "is a world-famous, leading producer of residential furniture products for every room in the home" and "In the last decade, its annual worldwide sales of goods and services offered under the LA-Z-BOY brand have been in excess of USD \$1 billion".²

10) The opponent began use in the UK in 1979 through various entities which one by one became dissolved but most lately via Furnico Ltd. Ms Fogle states that between 1992 and 1995 the opponent's goods were sold and the company name was depicted as "LAZY BOY". Ms Fogle states that "This was done purposely to educate the UK consumer that the mark LA-Z-BOY was pronounced as 'LAZY BOY'" and consequently "the UK public now understands that L A Z B O Y and LA-Z-BOY trade marks are also pronounced "LAZY BOY" and that these names are associated."³

² Paragraph 3 of the witness statement

³ Paragraph 13 of the witness statement

11) The opponent's goods are distributed throughout the UK via the following national chains⁴:

- AHF Furniture & Carpets (approximately 40 UK stores)
- Furniture Village (approximately 40 UK stores)
- Sofa Carpet Specialist ("SCS") (approximately 100 UK stores)

12) Exhibit CMF4 to the witness statement consists of examples of point of sale materials which have been produced by Centurion, Furnico and La-Z-Boy UK. I duplicate some examples below and note that there are numerous references to recliner chairs and sofas:



⁴ A full list of distributors was provided under exhibit CMF3



13) The opponent decided not to disclose its turnover stating that it is “commercially sensitive”⁵. However, it does state that a unit of furniture typically retails at between £300 and £3,700⁶ and provides the following number of units sold. Further, the invoices filed under exhibit CMF2 and website extracts from UK retailers all include pictures or references to chairs, and sofas, most of which have a reclining functionality.

Period	Approximate number of units
1 August 2010 to 31 July 2011	44,500
1 August 2011 to 31 July 2012	44,500
1 August 2012 to 31 July 2013	46,000
1 August 2013 to 31 July 2014	56,000
1 August 2014 to 31 July 2015	65,000
1 August 2015 to 30 April 2016 (9 months)	68,000

14) It can be calculated that taking the units sold and the minimum price that they would have been sold for, the total sales are at least £13m per annum with the top end sales being in the tens of millions. Exhibit CMF15 to the witness statement of Ms

⁵ Paragraph 29 of the witness statement.

⁶ Exhibit CMF14 shows website extracts which include the price of the goods and the invoices at exhibit CMF2 also corroborate the prices indicated by Ms Fogle.

Fogle is an article from the opponent’s website headed “LA-Z-BOY UK NAMED FASTEST GROWING INTERNATIONAL BRAND” dated 22 July 2015. The article states that “We are delighted to announce that La-Z-Boy UK licensee Furnico has been named the fastest growing international partner of the global brand” and that “We are very proud to have grown La-Z-Boy UK to a 50 million USD business”.

15) Ms Fogle states that the opponent advertises by sending emails advertising new product lines and offers to UK retailers. Further the opponent advertises its LA-Z-BOY branded furniture to the general public via the radio and television via its numerous retail partners throughout the UK, including SCS⁷. Ms Fogle summarised the extent of UK radio and television advertisements by SCS [?] as follows. In the radio advertisements they refer to LAZY BOY along with other brands stating, for example, “30% off big-name brands such as LAZYBOY”. With regard to the television advertisements they refer to LAZYBOY products and show the **L A Z B O Y** mark, before showing other brands:

ADVERTISEMENT	DATE	BROADCAST FREQUENCY	STATIONS
RADIO			
August Bank Holiday 2015 Midnight Madness	25.08.2015 – 27.08.2015	Approx. 2,600 times	70 various radio stations throughout the UK ⁸
August Bank Holiday 2015 Blue Cross Savings	27.08.2015 – 31.08.2015	Approx. 5,200 times	As above
Autumn 2015 Brand	11.09.2015 – 26.11.2015	Approx. 35,100 times	As above
TELEVISION			
Autumn 2015 Brand	11.09.2015 – 26.11.2015	Approx. 4,725 times	ITV1, ITV2, ITV3, CHANNEL 4 AND SKY CHANNELS

⁷ Examples of three radio advertisements and two for television were filed on a USB stick under exhibit CMF10

⁸ Ms Fogle provided a full list of stations

Winter 2015 Brand	23.12.2015 – 14.02.2016	Approx. 2,025	ITV1, ITV2, ITV3, CHANNEL 5 AND SKY CHANNELS
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16) To further publicise its products, the opponent also exhibited its furniture products at annual national furniture shows such as the January Furniture show (held in Birmingham), attended by around 20,000 buyers, and the Manchester Furniture Show, attended by around 5,000 buyers. Exhibit CMF12 to the witness statement are photographs of representative LA-Z-BOY branded products exhibited at the January Furniture Show between 2014 and 2017. No photographs or other material have been provided in connection with the Manchester Furniture Show.

17) The opponent's second witness statement is from Ms Anna Teresa Szpek, a trade mark attorney for the opponent's representatives. Ms Szpek's witness statement details a separate dispute between the parties before the Company Names Tribunal. The witness statement states that following negotiations, the applicant changed its company name Lazy Boy Limited⁹ to LB Kitchen Limited on 18 May 2017¹⁰, and the dispute was resolved. Proceedings before the Company Names Tribunal have no bearing on these proceedings and therefore no more shall be said about them.

Applicant's evidence

18) The applicant's evidence consists of a witness statement and supporting exhibits from Mr Rodean Vafa who is the director of LB Kitchen Limited, a position he has held since the company was incorporated on 25 July 2016.

19) Mr Vafa states that the applicant is a "vegan" food trader who, by definition, will "not produce, sell, promote, or provide any goods or services which uses animal products...", whereas the opponent "produces furniture made from animal leather, which they publicly promote". Therefore, "the opponent's brand reputation for using

⁹ Incorporated on 25 July 2016 as demonstrated by a Companies House register extract filed under exhibit ATS1.

¹⁰ Exhibit ATS3 consists of a Companies House register extract showing that the change of name took place.

animal products renders their products unsuitable for a vegan-lifestyle consumer. Hence we assert that the applicants vegan-lifestyle customer demographic does not crossover with the opponent's base. Nor would a logo for a vegan food and beverage company be confused with furniture company which uses animal products"¹¹.

20) Mr Vafa states that the opponent has no reputation in relation to the services that it has applied for, no registered trade marks covering the same or similar services and that the opponent describes itself as a "furniture company"¹². Therefore, the opposition should not succeed.

Preliminary issue

21) Both parties filed evidence in these proceedings, ending with the opponent's evidence in reply filed on 11 May 2018. Despite this, on 15 May 2018 the applicant emailed the Registry requesting permission to file further evidence. On 16 May 2018 the applicant was referred to the Trade Marks Manual which sets out the criteria and process for filing further evidence. On 30 May 2018, the applicant filed a 'Witness statement' from Mr Vafa but did not provide any reasons for the request. Therefore, a preliminary view was issued stating that the evidence was admitted. The opponent contested this view and the matter came to be heard at a Case Management Conference held before me on 1 October 2018. Following the CMC, I issued the following letter:

"I refer to the CMC held before me earlier today whereby Ms Szpeck represented the opponent and Mr Vafa appeared as a private litigant on behalf of the applicant.

The CMC was to address the opponent's objection to the applicant's request to submit further evidence, namely the witness statement of Mr Vafa dated 6 July 2018 and its accompanying exhibits. The objection to the evidence is based on the following:

¹¹ Paragraph 7 of the witness statement

¹² Exhibit RV5 is an extract from the opponent's website.

- 1) Exhibit LBK2 (which consists of the trade mark registration print out) is material that was readily available to the applicant upon filing its evidence.
- 2) Exhibits LBK1 and 3 are without prejudice correspondence and therefore should not be in the public domain and part of tribunal proceedings.

The applicant argues that the evidence was submitted to address claims made by the opponent (in its evidence in reply) with regard to the status of the applicant and a change of company name.

At the CMC I advised the parties that I would reserve my directions. Having considered all of the correspondence, submissions and evidence filed I direct that the witness statement of Mr Vafa and exhibits LBK1, LBK2 and LBK3 are not admitted into the proceedings.

The evidence is not submitted since it mainly consists of without prejudice evidence. The trade marks work manual provides guidance on the admissibility of without prejudice evidence as follows (my emphasis added):

“4.20 Without prejudice and privileged correspondence

In general, the principles of without prejudice correspondence applicable in the court will likewise be applied before the Tribunal. The public interest justification for without prejudice communications not being used as evidence is that **parties should be at liberty to pursue negotiations and settlement without running a risk that documents relating to such discussions will be put forward in relation to the strengths or weaknesses of their substantive cases.**

A useful definition of the ‘without prejudice’ rule is provided by the following cases:

In *Unilever PLC v The Procter & Gamble Company* (hereafter ‘Unilever’), Walker LJ quoted Lord Griffiths as stating in *Rush & Tompkins v Greater London Council* ((1989) AC 1280 at 1299):

“The ‘without prejudice’ rule is a rule governing the admissibility of evidence and is founded upon the public policy of encouraging litigants to settle their differences rather than litigate them to a finish. It is nowhere more clearly expressed than in the judgment of Oliver LJ in *Cutts v Head* (1984) Ch. 290 at 306:

That the rule rests, at least in part, upon public policy is clear from many authorities, and the convenient starting point of the inquiry is the nature of the underlying policy. It is that parties should be encouraged as far as possible to settle their disputes without resort to litigation and should not be discouraged by the knowledge that anything that is said in the course of such negotiations (and that includes of course, as much the failure to

reply to an offer as an actual reply) (my emphasis) may be used to their prejudice in the course of the proceedings.

Documents do not have to be marked “without prejudice” to be such (Prudential Assurance Co Ltd v Prudential Insurance Co. of America (2004) ETMR 29. It was held in Chocoladefabriken Lindt & Sprungli AG v Nestle Co. Ltd (1978) RPC 287 that:

Any discussions between the parties for the purpose of resolving the dispute between them are not admissible, even if the words “without prejudice” or their equivalent are not expressly used.”

Any communications between a party and their trade mark attorney (being a registered trade mark attorney) is privileged or protected from disclosure in legal proceedings (S. 87 of the Trade Marks Act 1994).

The phrase without prejudice is also used in letters to the Tribunal meaning that the writer is preserving their position, e.g. they withdraw the application without prejudice to their clients’ rights. In this instance the wording is part of an open statement and is not afforded any protection.

The without prejudice rule can be excluded in very limited circumstances which are set out in Unilever and the CPR. They are as follows:

- where the issue is whether a concluded compromise agreement was reached
- where the issue is whether an agreement between the parties should be set aside on grounds of misrepresentation, fraud or undue influence
- where a statement made might give rise to an estoppel
- where the exclusion of evidence would act as a cloak for perjury, blackmail or other ambiguous impropriety
- where the statement made would explain delay or apparent acquiescence

In Tribunal proceedings, for example, evidence of the fact that negotiations have taken place (and their state of play, insofar as this may be relevant to an application for an extension of time) would be admissible.

Where inadmissible documents are filed with the Tribunal, the Tribunal will return the documents and/or state that they cannot be taken into account in determining the substantive matters.”

Whilst not all of the evidence is without prejudice, I am not minded to allow it into the proceedings since it is not material to the proceedings. Further, the remaining elements are submissions rather than materials of fact (including the trade mark register print out for no. 3081700 (LAZYBOYS BASKETBALL)

which can be taken into account at the hearing or as submissions in lieu of a hearing.

I do accept that Mr Vafa was attempting to address the issues raised by the opponent in its evidence in reply but, put simply, I am unable to accept without prejudice evidence.

Since this completes the evidence rounds, the case shall now be forwarded to the hearings team who will be contact shortly.”

22) In view of the above, Mr Vafa’s further evidence was refused.

The law

23) Section 5(3) of the Act states:

“(3) A trade mark which-

(a) is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a European Union trade mark or international trade mark (EC), in the European Union) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.”

The case law

24) The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, Case 252/07, *Intel*, Case C-408/01, *Addidas-Salomon*, Case C-487/07, *L’Oreal v Bellure* and Case C-323/09, *Marks and Spencer v Interflora*. The law appears to be as follows.

a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors*, paragraph 24.

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors*, paragraph 26.

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman, paragraph 29* and *Intel, paragraph 63*.

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel, paragraph 42*

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel, paragraph 68*; whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel, paragraph 79*.

(f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel, paragraphs 76 and 77*.

(g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel, paragraph 74*.

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark

have a characteristic or quality which is liable to have a negative impact of the earlier mark; *L'Oreal v Bellure NV, paragraph 40*.

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora, paragraph 74 and the court's answer to question 1 in L'Oreal v Bellure*).

25) The conditions of section 5(3) are cumulative. Firstly, the applicant must show that its earlier marks have achieved a level of knowledge/reputation amongst a significant part of the public. Secondly, the applicant must establish that the public will make a link between the marks, in the sense of the earlier marks being brought to mind by the later marks. Thirdly, assuming that the first and second conditions have been met, section 5(3) requires that one or more of three types of damage claimed by the applicant will occur. It is unnecessary for the purposes of section 5(3) that the goods and services be similar, although the relative distance between them is one of the factors which must be assessed in deciding whether the public will make a link between the marks.

26) The relevant date for the assessment under section 5(3) is the date of filing of the contested application, namely 30 May 2017.

Reputation


27) The first hurdle that the applicant must overcome is that it has the requisite reputation. In *General Motors, Case C-375/97*, the CJEU stated that:

“25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.

26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.

27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.

28. Territorially, the condition is fulfilled when, in the terms of Article 5(2) of the Directive, the trade mark has a reputation 'in the Member State'. In the absence of any definition of the Community provision in this respect, a trade mark cannot be required to have a reputation 'throughout' the territory of the Member State. It is sufficient for it to exist in a substantial part of it.”

28) I begin by reminding myself that the applicant is claiming to have a reputation for the marks LA-Z-BOY for chairs and furniture and/or  for furniture.

29) In Ms Fogle’s witness statement it is stated that in 2015 the opponent sold around 65,000 units of “branded furniture units” and 68,000 in 2016. The evidence also states that individual items are sold at £300 to £3,700. This means that the minimum sales in are in the region of £10m per annum up to, potentially, tens of millions. More accurately, an article on the opponent’s website states that in 2015 the UK licensee has sales in the region of \$50million.¹³ Whilst no evidence has been provided to illustrate the market size and what market share these sales represent, it

¹³ Exhibit CMF15

is reasonable to conclude that sales in the tens of millions do support a finding to the opponent having a reputation in the UK chair and furniture market.

30) The opponent has not submitted advertising and promotional spend specific to the UK, but it has shown that via SCS refers to it in radio and television commercials to promote discounted prices. Further, it has demonstrated use at an annual exhibition held in Manchester.


31) Taken all of these factors into consideration, I find that the evidence does demonstrate a reputation for chairs and sofas which are both covered by the broader term furniture. The evidence does not support a claim to having a reputation for furniture at large since with the exception of foot rests, there are little (if any) examples of anything other than chairs or sofas with the majority being the kind that recline to maximise comfort. For the avoidance of doubt, I accept that both the LA-Z-BOY and **L A Z B O Y** marks have the requisite reputation for chairs and sofas.


The Link

32) As I have noted above, my assessment of whether the public will make the required mental ‘link’ between the marks must take account of all relevant factors. These factors were identified in *Intel* as:

The degree of similarity between the conflicting marks

33) The respective marks are as follows:

Applicant’s mark	Opponent’s mark
	<p>LA-Z-BOY</p>

34) During the hearing it was accepted that neither of the earlier marks put the opponent in a considerably better position. Therefore, I shall proceed with assessing the earlier LA-Z-BOY mark (rather than L A  B O Y) and if the opposition fails based on this mark then it is accepted that it is in no better position with the stylised word mark.

35) The opponent's mark comprises letters and hyphens after the first two and third letters. Hyphens are often used in to separate syllables in a single word or to replace the correct letter. Whilst the use of hyphens is not commonplace, I do not consider them to dominant the letters and consider the overall impression of the mark to rest in its whole.

36) The applicant's mark consists of the words LAZY BOY, PLANT BASED STREET FOOD and various devices of a chilli (at the top), a sandwich (in the middle) and knives and forks (placed either side of the sandwich), all of which are on an oval placard type device. All of these elements contribute to the distinctive character of the mark. However, given the thickness in font, size and positioning of the words LAZY BOY, they will make the most important contribution to the overall impression conveyed and its distinctiveness.

37) Visually, the respective marks coincide with the letters LA-Z-BOY being present in the same order. They differ insofar there is a hyphen after the 'A' in the opponent's mark and a further hyphen after the 'Z'. Further the applicant's mark also contains various devices and additional words. Taking these factors into account, I consider there to be a low degree of visual similarity between the applicant's mark and each of the earlier relied upon marks.

38) Aurally, I accept (as the evidence suggests¹⁴) that the opponent's mark is likely to be pronounced as "LAY-ZEE-BOY". The applicant did not appear to dispute this. It is unlikely that the descriptive words PLANT BASED STREET FOOD will be pronounced or that the device elements will be referred to. Therefore, I consider the respective marks to be aurally identical.

¹⁴ Ms Fogle's witness statement

39) During the hearing Mr Vafa said that he is known, and referred to, as “lazy boy” and therefore the concept of his mark is reference to him. As discussed at the hearing, the applicant has applied for a trade mark registration which would give it a UK monopoly for the mark for the services that it covers. Therefore, in disputes of this nature I must consider the position from the perspective from the average UK consumer who, in this case, are people seeking the provision of food and drink, and consumers of chairs and sofas. Whilst he has made it clear that he produces vegan food, the specification has not been limited to this effect. Therefore, I must view the position from the perspective of the average UK consumer, which is essentially, the entire general UK public. Whilst Mr Vafa came across as a convivial character, he is not known to the UK general public and therefore I do not accept that the concept of the mark will be perceived by the average consumer as a reference to him.

40) For a conceptual message to be relevant it must be capable of immediate grasp by the average consumer¹⁵. The assessment must be made from the point of view of the average consumer who cannot be assumed to know the meaning of everything¹⁶. Ms Blythe argued that the respective marks are dominated by the concept conveyed by the term “LAZY BOY”, i.e. an idle young man. Therefore, the marks are conceptually identical. I agree with Ms Blythe’s assessment.

The nature of the goods or services for which the conflicting marks are registered, or proposed to be registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public

41) The opponent’s reputation resides in chairs and sofas. The applicant’s services consist of, in general terms, the provision of food and drink.

42) Ms Blythe argued that whilst the respective goods and services are “highly disparate industries, the use of furniture is critical to the provision of many food and drink-related services”. She went on to state that “Tables and chairs are a key part of

¹⁵ This is highlighted in numerous judgments of the GC and the CJEU including *Ruiz Picasso v OHIM* [2006] *e.c.r.-I-643*; [2006] *E.T.M.R.* 29.

¹⁶ See the comments of Anna Carboni, sitting as the Appointed Person in *Chorkee*, *BL O/048/08*, paragraphs 36 and 37.

restaurant or café services and often are selected to contribute to the atmosphere of the restaurant as a whole and to complement the food. It is highly possible, therefore, that the Opponent's furniture bearing the Earlier Marks may be used in a restaurant or café such that users of the Applicant's services may at the same time encounter the Opponent's business. In addition, food delivery services and comfort foods (such as macaroni cheese, burgers and so on) have a natural affiliation with comfortable lounge furniture such as recliners; all such goods and services trade off the idea of enjoying a comfortable and lazy night".

43) I do not accept this argument. Just because recliner chairs may be used in some establishments which provided foods and/or drink would not lead to the consumer believing that they are economically linked. Whilst the general public would use and purchase the respective goods and services, this is far too a generalisation for them to have a natural affiliation. In fact, I very much doubt that when consumers are eating or drinking they would even notice the brand of chair or sofa that they are sat on. In my view, the nature of the respective goods and services are different, they have different uses, sold through entirely different trade channels and have completely different methods of use. They are without doubt dissimilar and I reject Ms Blythe's argument that the proximity of the goods and services could lead to a link being formed.

The strength of the earlier mark's reputation

44) I consider the opponent's reputation to be reasonably strong.

The degree of the earlier mark's distinctive character, whether inherent or acquired through use

45) The earlier mark has an above average degree of inherent distinctive character which I find to be enhanced to UK consumers as a result of the use made of it.

Whether there is a likelihood of confusion

46) Since the respective goods and services are dissimilar, there cannot be a likelihood of confusion.

47) Although the absence of a likelihood of confusion is relevant to the question of whether the relevant public will make a mental link between the marks (in the sense that if there is a likelihood of confusion there is a bound to be such a link), it is not necessarily decisive.

48) Taking all of the relevant facts into consideration, I find that the relevant public would not make any link between, on the one hand, the application and the services it covers and, on the other hand, the earlier mark and the chairs and furniture for which it has a reputation. Put another way, I consider the distance between the respective goods and services too great for consumers to make a link. I do not even consider there to be a fleeting link between the marks.

49) Unless the public will make a link between the marks, use of the contested mark cannot take unfair advantage of the reputation acquired by the earlier mark. The opposition under section 5(3) therefore fails.

SECTION 5(4)(a)

The law

50) Section 5(4)(a) of the Act states:

“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.”

The case-law

51) In *Discount Outlet v Feel Good UK*, [2017] EWHC 1400 IPEC, Her Honour Judge Melissa Clarke, sitting as a deputy Judge of the High Court, conveniently summarised the essential requirements of the law of passing off as follows:

“55. The elements necessary to reach a finding of passing off are the ‘classical trinity’ of that tort as described by Lord Oliver in the *Jif Lemon* case (*Reckitt & Colman Product v Borden* [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

56. In relation to deception, the court must assess whether “*a substantial number*” of the Claimants' customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21).”

52) Halsbury’s Laws of England Vol. 97A (2012 reissue) provides further guidance with regard to establishing the likelihood of deception. In paragraph 309 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.”

Relevant date

53) Whether there has been passing off must be judged at a particular point (or points) in time. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O/410/11, Daniel Alexander Q.C., sitting as the Appointed Person, considered the matter of the relevant date in a passing off case. He said:

"43. In *SWORDERS* TM O-212-06 Mr Allan 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.’”.

54) There is no claim and no evidence that the contested mark was in use prior to the date of application. That being the case, the relevant date is 30 May 2017.

GOODWILL

55) Goodwill was defined in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL) 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. It is the one thing which distinguishes an old-established business from a new business at its first start.”

56) I accept that the opponent has goodwill in its LA-Z-BOY sign for the goods that it claims to have been selling, i.e. “furniture products, including sofas, arm chairs, recliners”.

MISREPRESENTATION

57) 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.”

58) 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’:

Annabel's (Berkeley Square) Ltd. v. G. Schock (trading as Annabel's Escort Agency) [1972] R.P.C. 838 at page 844 per Russell L.J.

In the *Lego case Falconer J.* likewise held that the proximity of the defendant's field of activity to that of the plaintiff was a factor to be taken into account when deciding whether the defendant's conduct would cause the necessary confusion.

Where the plaintiff's business name is a household name the degree of overlap between the fields of activity of the parties' respective businesses may often be a less important consideration in assessing whether there is likely to be confusion, but in my opinion it is always a relevant factor to be taken into account.

Where there is no or only a tenuous degree of overlap between the parties' respective fields of activity the burden of proving the likelihood of confusion and resulting damage is a heavy one. In *Stringfellow v. McCain Foods (G.B.) Ltd.* [1984] R.P.C. 501 Slade L.J. said (at page 535) that the further removed from one another the respective fields of activities, the less likely was it that any member of the public could reasonably be confused into thinking that the one business was connected with the other; and he added (at page 545) that

'even if it considers that there is a limited risk of confusion of this nature, the court should not, in my opinion, readily infer the likelihood of resulting damage to the plaintiffs as against an innocent defendant in a completely different line of business. In such a case the onus falling on plaintiffs to show that damage to their business reputation is in truth likely to ensue and to cause them more than minimal loss is in my opinion a heavy one.'

In the same case Stephenson L.J. said at page 547:

'...in a case such as the present the burden of satisfying Lord Diplock's requirements in the *Advocaat* case, in particular the fourth and fifth requirements, is a heavy burden; how heavy I am not sure the judge fully appreciated. If he had, he might not have granted the respondents

relief. When the alleged “passer off” seeks and gets no benefit from using another trader's name and trades in a field far removed from competing with him, there must, in my judgment, be clear and cogent proof of actual or possible confusion or connection, and of actual damage or real likelihood of damage to the respondents' property in their goodwill, which must, as Lord Fraser said in the *Advocaat* case, be substantial.’ ”

59) In *Comic Enterprises Ltd v Twentieth Century Fox Film Corporation* [2016] EWCA Civ 41, Kitchin LJ considered the role of the average consumer in the assessment of a likelihood of confusion. Kitchen L.J. concluded:

“... if, having regard to the perceptions and expectations of the average consumer, the court concludes that a significant proportion of the relevant public is likely to be confused such as to warrant the intervention of the court then it may properly find infringement.”

60) Although this was an infringement case, the principles apply equally under 5(2): see *Soulcycle Inc v Matalan Ltd*, [2017] EWHC 496 (Ch). In *Marks and Spencer PLC v Interflora*, [2012] EWCA (Civ) 1501, Lewinson L.J. had previously cast doubt on whether the test for misrepresentation for passing off purposes came to the same thing as the test for a likelihood of confusion under trade mark law. He pointed out that it is sufficient for passing off purposes that “*a substantial number*” of the relevant public are deceived, which might not mean that the average consumer is confused. However, in the light of the Court of Appeal’s later judgment in *Comic Enterprises*, it seems doubtful whether the difference between the legal tests will (all other factors being equal) produce different outcomes. This is because they are both normative tests intended to exclude the particularly careless or careful, rather than quantitative assessments.

61) The signs are similar to a low degree. For all of the goods and services in question, the average consumer is a member of the general public. Whilst the opponent has shown that it has the requisite goodwill, I do not consider that members of the public would be misled into purchasing the services of the applicant

in the belief that they are the goods of the opponent. Therefore, the opposition under section 5(4)(a) of the Act fails.

OVERALL OUTCOME

62) The opposition fails in its entirety. Therefore, subject to appeal, the application shall proceed to registration.

COSTS

63) The applicant has been successful and is entitled to a contribution towards its costs. Awards of costs in proceedings commenced after 1 July 2016 are governed by Annex A of Tribunal Practice Notice (“TPN”) 2 of 2016. As the applicant is unrepresented, at the conclusion of the evidence rounds the tribunal invited it to indicate whether it intended to make a request for an award of costs and, if so, to complete a pro-forma indicating a breakdown of its actual costs, including providing accurate estimates of the number of hours spent on a range of given activities relating to the prosecution of the proceedings. It was made clear to the applicant that if the pro-forma was not completed by the deadline of 30 October 2018 then “no costs, other than official fees arising from the action and paid by the successful party...will be awarded”. When asked about the pro-forma during the hearing (which was over one month after the 30 October 2018 deadline) Mr Vafa stated that he had received the form but had not yet filled it in. To date, the completed form has still not been filed. Therefore, since the applicant did not respond to the invitation within the timescale allowed and it did not incur any official fees in the proceedings, I make no award of costs.

64) Ms Blythe did request costs in relation to the CMC outlined at paragraph 21. As stated the CMC was appointed for the opponent to challenge the tribunal’s preliminary view to allow the request for additional evidence. The opponent was successful in challenging the preliminary view. Taking these factors into account, I am not minded to issue an award of costs against the applicant in relation to a CMC

which the opponent was challenging the Registrar's view. Therefore, both parties shall bear its own costs.

13th of February 2019

Mark King

For the Registrar,

The Comptroller-General