

O/129/15

TRADE MARKS ACT 1994

TRADE MARK APPLICATION No. 3030125

BY TRINITY BREWING COMPANY LIMITED

TO REGISTER THE MARK 'DARK ARTS' IN CLASS 32

AND OPPOSITION No.

401830

BY MAGIC ROCK BREWING COMPANY LIMITED

Background and pleadings

1. On 11 November 2013, Trinity Brewing Company Limited applied to register the trade mark DARK ARTS for 'beer'. It was accepted and published in the Trade Marks Journal on 6 December.

2. On 6 March 2014, Magic Rock Brewing Company Limited filed a notice of opposition based on Section 5(4) (a) of the Trade Marks Act 1994 ("the Act"). This is based on a claim to an earlier common law right to the words DARK ARTS for beers. The opponent claims to have been selling beer under this sign since June 2011 and to have 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. Consequently, such use could be restrained under the law of passing off.

3. The applicant filed a counterstatement denying the claims made. In particular, the applicant claims to have been brewing DARKS ARTS porter since 24 November 2010 and says that the beer has been in continuous production since then. The applicant relies on the fact that this use predates the use of DARK ARTS claimed by the opponent. The applicant also relies on the fact that the product it sells also carries the brewery name 'Trouble Brewing' as a factor which will help avoid any confusion with the opponent's beers.

The evidence

4. The opponent filed a witness statement by Richard Burhouse, the opponent's Managing Director. The main points from Mr Burhouse's evidence are that:

- The mark DARK ARTS was first used by the opponent in the UK on 3 June 2011 in relation to beers.
- The precise product is a stout beer.
- The opponent sold around £4k worth of such beers in 2011, around £35k in 2012, and around £30k in 2013.
- The opponent's DARK ARTS beer was awarded a gold medal in the Stout and Porter class at the CAMRA beer festival in 2011.
- The opponent's DARK ARTS beer was awarded a bronze medal in the Dark Ales, Stout and Porter class at the Society of Independent Brewers beer competition in 2012.
- The opponent's beer has been sold at various locations throughout England and Scotland.

The hearing

5. A Hearing took place on 11 March 2015 with the opponent represented by Mr Jonathan Turner of counsel, instructed by Napthens LLP, and the applicant by Mr Paul O'Connor, who is a director of the applicant company.

6. At the hearing, Mr Turner sensibly accepted that the facts described in the applicant's counterstatement, which included a statement of truth signed by Mr O'Connor, should be given the same weight as if they had been filed in a witness statement. These facts included:

- That between 24 November 2010 and the date of the counterstatement (i.e. 19 May 2014) the applicant sold around 139k pints of its DARK ARTS porter representing 37% of the applicant's total production.
- The applicant is based in the Republic of Ireland, but DARK ARTS beer has also been exported to Northern Ireland, England and France.
- The application to register the DARK ARTS mark was made in good faith in advance of the applicant entering into a distribution agreement to sell the product in the UK, which has since commenced.

The law

7. Section 5(4)(a) 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."

8. Halsbury's Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165 provides the following analysis of the law of passing off. 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."

Decision

9. The facts set out in the opponent's statement are unchallenged. Mr O'Connor said at the hearing that the applicant's DARK ARTS product had been sold in Northern Ireland for 6 months before the date of filing of the opposed application, but there is no evidence of this. The facts stated by him in the counterstatement indicate that the application was filed in advance of sales taking place in the UK, which includes Northern Ireland. Therefore the matter must be assessed as at the date of the application on 11 November 2013 ("the relevant date").

10. The first issue is whether the opponent had built up sufficient goodwill under DARK ARTS by the relevant date so as to be protectable under the law of passing off. In *Hart v Relentless Records*¹, 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."

11. Relentless Records had issued around 1600 promotional records over a few years to 500 DJs hoping they would play the music in their clubs. There was no evidence of any actual sales, or even that the DJs had mentioned Relentless Records to the public if the records had been played. So the level of use in that case was truly trivial.

¹ [2003] FSR 36

12. The law of passing off protects small businesses as well as large. The dividing line is between a trivial goodwill and the goodwill of a small but real business. In *Lumos Skincare Ltd v Sweet Squared Ltd, Famous Names LLC, Sweet Squared (UK) LLP* the claimant had used the mark LUMOS for around three years prior to the defendant's use of the same mark, both in relation to anti-ageing products. The claimant's products sold for between £40 and £100 each. For most of the period the claimant had sold around £2k worth of products per quarter, rising to £10k per quarter during the year leading up to the defendant's commencement of trade. The Court of Appeal upheld the judge's finding at first instance that the goodwill was sufficient to be protected under the law of passing off.

13. I find that the evidence is sufficient to establish that the opponent in this case had acquired a protectable goodwill under the mark DARK ARTS by the relevant date. The fact that the opponent's DARK ARTS stouts had won awards is good evidence of the existence of goodwill. I acknowledge that the label for the opponent's stout that is in evidence² also includes the words 'MAGIC ROCK BREWING'. However, this name is used in much smaller letters compared to DARK ARTS, which is clearly the trade mark for the product. I have no doubt that consumers seeing the opponent's mark on the packaging for its products would regard DARK ARTS as distinctive of the opponent's product.

14. The marks at issue are therefore identical. So are the goods. Mr O'Connor did try and make something of the trade's distinction between stouts and porters, but this is irrelevant because the goods applied for are 'beers', not just porters. In any event, the opponent's evidence shows that stouts and porters tend to be grouped together, at least for the purposes of competitions.

15. Mr Turner reminded me that the law requires me to consider normal and fair use of the mark applied for³. That mark is DARK ARTS, not TROUBLE BREWING, DARK ARTS. Whatever the current applicant's intentions, it would be open to it, or anyone to whom it subsequently sold the trade mark, to use DARK ARTS alone. The applicant's current intentions are therefore irrelevant. Subject to any defence it might have based on its own earlier or concurrent use of DARK ARTS, there is no question that use of the applicant's mark in, at least, England and Scotland, would constitute a misrepresentation to the public. The misrepresentation would be liable to deceive a substantial number of the opponent's customers or potential customers. This would inevitably damage the opponent's goodwill through the loss of sales to the applicant. Use of DARK ARTS by the applicant in relation to beer would therefore be actionable under the law of passing off. And having regard to the Court of Appeal's approach in *Chelsea Man Menswear Limited v Chelsea Girl Limited and Another*⁴, I believe that the opponent would have been entitled to an injunction throughout the UK, or least

² See exhibit RB3

³ *O2 v Hutchinson 3G*, Court of Justice of the European Union, Case C-533/06

⁴ [1987] RPC 189 (CA)

throughout England and Scotland. The potential for either is sufficient to prevent the applicant obtaining the registration it seeks, which would cover the whole of the UK.

16. I find that the applicant's earlier or concurrent trade under the mark DARK ARTS in the Republic of Ireland does not assist it. This is because goodwill is territorial⁵. This means that the applicant's goodwill in Ireland gives it no more right to start trading under that mark in the UK than the opponent's UK based trade would entitle it to start trading under the same mark as the applicant in Ireland.

17. I would have reached the same conclusion even if I had considered the matter at the slightly earlier date when Mr O'Connor claimed that the applicant had started exporting its product to Northern Ireland. The opponent's goodwill was established by then. And the opponent makes no claim to have sold its product in Northern Ireland, so there was no meaningful concurrent use of the marks anywhere in the UK prior to the date of the application for registration.

18. It follows from what I have said that the opposition under s.5(4)(a) succeeds and the application will be refused.

Costs

19. The opponent has been successful and is entitled to a contribution towards its costs. In the circumstances I award the opponent the sum of £1100 as a contribution towards the cost of the proceedings. The sum is calculated as follows:

Filing notice of opposition and considering counterstatement: £500

Filing evidence: £200

Attending hearing: £400

20. I therefore order Trinity Brewing Company Limited to pay Magic Rock Brewing Company Limited the sum of £1100. The above sum should be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful or withdrawn.

Dated this 25th day of March 2015

**Allan James
For the Registrar**

⁵ See, for example, *Hotel Cipriani v Cipriani (Grosvenor Street)* [2010] EWCA Civ 110

