

O-556-18

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. 3052394

BY MARIAGE FRÈRES, SOCIÉTÉ ANONYME TO REGISTER THE TRADE MARK

SAKURA SAKURA !

IN CLASSES 29 AND 30

AND IN THE MATTER OF OPPOSITION THERETO UNDER NO 403135

BY TWG TEA COMPANY PTE LTD

Background and pleadings

1) Mariage Frères, Société Anonyme (hereafter “the applicant”) applied to register the mark no. 3052394 SAKURA SAKURA ! in the UK on 22 April 2014. It has a claimed priority date of 23 October 2013. It was accepted and published in the Trade Marks Journal on 25 July 2014 in respect of the following goods:

Class 29: *Jellies ; jams ; compotes ; preserved, dried and cooked fruits.*

Class 30: *Tea and tea-based beverages; cocoa; chocolate; pastry, biscuits and confectionery; edible ices; salt, mustard; spices; seasonings, condiments; non medicinal infusions; dried plants and seeds, flavourings, other than essential oils, and mixtures of the aforesaid goods, for preparing non-medicinal beverages.*

2) TWG Tea Company PTE Ltd (hereafter “the opponent”) oppose the mark on the basis of the following grounds:

Sections 3(1)(b), (c) and (d) of the Trade Marks Act 1994 (“the Act”): the mark is devoid of any distinctive character, consists exclusively of a sign which may serve in trade to designate food and drink (and, in particular, tea and tea-related goods) consisting of or flavoured with cherry blossom because the word “sakura” “means the Japanese cherry tree and the cherry blossom derived from the tree and is well known in the UK”. It asserts that the repetition of the word and the presence of the exclamation mark is insufficient to render the mark distinctive. In addition, it claims that “sakura” is widely used by other traders in tea and related goods in the UK to mean cherry blossom.

Section 3(3)(b): It claims that, in view of the meaning of the word “sakura”, the use of the applicant’s mark for tea or related goods which do not consist of, contain, or are flavoured with cherry blossom, would be deceptive.

Section 3(6): It claims that the applicant was aware of the opponent’s cherry blossom tea by reference to the descriptive term “sakura” and “sakura sakura” in the

UK and it must also have been aware of other traders in tea and related goods in the UK using the word “sakura” to refer to cherry blossom and tea consisting of, containing, or flavoured with cherry blossoms. The applicant’s attempt to register a descriptive term constituted a calculated attempt to dishonestly disrupt and interfere with the opponent’s legitimate business in the UK.

Section 5(4)(a): further, and in the alternative, the opponent claims that were I to find that the applicant’s mark is distinctive, then the opponent claims that it owns a substantial goodwill and reputation in the sign SAKURA SAKURA! It claims to have been selling tea under this sign since at least December 2009. Use of the mark applied for would therefore be a misrepresentation to the public and result in damage to the aforementioned goodwill.

4) The applicant filed a counterstatement denying the claims made and puts the opponent to strict proof.

5) Both sides filed evidence in these proceedings. This will be summarised to the extent that I consider necessary. A hearing took place on 11 July 2018 where the applicant was represented by Mr Thomas St Quintin of counsel, instructed by Potter Clarkson LLP and the opponent was represented by Mr Ian Bartlett of Beck Greener.

Evidence

6) The opponent’s evidence takes the form of a two witness statements by Taha Bouqdib, president, chief executive and a director of the opponent and one by Mr Bartlett. The applicant’s evidence consists of a witness statement by Sanjay Kapur, Registered Trade Mark Attorney and Partner in Potter Clarkson LLP, and a second witness statement by Kittichat Sangmanee, President of the Board and CEO of the applicant.

7) It is common ground that the parties are in direct competition, both operating international businesses selling luxury teas and operating tea rooms to sell the same. They both have a presence in the UK, with the opponent selling teas from a

concession in Harrods and the applicant from a concession in Selfridges respectively.

8) The opponent provides evidence in support of its claims that:

- the word “sakura” is the transliteration of the Japanese word meaning “cherry blossom”, that it is used in the tea industry to describe tea and tea products made from or flavoured with cherry blossom and that the UK consumer recognises it as such, and that the applicant knew as much at the time it filed its application;
- that, in the alternative, it has a goodwill in the sign SAKURA! SAKURA! that it may rely upon for the purposes of passing off and that use of the applied for mark would amount to such passing off;
- in filing for the mark, the applicant was acting in bad faith.

9) The applicant’s evidence takes the form of a critique of Mr Bouqdib’s evidence and support for its claim of antecedent use.

10) I have read all of this evidence and I will refer to the relevant parts, as and when appropriate, in my decision.

DECISION

Section 3(1)(c)

11) I find it convenient to begin by considering the ground based upon section 3(1)(c) of the Act. This reads:

3(1) The following shall not be registered –

(a) [...]

(b) [...],

(c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services,

(d) [...]

Provided that, a trade mark shall not be refused registration by virtue of paragraph (b), (c) or (d) above if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it.

12) The case law under Section 3(1)(c) (corresponding to Article 7(1)(c) of the EUTM Regulation, formerly Article 7(1)(c) of the CTM Regulation) was summarised by Arnold J. in *Starbucks (HK) Ltd v British Sky Broadcasting Group Plc* [2012] EWHC 3074 (Ch):

“91. The principles to be applied under art.7(1)(c) of the CTM Regulation were conveniently summarised by the CJEU in *Agencja Wydawnicza Technopol sp. z o.o. v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* (C-51/10 P) [2011] E.T.M.R. 34 as follows:

“33. A sign which, in relation to the goods or services for which its registration as a mark is applied for, has descriptive character for the purposes of Article 7(1)(c) of Regulation No 40/94 is – save where Article 7(3) applies – devoid of any distinctive character as regards those goods or services (as regards Article 3 of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40 , p. 1), see, by analogy, [2004] ECR I-1699 , paragraph 19; as regards Article 7 of Regulation No 40/94 , see *Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) v Wm Wrigley Jr Co* (C-191/01 P) [2004] 1 W.L.R. 1728 [2003] E.C.R. I-12447; [2004] E.T.M.R.

9; [2004] R.P.C. 18 , paragraph 30, and the order in *Streamserve v OHIM* (C-150/02 P) [2004] E.C.R. I-1461 , paragraph 24).

36. ... due account must be taken of the objective pursued by Article 7(1)(c) of Regulation No 40/94 . Each of the grounds for refusal listed in Article 7(1) must be interpreted in the light of the general interest underlying it (see, inter alia , *Henkel KGaA v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* (C-456/01 P) [2004] E.C.R. I-5089; [2005] E.T.M.R. 44 , paragraph 45, and *Lego Juris v OHIM* (C-48/09 P) , paragraph 43).

37. The general interest underlying Article 7(1)(c) of Regulation No 40/94 is that of ensuring that descriptive signs relating to one or more characteristics of the goods or services in respect of which registration as a mark is sought may be freely used by all traders offering such goods or services (see, to that effect, *OHIM v Wrigley* , paragraph 31 and the case-law cited).

38. With a view to ensuring that that objective of free use is fully met, the Court has stated that, in order for OHIM to refuse to register a sign on the basis of Article 7(1)(c) of Regulation No 40/94 , it is not necessary that the sign in question actually be in use at the time of the application for registration in a way that is descriptive. It is sufficient that the sign could be used for such purposes (*OHIM v Wrigley*, paragraph 32; *Campina Melkunie* , paragraph 38; and the order of 5 February 2010 in *Mergel and Others v OHIM* (C-80/09 P), paragraph 37).

39. By the same token, the Court has stated that the application of that ground for refusal does not depend on there being a real, current or serious need to leave a sign or indication free and that it is therefore of no relevance to know the number of competitors who have an interest, or who might have an interest, in using the sign in question (Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee* [1999] ECR I-

2779, paragraph 35, and Case C-363/99 *Koninklijke KPN Nederland* [2004] ECR I-1619, paragraph 38). It is, furthermore, irrelevant whether there are other, more usual, signs than that at issue for designating the same characteristics of the goods or services referred to in the application for registration (*Koninklijke KPN Nederland*, paragraph 57).

And

46. As was pointed out in paragraph 33 above, the descriptive signs referred to in Article 7(1)(c) of Regulation No 40/94 are also devoid of any distinctive character for the purposes of Article 7(1)(b) of that regulation. Conversely, a sign may be devoid of distinctive character for the purposes of Article 7(1)(b) for reasons other than the fact that it may be descriptive (see, with regard to the identical provision laid down in Article 3 of Directive 89/104, *Koninklijke KPN Nederland*, paragraph 86, and *Campina Melkunie*, paragraph 19).

47. There is therefore a measure of overlap between the scope of Article 7(1)(b) of Regulation No 40/94 and the scope of Article 7(1)(c) of that regulation (see, by analogy, *Koninklijke KPN Nederland*, paragraph 67), Article 7(1)(b) being distinguished from Article 7(1)(c) in that it covers all the circumstances in which a sign is not capable of distinguishing the goods or services of one undertaking from those of other undertakings.

48. In those circumstances, it is important for the correct application of Article 7(1) of Regulation No 40/94 to ensure that the ground for refusal set out in Article 7(1)(c) of that regulation duly continues to be applied only to the situations specifically covered by that ground for refusal.

49. The situations specifically covered by Article 7(1)(c) of Regulation No.40/94 are those in which the sign in respect of which registration as a mark is sought is capable of designating a 'characteristic' of the goods or services referred to in the application. By using, in Article

7(1)(c) of Regulation No 40/94 , the terms ‘the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service, or other characteristics of the goods or service’, the legislature made it clear, first, that the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service must all be regarded as characteristics of goods or services and, secondly, that that list is not exhaustive, since any other characteristics of goods or services may also be taken into account.

50. The fact that the legislature chose to use the word ‘characteristic’ highlights the fact that the signs referred to in Article 7(1)(c) of Regulation No 40/94 are merely those which serve to designate a property, easily recognisable by the relevant class of persons, of the goods or the services in respect of which registration is sought. As the Court has pointed out, a sign can be refused registration on the basis of Article 7(1)(c) of Regulation No 40/94 only if it is reasonable to believe that it will actually be recognised by the relevant class of persons as a description of one of those characteristics (see, by analogy, as regards the identical provision laid down in Article 3 of Directive 89/104, *Windsurfing Chiemsee*, paragraph 31, and *Koninklijke KPN Nederland*, paragraph 56).”

92. In addition, a sign is caught by the exclusion from registration in art.7(1)(c) if at least one of its possible meanings designates a characteristic of the goods or services concerned: see *OHIM v Wrigley* [2003] E.C.R. I-12447 at [32] and *Koninklijke KPN Nederland NV v Benelux-Merkenbureau* (C-363/99 [2004] E.C.R. I-1619; [2004] E.T.M.R. 57 at [97].”

13) The opponent supports its claim by producing the following evidence:

- Mr Bouqdib entered the tea business in 1993 and he has always understood the term “sakura tea” to mean cherry blossom tea¹;
- Many tea companies, including the applicant, sell sakura teas and the applicant’s own staff use it “as a reference to the cherry blossoms which the teas contained and with which they were flavoured²;
- Mr Bartlett visited the applicant’s concession in Selfridges on 27 February 2015. He enquired about the availability of “sakura tea” and was told that only one was currently in stock. Without prompting, the sales assistant explained that the product was blended with Chinese tea and sakura from Japan³;
- During his time working for the applicant, Mr Bouqdib asserts that it never used the word “sakura” for tea that did not contain cherry blossom⁴ and recent examples of tea originating from the applicant, where “sakura” appears in the name, are all flavoured with cherry blossom⁵;
- Fifteen different third parties offering teas on the internet described by reference to the word “sakura” and priced in pounds sterling are provided⁶. Most refer to the teas including cherry blossom, one referring merely to a cherry flavour and one makes no reference to cherries or cherry blossom. Many are not dated but all were printed within a year of the relevant date. Examples of these include:
 - “No 43 Sencha Sakura Cherry Tea” available from the website www.charwallatea.co.uk.
 - “Nepalese Sakura Tea” available through the website www.greysteas.co.uk. The extract is undated, but included customer reviews from September 2013 to August 2014;
 - “Sencha Sakura (Cherry Blossom) tea available through the website www.waterlootea.com”. The extract is undated but printed on 25 February 2014;
 - The website www.theteahouse ltd.com selling a tea called “Sakura Sencha Wild Cherry”.

¹ Mr Bouqdib’s witness statement, para 18

² Ditto, para 18

³ Mr Bartlett’s witness statement, paras 4 - 6

⁴ Mr Bouqdib’s witness statement, para 23

⁵ Exhibit TB9

⁶ Mr Bouqdib’s witness statement, para 35 and Exhibit TB15

- The website www.thegildedteapot.com selling “Sencha Sakura” green tea “scented with cherry and rose petals”;
- www.char teas.com also selling Sencha Sakura tea;
- “Sencha Sakura Cherry” tea sold on www.discountbrew.co.uk . The website carries a copyright notice with a 2014 date;

14) In addition to the opponent’s evidence, I also note that the word “sakura” appears in the online Oxford Dictionaries website where it is defined as;

“1 (especially in Japan) a flowering cherry tree.
‘many schools plant sakura on their grounds’
 [as modifier] *‘sakura trees are blossoming all over the country’*

1.1 [mass noun] Cherry blossom.

*‘when the sakura is at its peak, businesses vary their trading hours to give staff the time to enjoy hanami’*⁷

15) Firstly, it is necessary to identify who is the relevant consumer of the goods in issue. All of the applicant’s goods can be described as everyday food items and beverages. This is a broader group than the consumer of luxury tea products that are sold by the parties to discerning and knowledgeable consumers. Everyday grocery products, such as tea, will be used by ordinary members of the general public who do not have the same level of discernment and knowledge. Contrary to the applicant’s assertions, there is little doubt in my mind that the word “Sakura” has the meaning claimed by the applicant, as demonstrated by the dictionary reference and the number of third parties using it to mean the same. I note there is some misuse of the word, but this does not detract from its obvious meaning. I also note that it may not be widely known by the average consumer of teas, but a more knowledgeable sub-set of this group are likely to be aware of the word and its meaning. Further, it is an apt word to describe tea and tea products flavoured or containing cherry blossom and it would be appropriate that such a term is kept free for other traders who may wish to use it to designate a characteristic of their goods. Further, despite the

⁷ <https://en.oxforddictionaries.com/definition/sakura>

applicant's submission that the word has no meaning, it appears that both parties use the word "Sakura" only in respect of tea made with or flavoured with cherry blossom. Taking all of this into account, I dismiss the submissions on behalf of the applicant that the word "Sakura" has no meaning.

16) In light of the above, I acknowledge that the word "sakura" is a word meaning cherry blossom. However, this is not the end of the matter because the contested mark is not the word "Sakura" but rather it is "SAKURA SAKURA !". The duplication of the word and the addition of the exclamation mark adds further characteristics beyond the mere descriptive element. Mr Bartlett submitted that such tautology and the addition of the exclamation mark is insufficient to overcome the descriptive nature of the word "Sakura". He relied upon the decision of the EUIPO's Board of Appeal in respect of the mark TIKKA TIKKA (R 0746/2005-4) where it was found to be descriptive in respect of certain foodstuffs. Mr St. Quintin pointed out that, in that judgment, the Board of Appeal observed that the mark was registered in the UK, but Mr Bartlett countered that its registrability had not been challenged through opposition/invalidation. I am not bound by the findings of the EUIPO's Boards of Appeal. Further, the term TIKKA is a more well-known word in the UK than SAKURA. Consequently, the considerations in the TIKKA TIKKA case are not identical to those of the current case and I must reach my own conclusions based upon the information before me.

17) Taking all the above into account, I conclude that the tautology present in the mark together with the presence of the exclamation mark adds at least a spark of distinctive character over and above merely being a phrase or word that designates a characteristic of the goods. As a consequence, I find that the contested mark, when considering it as a whole, is not excluded from registration by the requirements set out in section 3(1)(c) of the Act and this ground of opposition fails.

Section 3(1)(b)

18) This part of the Act reads:

3(1) The following shall not be registered –

(a) [...]

(b) trade marks which are devoid of any distinctive character,

[...]

Provided that, a trade mark shall not be refused registration by virtue of paragraph (b), (c) or (d) above if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it.

19) The principles to be applied under Article 7(1)(b) of the CTM Regulation (which is now article 7(1)(b) of the EUTM Regulation, and is identical to Article 3(1)(b) of the Trade Marks Directive and Section 3(1)(b) of the Act) were conveniently summarised by the CJEU in *OHIM v BORCO-Marken-Import Matthiesen GmbH & Co KG* (C-265/09 P) as follows:

“29..... the fact that a sign is, in general, capable of constituting a trade mark does not mean that the sign necessarily has distinctive character for the purposes of Article 7(1)(b) of the regulation in relation to a specific product or service (Joined Cases C-456/01 P and C-457/01 P *Henkel v OHIM* [2004] ECR I-5089, paragraph 32).

30. Under that provision, marks which are devoid of any distinctive character are not to be registered.

31. According to settled case-law, for a trade mark to possess distinctive character for the purposes of that provision, it must serve to identify the product in respect of which registration is applied for as originating from a particular undertaking, and thus to distinguish that product from those of other undertakings (*Henkel v OHIM*, paragraph 34; Case C-304/06 P *Eurohypo v OHIM* [2008] ECR I-3297, paragraph 66; and Case C-398/08 P *Audi v OHIM* [2010] ECR I-0000, paragraph 33).

32. It is settled case-law that that distinctive character must be assessed, first, by reference to the goods or services in respect of which registration has been applied for and, second, by reference to the perception of them by the relevant public (*Storck v OHIM*, paragraph 25; *Henkel v OHIM*, paragraph 35; and *Eurohypo v OHIM*, paragraph 67). Furthermore, the Court has held, as OHIM points out in its appeal, that that method of assessment is also applicable to an analysis of the distinctive character of signs consisting solely of a colour per se, three-dimensional marks and slogans (see, to that effect, respectively, Case C-447/02 P *KWS Saat v OHIM* [2004] ECR I-10107, paragraph 78; *Storck v OHIM*, paragraph 26; and *Audi v OHIM*, paragraphs 35 and 36).

33. However, while the criteria for the assessment of distinctive character are the same for different categories of marks, it may be that, for the purposes of applying those criteria, the relevant public's perception is not necessarily the same in relation to each of those categories and it could therefore prove more difficult to establish distinctiveness in relation to marks of certain categories as compared with marks of other categories (see Joined Cases C-473/01 P and C-474/01 P *Proctor & Gamble v OHIM* [2004] ECR I-5173, paragraph 36; Case C-64/02 P *OHIM v Erpo Möbelwerk* [2004] ECR I-10031, paragraph 34; *Henkel v OHIM*, paragraphs 36 and 38; and *Audi v OHIM*, paragraph 37)."

20) Mr Bartlett submitted that there were two limbs to the opponent's case based upon section 3(1)(b). The first limb is that the applicant's mark is devoid of distinctive character because it designates a characteristic of the goods. This limb is not materially different than that put forward in respect to Section 3(1)(c). I have already found that the opponent has failed to demonstrate that the mark designates a characteristic of the goods (i.e. it was not descriptive). It follows, therefore, that it cannot succeed based upon its associated case relating to Section 3(1)(b).

21) The second limb of Mr Bartlett's submissions is that because the word "Sakura" is already used solus by numerous other tea traders, the applicant cannot "come onto the market and say the mark is distinctive". I dismiss this limb. As I concluded at paragraphs 16 and 17, the tautology present in the mark is sufficient to create a spark of distinctive character over and above any lack of distinctive character of the

single word “Sakura” solus. The opponent’s opposition fails, insofar as it is based upon section 3(1)(b).

Section 3(1)(d)

22) The relevant part of the Act is:

3(1) The following shall not be registered –

[...]

(d) trade marks which consist exclusively of signs or indications which have become customary in the current language or in the *bona fide* and established practices of the trade:

23) In *Telefon & Buch Verlagsgesellschaft GmbH v OHIM*, Case T-322/03, the General Court (“the GC”) summarised the case law of the Court of Justice under the equivalent of s.3(1)(d) of the Act, as follows:

“49. Article 7(1)(d) of Regulation No 40/94 must be interpreted as precluding registration of a trade mark only where the signs or indications of which the mark is exclusively composed have become customary in the current language or in the *bona fide* and established practices of the trade to designate the goods or services in respect of which registration of that mark is sought (see, by analogy, Case C-517/99 *Merz & Krell* [2001] ECR I-6959, paragraph 31, and Case T-237/01 *Alcon v OHIM – Dr. Robert Winzer Pharma (BSS)* [2003] ECR II-411, paragraph 37). Accordingly, whether a mark is customary can only be assessed, firstly, by reference to the goods or services in respect of which registration is sought, even though the provision in question does not explicitly refer to those goods or services, and, secondly, on the basis of the target public’s perception of the mark (*BSS*, paragraph 37).

50. With regard to the target public, the question whether a sign is customary must be assessed by taking account of the expectations which the average

consumer, who is deemed to be reasonably well informed and reasonably observant and circumspect, is presumed to have in respect of the type of goods in question (*BSS*, paragraph 38).

51. Furthermore, although there is a clear overlap between the scope of Article 7(1)(c) and Article 7(1)(d) of Regulation No 40/94, marks covered by Article 7(1)(d) are excluded from registration not on the basis that they are descriptive, but on the basis of current usage in trade sectors covering trade in the goods or services for which the marks are sought to be registered (see, by analogy, *Merz & Krell*, paragraph 35, and *BSS*, paragraph 39).

52. Finally, signs or indications constituting a trade mark which have become customary in the current language or in the *bona fide* and established practices of the trade to designate the goods or services covered by that mark are not capable of distinguishing the goods or services of one undertaking from those of other undertakings and do not therefore fulfil the essential function of a trade mark (see, by analogy, *Merz & Krell*, paragraph 37, and *BSS*, paragraph 40).”

24) I must consider if the phrase “Sakura Sakura!” is used in the current language and/or established practices of the trade or whether it functions to designate the goods of one undertaking from another and I must also take account of the goods involved and the public perception of the mark. Whilst the opponent has adduced evidence illustrating other traders using the word “Sakura”, this is not the mark at issue. It must be kept in mind that the mark is “SAKURA SAKURA !”. As Mr St Quintin submitted, there is no evidence of traders using the mark as filed. In light of all of this, the opponent’s claim that the phrase “SAKURA SAKURA !” is used in the current language or in the *bona fide* and established practices of the trade must be rejected. The opposition based upon section 3(1)(d) fails.

Section 3(3)(b)

25) Section 3(3)(b) reads as follows:

“3. - (3) A trade mark shall not be registered if it is-

(a) ...

(b) of such a nature as to deceive the public (for instance as to the nature, quality or geographical origin of the goods or service).”

26) Section 3(3)(b) of the Act derives directly from article 3(1)(g) of the Directive. Both sides directed me to the judgment of the Court of Justice of the European Union (“the CJEU”) in *Elizabeth Florence Emanuel v Continental Shelf 128 Ltd* Case C-259/04, and Mr Bartlett directed me to, in particular, paragraphs 46 - 50 where it held that the following two conditions must be satisfied before this ground for refusal can apply:

- (i) there must be actual deceit or a sufficiently serious risk that the relevant consumer will be deceived, and;
- (ii) the deception must be attributable to the nature of the mark itself (as opposed to the way in which it is used):

27) An objection under section 3(3)(b) should therefore only be raised if there is a real, as opposed to a purely theoretical potential for deception of the public. In the *Consorzio per la tutela del formaggio Gorgonzola*, the CJEU stated:

“41. As to that, the circumstances contemplated in Article 3(1)(c) of the First Directive 89/104 do not apply to the present case. The circumstances envisaged in the two relevant provisions of that directive - refusal of registration, invalidity of the trade mark, or revocation of the proprietor's rights, which preclude its use being continued under Article 14(2) of Regulation No 2081/92 presuppose the existence of actual deceit or a sufficiently serious risk that the consumer will be deceived (see, on that subject, *Clinique*, cited above, Case C- 470/93 *Mars* [1995] ECR I-1923, and Case C-313/94 *Graffione* [1996] ECR I-6039, paragraph 24).”

28) There is no evidence of actual deceit and I must, therefore, consider if there is a sufficiently serious risk that the relevant consumer will be deceived. The word “Sakura” is a word that has a dictionary meaning that some knowledgeable

consumers will be familiar with. Further, as a descriptive dictionary word, “Sakura” has the capacity to impart a clear message about the goods that its use relates to. The tautology present in the mark and the presence of an exclamation mark will not change this. The mark, as a whole, creates an expectation in the minds of the consumer that the goods to which the mark relates are flavoured with, or contain cherry blossom. With this in mind, I find that there is a sufficiently serious risk that the average consumer will be deceived if the mark is used in respect of goods that are not flavoured or made with cherry blossom.

29) There is nothing before me to suggest that it is normal for the goods listed in the applicant’s Class 29 specification to be made with and/or flavoured with cherry blossom. Similarly, it is not obvious to me, nor is there anything beyond a bare assertion made on behalf of the opponent that the following of the applicant’s Class 30 goods are made from and/or flavoured with cherry blossom: *cocoa; chocolate; pastry, biscuits and confectionery; edible ices; salt, mustard; spices; seasonings, condiments; seeds for preparing non-medicinal beverages*. Consequently, the ground based upon section 3(3)(b) fails in respect of these goods.

30) In respect of the applicant’s remaining goods, I find that upon seeing the applicant’s mark used in respect of these goods, the relevant consumer will have a legitimate expectation that they contain and/or are flavoured with cherry blossom. Therefore, the ground based upon section 3(3)(b) succeeds against these goods, namely: *Tea and tea-based beverages; non medicinal infusions; dried plants, flavourings, other than essential oils, and mixtures of the aforesaid goods, for preparing non-medicinal beverages*.

31) However, this ground is overcome by amending the applicant’s Class 30 specification, as follows:

Tea and tea-based beverages; non medicinal infusions; dried plants and flavourings, other than essential oils, and mixtures of the aforesaid goods (including with seeds), for preparing non-medicinal beverages; all being made or flavoured with, or containing cherry blossom; cocoa; chocolate; pastry, biscuits and confectionery; edible ices; salt, mustard; spices;

seasonings, condiments; seeds other than essential oils, and mixtures of the aforesaid goods, for preparing non-medicinal beverages

Section 3(6)

32) Section 3(6) of the Act states:

“(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith.”

33) The law in relation to section 3(6) of the Act (“bad faith”) was summarised by Arnold J. in *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch):

“130. A number of general principles concerning bad faith for the purposes of section 3(6) of the 1994 Act/Article 3(2)(d) of the Directive/Article 52(1)(b) of the Regulation are now fairly well established. (For a helpful discussion of many of these points, see N.M. Dawson, "Bad faith in European trade mark law" [2011] IPQ 229.)

131. First, the relevant date for assessing whether an application to register a trade mark was made in bad faith is the application date: see Case C- 529/07 *Chocoladenfabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH* [2009] ECR I-4893 at [35].

132. Secondly, although the relevant date is the application date, later evidence is relevant if it casts light backwards on the position as at the application date: see *Hotel Cipriani Srl v Cipriani (Grosvenor Street) Ltd* [2008] EWHC 3032 (Ch), [2009] RPC 9 at [167] and cf. Case C-259/02 *La Mer Technology Inc v Laboratoires Goemar SA* [2004] ECR I-1159 at [31] and Case C-192/03 *Alcon Inc v OHIM* [2004] ECR I-8993 at [41].

133. Thirdly, a person is presumed to have acted in good faith unless the contrary is proved. An allegation of bad faith is a serious allegation which

must be distinctly proved. The standard of proof is on the balance of probabilities but cogent evidence is required due to the seriousness of the allegation. It is not enough to prove facts which are also consistent with good faith: see *BRUTT Trade Marks* [2007] RPC 19 at [29], *von Rossum v Heinrich Mack Nachf. GmbH & Co KG* (Case R 336/207-2, OHIM Second Board of Appeal, 13 November 2007) at [22] and *Funke Kunststoffe GmbH v Astral Property Pty Ltd* (Case R 1621/2006-4, OHIM Fourth Board of Appeal, 21 December 2009) at [22].

134. Fourthly, bad faith includes not only dishonesty, but also "some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined": see *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367 at 379 and *DAAWAT Trade Mark* (Case C000659037/1, OHIM Cancellation Division, 28 June 2004) at [8].

135. Fifthly, section 3(6) of the 1994 Act, Article 3(2)(d) of the Directive and Article 52(1)(b) of the Regulation are intended to prevent abuse of the trade mark system: see *Melly's Trade Mark Application* [2008] RPC 20 at [51] and *CHOOSI Trade Mark* (Case R 633/2007-2, OHIM Second Board of Appeal, 29 February 2008) at [21]. As the case law makes clear, there are two main classes of abuse. The first concerns abuse vis-à-vis the relevant office, for example where the applicant knowingly supplies untrue or misleading information in support of his application; and the second concerns abuse vis-à-vis third parties: see *Cipriani* at [185].

136. Sixthly, in order to determine whether the applicant acted in bad faith, the tribunal must make an overall assessment, taking into account all the factors relevant to the particular case: see *Lindt v Hauswirth* at [37].

137. Seventhly, the tribunal must first ascertain what the defendant knew about the matters in question and then decide whether, in the light of that knowledge, the defendant's conduct is dishonest (or otherwise falls short of the standards of acceptable commercial behaviour) judged by ordinary

standards of honest people. The applicant's own standards of honesty (or acceptable commercial behaviour) are irrelevant to the enquiry: see *AJIT WEEKLY Trade Mark* [2006] RPC 25 at [35]-[41], *GERSON Trade Mark* (Case R 916/2004-1, OHIM First Board of Appeal, 4 June 2009) at [53] and *Campbell v Hughes* [2011] RPC 21 at [36].

138. Eighthly, consideration must be given to the applicant's intention. As the CJEU stated in *Lindt v Hauswirth*:

"41. ... in order to determine whether there was bad faith, consideration must also be given to the applicant's intention at the time when he files the application for registration.

42. It must be observed in that regard that, as the Advocate General states in point 58 of her Opinion, the applicant's intention at the relevant time is a subjective factor which must be determined by reference to the objective circumstances of the particular case.

43. Accordingly, the intention to prevent a third party from marketing a product may, in certain circumstances, be an element of bad faith on the part of the applicant.

44. That is in particular the case when it becomes apparent, subsequently, that the applicant applied for registration of a sign as a Community trade mark without intending to use it, his sole objective being to prevent a third party from entering the market.

45. In such a case, the mark does not fulfil its essential function, namely that of ensuring that the consumer or end-user can identify the origin of the product or service concerned by allowing him to distinguish that product or service from those of different origin, without any confusion (see, inter alia, Joined Cases C-456/01 P and C-457/01 P *Henkel v OHIM* [2004] ECR I-5089, paragraph 48)."

34) Mr Bartlett submitted that the application was made in an attempt to disrupt the activities of the opponent, and in particular, its attempt to register its own mark no. 3228438 “ALWAYS SAKURA” on 3 May 2017. He also put forward a claim that the relevant date for assessing bad faith is the filing date (22 April 2014) of the application despite the applicant claiming an earlier priority date (23 October 2013). He claimed that this is important because of disputes between the parties in France that took place after the earlier of the two dates that, he submitted, cast serious doubt on the applicant’s motives. It is not necessary that I decide this “relevant date” point because as will be seen in what follows, I find that the relevant facts for assessing if the application was made in bad faith are the activities of the applicant before both of these dates.

35) Mr Bartlett submitted that the applicant has known the meaning of “Sakura” since at least 2003 when it published a book entitled “French Tea” that confirmed to its readers that “Sakura [is] the Japanese word for ‘cherry blossom’”⁸. This may be so, but in making the application, the applicant has not attempted to monopolise the word “Sakura” but rather the mark “SAKURA SAKURA !”. I have found that this has the necessary distinctiveness for registration. Therefore, the mere fact that it knew of the meaning of the word “Sakura” before making the application would not, in itself, be evidence of bad faith.

36) However, Mr Bartlett went on to submit that the applicant, at the time of filing in October 2013, was aware of the opponent’s use of “Sakura! Sakura!”. I accept this, but the fact is not determinative. I note the poor relationship between the parties exemplified by the numerous proceedings between them in the UK (including the applicant’s opposition to the current opponent’s attempt to register a word and device mark incorporating the words “SAKURA! SAKURA!” in December 2012). Importantly, the applicant’s evidence⁹ provides copies of packaging where it used “SAKURA SAKURA !” as early as 2009 and a further label where the word “Sakura” appears twice (in a mirror image effect) with the year 2005 appearing on the label (both of these are reproduced in the annex to this decision).

⁸ See Exhibit IB1, page 3

⁹ Exhibit KS4

37) Taking all of this together, it illustrates to me that the applicant had its own genuine interest in a mark from at least 2005 where the word “Sakura” appeared twice, and in the sign “SAKURA SAKURA!” since at least 2009. This creates a background where the opponent may legitimately believe that it needed to make the contested application in a genuine attempt to protect a sign that it was using, rather than an attempt to solely disrupt the activities of the applicant.

38) In summary, I conclude that the filing of the contested application is consistent with good faith and, therefore, the opponent has failed to demonstrate that the application was filed in bad faith. The ground based upon section 3(6) fails.

Section 5(4)(a)

39) At the hearing, Mr Bartlett explained that this was the opponent’s secondary ground in case I find against it on its primary grounds under the various sub-sections of section 3.

40) 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.”

41) 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.

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.”

42) 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.”

43) The earlier use by the claimant must relate to the use of the sign for the purposes of distinguishing goods or services. For example, merely decorative use of a sign on a T-shirt cannot found a passing off claim: *Wild Child Trade Mark* [1998] RPC 455 (AP)

The relevant date

44) Mr Daniel Alexander QC sitting as the Appointed Person in *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11 quoted with approval the comments of Mr Allan James acting for the Registrar in *SWORDERS TM* O-212-06 when he 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.”

45) The applied for mark claims a priority date from a national application in France of 23 October 2013. This is the relevant date for assessing the issue of goodwill. The applicant made no claim in its counterstatement to antecedent use, however, this was relied upon by Mr Sangmansee who provided evidence in an attempt to support this point. For reasons that will become apparent, it is not necessary for me to say more about this claim.

Goodwill

46) I must first consider if the opponent has acquired the necessary goodwill at the relevant date. In *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL) it was stated:

“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.”

47) In *Hart v Relentless Records* [2002] EWHC 1984 (Ch), 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.”

48) 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.”

See also: *Stannard v Reay* [1967] FSR 140 (HC); *Teleworks v Telework Group* [2002] RPC 27 (HC); *Lumos Skincare Limited v Sweet Squared Limited and others* [2013] EWCA Civ 590 (COA)

49) At the hearing, Mr Bartlett conceded that the opponent’s sales figures were “not overwhelming”, but he pointed out that its use of the mark “SAKURA! SAKURA!” has been in respect of specialised, luxury teas and that the evidence illustrates the requisite goodwill. In particular, Mr Bartlett drew my attention to the following evidence:

- the opponent introduced its “sakura” range of teas in 2009 and has sold these ever since under “Sakura! Sakura!” labels¹⁰ such as:



- press releases distributed to media organisations, including in the UK. Most refer to its SAKURA! SAKURA! Tea. Some are undated, but identified by Mr Bouqdib as being from 2010 to 2013. Typical of these, the first is headed

¹⁰ Mr Bouqdib’s first witness statement, para 40

“TWG Tea creates Sakura! Sakura! Tea for the spring Haute Couture tea collection”. Whilst there are various indications that the press releases originated in Singapore, five of them include text at the end regarding where the teas featured in the press release are available. Typical text states that the teas are available from “TWG Tea Retail Outlets & Stockists in [followed by a list of countries that includes the UK]” and “Worldwide online orders can be made at www.harrods.com...”¹¹

50) This evidence attracted two criticisms from Mr St Quintin. Firstly, Mr Bouqdib amended the high sales figures in his first witness statement¹² illustrating that his evidence is not trustworthy. Mr St Quintin submitted that this is because he provided wildly inaccurate original figures that he attested to clearly without checking and that, further, Mr Bouqdib’s approach of estimating that UK sales amounted to about 10% highlights discrepancies because the UK sales figures covered a wide range, yet the worldwide figures did not. Mr St Quintin submitted that the annual UK figures should have mirrored the more consistent pattern of worldwide sales rather than the larger range estimated by Mr Bouqdib. I reject these criticisms. Whilst it is clear that Mr Bouqdib made an error in his first witness statement, when this was criticised by the other side, he provided corrected figures. In my view this does not suggest that Mr Bouqdib cannot be trusted. Perhaps he did not take as much care over the provision of his original estimate, but by providing corrected figures, his actions are consistent with an individual who made an honest mistake.

51) The second criticism from Mr St Quintin is that the corrected figures¹³ are no more than enough to illustrate trivial goodwill. These figures are:

Year	Sales of tea labelled “SAKURA! SAKURA!”
2009	£ [REDACTED]
2010	£ [REDACTED]
2011	£ [REDACTED]
2012	£ [REDACTED]

¹¹ Mr Bouqdib’s second witness statement, para 7 and Exhibits 19 and 20

¹² Confidential amended figures provided at Exhibit 30

¹³ Exhibit TB30

2013	£ [REDACTED]
TOTAL	£ [REDACTED]

52) There are other relevant factors that I take into account, namely:

- whilst the opponent's mark is clearly used as a secondary mark to its "TWG" brand to indicate a particular variety of tea, the evidence illustrates that it appears prominently on packaging (as shown in paragraph 47 above);
- there is no documentary support for these sales in the form of invoices, or delivery records for example;
- there is no evidence that the exhibited press releases were ever used by the media and that the UK consumer was ever exposed to their content;
- it is clear from the content of the press release that the opponent promotes the *Harrods* website as a location on the internet for "worldwide" sales. This raises a question of what proportion of the sales referred to in the above table were to UK consumers and what proportion were to consumers outside the UK;

53) The first of these factors lends support to the claim of the existence of the requisite goodwill, but the other factors all create an element of doubt as to how significant the sales figures are in demonstrating this goodwill. When taking all the relevant factors together, I conclude that the evidence is insufficient to demonstrate that the sign has the requisite goodwill attached to it. In the absence of such goodwill, there can be no misrepresentation and damage and the ground based upon section 5(4)(a) fails.

54) In light of this finding, it is not necessary for me to consider the applicant's defence based upon a claim of antecedent use.

Summary

55) The opposition fails in respect of all the grounds except partially in respect of the grounds based upon section 3(3)(b), but that this ground is overcome by the amendment to the applicant's Class 30 specification as set out below:

Tea and tea-based beverages; non medicinal infusions; dried plants and flavourings, other than essential oils, and mixtures of the aforesaid goods (including with seeds), for preparing non-medicinal beverages; all being made or flavoured with, or containing cherry blossom; cocoa; chocolate; pastry, biscuits and confectionery; edible ices; salt, mustard; spices; seasonings, condiments; seeds other than essential oils, and mixtures of the aforesaid goods, for preparing non-medicinal beverages

56) The applicant must submit a Form TM21B to amend its Class 30 specification, as detailed above, within 21 days of this decision. If it fails to do so, the opposition will succeed in respect of the following Class 30 goods:

Tea and tea-based beverages; non medicinal infusions; dried plants, flavourings, other than essential oils, and mixtures of the aforesaid goods, for preparing non-medicinal beverages.

57) The appeal period will begin from the date the Form TM21B is due or, if it is received earlier, from that date.

COSTS

58) The applicant has been largely successful and is entitled to a contribution towards its costs. At the hearing, both sides indicated that they were seeking costs according to the published scale in Tribunal Practice Notice 4/2007. I take account that both sides provided evidence and that a hearing was held. I award costs as follows:

Considering statement and preparing counterstatement: £300

Considering evidence and preparing own evidence:	£800
Preparing for, and attendance at hearing	£900
Total:	£2000

59) I order TWG Tea Company PTE Ltd to pay Mariage Frères, Société Anonyme the sum of £2000 which, in the absence of an appeal, should be paid within 14 days of the expiry of the appeal period.

Dated this 6th day of September 2018

Mark Bryant
For the Registrar,

REDACTED

Annex

2005 use of "Sakura Sakura"



2009 use if "Sakura! Sakura!"

