

**DECISION OF THE CONTROLLER OF PATENTS, DESIGNS AND TRADE
MARKS IN PROCEEDINGS UNDER THE TRADE MARKS ACT, 1996**

In the matter of applications for registration of Trade Mark Nos. 246626 and 246627 and in the matter of Oppositions thereto.

SEÁN WALSH

Applicant

SUPERQUINN LIMITED

Opponent

The Applications

1. On 26 January, 2012, Seán Walsh, of 32 Stoneyhurst, Dooradoyle, Limerick, Ireland made applications under Section 37 of the Trade Marks Act, 1996 (“the Act”) to register **Seán’s Brown Bread** and **Seán’s Brown** (Nos. 2012/00139 and 2012/00140 respectively), as trade marks in respect of “Brown Bread” in Class 30.
2. The applications were accepted for registration and advertised accordingly under Nos. 246626 and 246627 in Journal No. 2199 dated 28 March, 2012.
3. Notices of Opposition to the registration of the marks pursuant to Section 43 of the Act were filed on 27 June, 2012 by Superquinn Limited, of Musgrave House, Ballycurreen, Airport Road, Cork, Ireland. The Applicant filed a counter-statement on 21 September, 2012. The Opponent filed evidence under Rule 20 of the Trade Marks Rules, 1996 (“the Rules”) on 24 June, 2013. The Applicant filed evidence under Rule 21 of the Rules on 17 December, 2013. The Opponent filed evidence in reply under Rule 22 on 17 April, 2014. A Hearing of the matter was held on 11 November, 2014.
4. While there are two distinct applications and corresponding oppositions, the Notice of Opposition, Counter Statement and evidence submitted in both cases were identical to each other in all material respects. Furthermore, at the Hearing, no argument was advanced in support of either side that related specifically to one of the trade marks at issue and not the other.

5. Both parties attended the Hearing following which I decided to uphold both oppositions and to refuse to allow the applications to proceed to registration. For the sake of brevity and conciseness I now state the grounds of both my decisions and the materials used to arrive thereat in response to a request by the Opponent in that regard pursuant to Rule 27(2) of the Trade Mark Rules 1996.

Grounds of the Opposition

6. In its Notices of Opposition the Opponent states it, and its predecessors in title, has for many years, carried on business as a supermarket, both in-store and online, for a broad range of consumer goods, including food and beverages. In addition, the Opponent states it is a manufacturer and retailer of a variety of foodstuffs and beverages. The Opponent states that, as early as 1995, it has extensively used the trade mark SEÁN'S BROWN in connection with bread and bread products. The earlier mark has long denoted, both to the trade and the public, goods rendered by the Opponent and distinguishes such goods from the like goods of others.
7. The Opponent then raises objection to the two applications under various Sections of the Act, which I shall summarise as follows:
 - Sections 6 and 8(1)(a) – *the marks applied for are not capable of distinguishing the goods or services of the Applicant from the goods or services of other undertakings;*
 - Section 8(1)(b) – *the marks are devoid of distinctive character;*
 - Section 8(1)(c) – *the marks consist exclusively of signs or indications which may serve in trade to designate the kind, intended purpose or other characteristics of the goods;*
 - Section 10(1) – *the marks are identical to the Opponent's earlier mark and the goods for which the registrations are sought are identical to those for which the earlier mark is protected;*
 - Section 10(2)(a) – *likelihood of confusion on the part of the public, and likelihood of association with the Opponent's trade mark;*
 - Section 10(3) – *use of marks would take unfair advantage of, or be detrimental to, distinctive character or reputation of the Opponent's mark;*
 - Section 10(4)(a) – *use of marks is liable to be prevented by virtue of any rule of law protecting an unregistered trade mark or other sign;*

- Section 37(2) – *Applicant does not use or intend to use the marks in relation to goods covered by application.*

Counter-Statement

8. In its Counter-Statements the Applicant states he established “SEÁN’S Homemade Wholemeals” in 1989 and has, from that date, carried on a wholesale bakery business. He states he has sold brown bread under the Seán’s Brown Bread and Seán’s Brown marks since 1989. The Applicant denies all the grounds upon which the oppositions are based.

Rule 20 Evidence

9. Evidence submitted by the Opponent under Rule 20 consisted of a Statutory Declaration, dated 21 June 2012, of Karl Pratt, Senior Buyer in the Bakery Department of Superquinn Limited, and seven accompanying exhibits (marked “1” to “7”). He states that his company, which became part of the Musgrave Group in October 2011, operates 24 supermarket stores in Ireland, of which 16 are in Dublin. He notes his company’s store in Limerick (the city in which the Applicant carries on his business) has been in operation since October 2001. He attaches at Exhibit 1 details of his Company’s stores.
10. Mr. Pratt states the trade mark SEÁN’S BROWN has been used by his company and its predecessors in title, in relation to bread since 1996 and use has been continuous from that date. He says the trade mark derives from a recipe for traditional soda bread created by a baker (SEÁN Blake) in his company’s Walkinstown store. Bread using this recipe has since been sold under the trade mark SEÁN’S BROWN in all Superquinn stores from 1996. Also, bread bearing the SEÁN’S BROWN trade mark has been available for purchase online since October 2000.
11. He says the total turnover figure for goods bearing the SEÁN’S BROWN trade mark in the period 1996 to 2012 is approximately €24 million. This is based on sales of 12 million loaves at €2 each. He provides tables of sales and turnover figures from July 2005 to June 2012, showing an average of 750,000 items sold and €1.5 million income per financial year.
12. He attaches, at Exhibit 3, print-outs of searches, conducted in October 2012, of the Companies Registration Office database showing that all the business or company names

registered by the Applicant were registered in either 2005 (*SEÁN's*, *SEÁN's Bakery*, *SEÁN's Bread*, *SEÁN's Wholemeals*, *SEÁN's W/Meals*, *SEÁN's Handmade Wholemeals*, *SEÁN's Handmade*) or in 2012 (*SEÁN's Brown*, *SEÁN's Brown Bread*, *SEÁN's Brown Bread Limited*), which is after the oppositions to registration were raised. Mr. Pratt states, in reply to the Applicant's claims of carrying on a business under the name "SEÁN's Homemade Wholemeals" since 1989, that there are no business or company names registered under this name, or any variation thereof, dating back to 1989.

13. Mr. Pratt attaches the following materials:

Exhibit 4: Copies of material displayed in all 24 stores in 2007 and 2008 featuring his company's earlier trade mark.

Exhibit 5: A copy of in-store point-of-sale material displayed in all 24 stores in 2008 featuring his company's earlier trade mark.

Exhibit 6: Copies of handbills distributed to over 485,000 homes during August 2002, March 2009 and July 2011, all showing the Opponent's earlier SEÁN'S BROWN mark.

Exhibit 7: A DVD containing a television advertisement which aired at Christmas 2011 featuring the earlier mark.

Rule 21 Evidence

14. Evidence submitted under Rule 21 consisted of a Statutory Declaration, dated 11 December 2013, of Seán Walsh and eight accompanying exhibits (marked "SW1" to "SW8"). In it Mr. Walsh provides a history of his and his family's involvement in the bakery business since 1911, when his grandfather started a bakery in Knocklong, Co. Limerick. Having studied bakery management in London, Mr. Walsh returned to Ireland and became involved in the family business in 1981. The bakery ceased operations in 1987, but Mr. Walsh returned to the bakery business in 1992 when he commenced trading under the name "Seán's Handmade Wholemeals". As the business expanded it changed location four times and moved to its current premises in 2006. He attaches at Exhibit "SW1" documents showing that some of these premises were registered with the relevant health authorities as a bakery and/or food business.

15. Mr. Walsh says that from the commencement of his bakery business in 1992 he had four labelled products trading under the name of "Seán's Bread", namely "SEÁN's Handmade Wholemeal Loaf", "SEÁN's Brown", "SEÁN's Brown Bread" and "SEÁN's Brown Soda

Bread”. These labels were handwritten using a template sheet which was then colour-photocopied by a printing company. He states that, later on, the label production process changed when he acquired his own computer that allowed him to design better labels bearing the words “SEÁN’s Handmade” – the mark the subject of his earlier trade mark registration No. 234228, the details of which he attaches at Exhibit “SW-2” and which I reproduce below at Annex 1. These new labels were printed in Limerick between 1993 and 1995, following which he changed supplier in 1996 to a UK company. He attaches at Exhibit “SW-3” a copy of the original supply agreement for the current provider of software for his labelling dated December 4, 1996.

16. Mr. Walsh attaches at Exhibit “SW-4” samples of labels for his products sold under the trade mark “SEÁN’S BROWN BREAD”. He attaches at Exhibit “SW-5” copies of five handwritten invoices, each dated 30 December, 1991, with all five titled “SEÁN’s Brown Bread”. He explains that these invoices represent a personal memento of the first day’s sales and are in respect of the first 20 loaves he baked in his family restaurant oven. He had five customers willing to give him “a presence” on their shelves and he sold 4 loaves of brown soda bread to each.
17. He attaches at Exhibit “SW-6” copies of a series of photographs depicting some of the Applicant’s products and scenes from his bakery, together with two photographs evidencing his family’s long tradition in the bakery business.
18. Mr. Walsh refers to the Statutory Declaration of Mr. Pratt and notes the Opponent did not apply to register the mark “SEÁN’S BROWN” until 27 June, 2012, the date on which the Notices of Opposition were filed in respect of both opposition proceedings. He also notes the oppositions are based on a single trade mark “SEÁN’S BROWN” that post-dates his adoption of the mark “Seán’s Brown Bread”, which is derived from his own name.
19. Mr. Walsh states that his bakery is known outside of the mid-west region and attaches at Exhibit “SW-7” an article published in the 8 February, 2000 issue of Waterford Today (a free newspaper), wherein his bakery is mentioned in connection with the production of a product he marketed as “SEÁN’s Bla”.
20. He points out what he believes are inaccuracies in the Opponent evidence, in particular the sales figures, in terms of both quantities sold and corresponding income, claimed by the

Opponent. He states the Opponent has not provided any evidence of use of its mark prior to 2007 so income figures and alleged total quantity of goods sold up to that year cannot be relied upon. Also, the Opponent's evidence suggests the Opponent has guesstimated its sales, if any, prior to 2005 as no sales figures prior to that date were produced in evidence. Furthermore, all the figures provided by the Opponent (12 million loaves generating €24 million income) infer a set unit cost of €2 per loaf, which is clearly not the case. Mr. Walsh states he is aware of the Opponent's discount promotions, in which the Opponent sold loaves at €1 each. He claims these promotions have damaged his business because his customers, believing that he produces the bread sold by the Opponent under the mark "SEÁN'S BROWN", have demanded that he sell to them at the same unit price to that which he sells to the Opponent.

21. Also, Mr. Walsh points to the Opponent's claimed sales figures being in a 'straight line' (basically €1.5million in sales per year between 2005 and 2012), which suggests there was no growing period in the early years of use by the Opponent of its "SEÁN's Brown" mark. This, he says, casts further doubt on the accuracy of the sales figures claimed by the Opponent.
22. Mr. Walsh attaches, at Exhibit SW-8, sales figures for a specific week (week 13) of the years 2007-2013, which provide a detailed breakdown of products sold by volume and value. This material shows that products sold under the trade marks "SEÁN's Brown" and "SEÁN's Brown Bread" form a significant part of the Applicant's business and, combined, account for more than 40% of all sales.
23. In reply to the content of Exhibit 3, adduced by the Opponent in its evidence under Rule 20, Mr. Walsh provides an explanation as to why he registered a number of business names (all containing the word SEÁN) in 2005. This was due to a change in banking rules that required him to open accounts in the variety of names by which customers made cheques payable to his business. The bank would not allow cheques to be lodged to an account with a different name to that which appeared as the payee on the cheque.
24. He also provides explanations for his slowness in seeking protection for his various trade marks.

25. Mr. Walsh finishes by stating that he is not clear about the relevance of the e-mail exchange between Hazel Tunney of FRKelly and its client (the Opponent) but notes the Opponent decided not to oppose his Trade Mark Application No. 2012/00141 in respect of “SEÁN’s Soda Bread”.

Rule 22

26. Evidence submitted under Rule 22 by the Opponent consists of a second Statutory Declaration, dated 16 April 2014, of Karl Pratt, and an accompanying exhibit marked “Exhibit 1”. He confirms the statements made in his first declaration concerning the elements that were called into question by the Applicant.

27. Much of the remainder of his declaration is taken up with comment and opinion on the evidence filed under Rule 21 by the Applicant. He identifies specific elements which he claims are irrelevant and should be disregarded. He also points out, what he sees as, inconsistencies and shortcomings in that evidence. He notes that Mr. Walsh, in his Statutory Declaration, claimed first use of the contested mark in 1992, but in the Counter-Statement the Applicant claims use of the mark since 1989.

28. Mr. Pratt states the Applicant has failed to establish any rights in the SEÁN’S BROWN BREAD or SEÁN’S BROWN trade marks prior to 1996, which is the date of first use by the Opponent of its trade mark. He notes the Applicant has not produced a single label bearing the SEÁN’S BROWN BREAD or SEÁN’S BROWN trade marks dating from that period.

29. As regards the Applicant’s claims that confusion has already arisen, Mr. Pratt replies that no independent evidence has been produced to corroborate this allegation. He states that, given the notoriety and widespread use of the Opponent’s SEÁN’S BROWN product, it is just as likely that consumers and independent retailers may consider that it is the Opponent who is supplying its SEÁN’S BROWN loaf to third party bakeries, or that third party bakeries are producing SEÁN’S BROWN bread under licence from the Opponent.

30. Mr. Pratt states the explanation in relation to the Applicant’s various business name registrations, all containing the word SEÁN, is not supported by the application. All these business names were registered in 2005, nearly 9 years after first use by the Opponent of its SEÁN’S BROWN mark. The business name registrations in respect of SEÁN’s

BROWN, SEÁN'S BROWN BREAD and the company name registration for SEÁN'S BROWN BREAD LIMITED were all made in 2012, and post-date the present oppositions. Furthermore, he states a search of the Companies Registration Office did not disclose details of any business or company name registrations for SEÁN'S HANDMADE WHOLEMEALS or any variations thereof dating back to 1989 or 1992 - the alleged dates of first use.

31. Mr. Pratt turns to the exhibits attached to Mr. Walsh's declaration and states the documents contained in Exhibit "SW-1" are irrelevant as they do not highlight any use of the Applicant's SEÁN'S BROWN BREAD or SEÁN'S BROWN trade mark. He states the existence of the Applicant's Trade Mark Registration No. 234228, attached at Exhibit "SW-2" (reproduced hereunder at Annex 1) is also irrelevant to these proceedings as this mark is not under attack. In any event, this registration dates from 2006, some 10 years after his company's first use of its SEÁN'S BROWN trade mark.
32. He states Exhibit "SW-3", comprising a copy of an original supply contract for labels dating from 1996 does not contain any reference to the mark at issue. Exhibit "SW-4" consists of four labels for SEÁN'S BROWN BREAD, but these show 'best before' dates of either September 2013 or November 2013 and do not substantiate the claim of historic use of the disputed mark.
33. Mr. Pratt also questions the veracity of the five handwritten notes, claimed to be invoices from 1991. These handwritten notes are the only evidence highlighting use of the Applicant's mark throughout the 1990's and are not sufficient to substantiate a claim of use of the SEÁN'S BROWN BREAD or SEÁN'S BROWN marks dating back to 1989/1992. He states the photographs at Exhibit "SW-6" are not dated and a number of them do not contain any reference to the disputed mark, while Exhibit "SW-7" contains a newspaper article from 2000, which does not contain any reference to the Applicant's marks.
34. Mr. Pratt states the sales figures attached at Exhibit "SW-8" are unclear and it is almost impossible to identify actual sales under the SEÁN'S BROWN and SEÁN'S BROWN BREAD trade marks individually.

35. As regards the Applicant's comments that the Opponent refrained from filing opposition proceedings in relation to the Applicant's Trade Mark Application No. 2012/00141 (SEÁN'S SODA BREAD), Mr. Pratt states his company has unregistered rights in SEÁN'S BROWN thus the oppositions to the Applicant's SEÁN'S BROWN BREAD and SEÁN'S BROWN applications alone.

The Hearing

36. At the Hearing the Opponent was represented by Yvonne McNamara BL, instructed by Carol Gormley of FRKelly, while the Applicant represented himself. At the outset, Ms. McNamara signalled her intention to confine her arguments to those concerning Section 10(4)(a) - specifically the issue of passing off. As no evidence was submitted or argument directed towards any other of the many grounds mentioned in the Notices of Opposition it is on Section 10(4)(a) alone that I have decided the matter.

37. Ms. McNamara focused on the three elements that must be present in order to find that passing off has been proven; goodwill, misrepresentation and damage. As regards goodwill she relied upon the classical description given by Lord Macnaghten in *Inland Revenue Commissioners v Miller & Co's Margarine Ltd*¹, in which goodwill is defined as follows:

"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."

38. Applying that to the case at hand, Ms. McNamara argued there can be little doubt that the Opponent has a substantial goodwill and reputation in the mark SEÁN'S BROWN for its bakery products and acquired such reputation and goodwill very quickly upon the inception of its use of the mark. The Opponent's trade under the mark has been considerable; in the order of an average annual turnover of €1.5 since 1996 (in total about 12 million items generating revenue of €25 million). The figures given for the specific yearly breakdown of quantities sold and related turnover of the Opponent's SEÁN'S BROWN product for each year from 2005 to 2012 approximate closely to the yearly average since 1996. This demonstrates the Opponent's predecessor in title was achieving the average turnover and product sales quickly after the product bearing the Opponent's SEÁN'S BROWN mark was first put on the market. Therefore, it must follow that the

¹ [1901] A.C. 217,223

Opponent established a substantial goodwill and reputation in its SEÁN'S BROWN products very quickly after the first use of its SEÁN'S BROWN mark.

39. Ms. McNamara submitted that such rapid success and accrual of goodwill to Superquinn in respect of its SEÁN'S BROWN product from 1996 is entirely consistent with the considerable network of Superquinn stores, which had an unrivalled reputation among its peers for customer focus, quality and a pleasant shopping experience. The in-store bakeries that Superquinn operated in each of its stores, and for which it is well-known, acted as a considerable draw for customers. High sales figures for bread bearing the Opponent's SEÁN'S BROWN mark were achieved across all stores and through its online shopping facility.
40. Turning to misrepresentation Ms. McNamara submitted that use by the Applicant of an identical mark (SEÁN'S BROWN) and/or the identical mark with an additional descriptive word, namely 'bread' in SEÁN'S BROWN BREAD, on goods that are identical to the goods on which the Opponent uses its SEÁN'S BROWN mark, inevitably leads to a misrepresentation that the goods of the Applicant come from the same source as the Opponent's goods or that there is an association between the two producers/sellers of the goods by way of licence or otherwise. She argued that it is significant in terms of misrepresentation that the Applicant applied to use, or in so far as he is already using, the SEÁN'S BROWN mark only on brown soda bread – precisely the same product on which the Opponent has used the mark intensively since 1996. However, it appears from the labels exhibited by the Applicant at Exhibit SW-4 to his declaration that the mark SEÁN'S BROWN BREAD is intended to be used on his other bread products.
41. Ms. McNamara argued the Applicant failed to substantiate his averment, that certain of his customers came to him at various times to seek the benefit of the price deals made available by the Opponent in relation to the Opponent's SEÁN'S BROWN product, by not identifying the customers concerned. If there was confusion, it is overwhelmingly improbable that the customers referred to believed that the Opponent, which runs its own in-house bakeries and has a very substantial reputation in SEÁN'S BROWN soda bread since 1996, was selling the Applicant's product. If customers were confused, the probability is they believed that the Applicant's product was in some way connected with that of the Opponent or licenced by the Opponent.

42. Ms. McNamara argued that it is axiomatic in passing off actions that the appropriation of the goodwill of an independent trader necessarily results in damage to that trader's goodwill. The fact that customers may buy the competing product, believing it to be that of the claimant, necessarily gives rise to a risk of non-compensable damage to the goodwill of the Opponent. In the circumstances of this case, there is not only an appropriation of goodwill but the sale of the identical product under the identical mark leading inevitably to direct damage in terms of loss of sales and also to damage that is ultimately more serious, namely loss of control by the Opponent of its goodwill in its well-established SEÁN'S BROWN mark.
43. Having set out her position regarding the elements required in order to prove an action for passing off, Ms. McNamara turned her attention to the Applicant's evidence. She argued the sales and turnover figures provided by the Applicant, which date from 2007, do not add up. She questioned the credibility of the figures and, in any event, argues they do not show extensive use of the disputed mark at all. There is no evidence showing the disputed mark on any goods. There are no photographs of goods labelled with the disputed marks despite the Applicant's very detailed account of his procedures for obtaining labels. The labels that are provided bear 'best before' dates in 2013, nearly two years after the application was lodged. The claimed use is restricted to Limerick alone and the nature of the claimed use is such that it cannot preclude an action for passing off. Also, as a wholesaler of bread, one might expect evidence by way of invoices to the Applicant's trade customers showing sales of products under the two marks at issue, but none are provided.
44. Ms McNamara went further and argued that the Applicant does not give any explanation of his mode of business apart from the fact that he operates a bakery for wholesale supply. No evidence is given as to the provision of unpackaged bread as distinct from packaged and branded product or, if both, the proportion of sales attributable to each kind of supply.
45. Ms McNamara cast doubt on the probative value of the spreadsheets included at Exhibit SW-8, arguing that they represent internal records only and are not evidence of use of either of the opposed marks in trade. They could easily be just the names the Applicant uses for the purposes of his record-keeping and stock planning and to keep track of sales of different products for VAT purposes, as distinct from brand names. The spreadsheets

are computer-generated and no evidence is given in respect of the manner of their generation, the time of their generation, the integrity of the information and whether subsequent changes to product names are retrospectively applied to all records. She identified the last point as having a major bearing on any proposed use of the records to show past sales under various brands. Also, the unusual choice of information supplied, namely figures for the 13th week of trading in each of the years from 2005 to 2013, undermines the usefulness of the records as probative evidence. No explanation has been provided as to why annual figures could not have been extracted. Furthermore, the figures, calculated on the separate sheet setting out claimed details of sales of products sold under both of the opposed marks, have been calculated taking into account products which are not, even on the basis of the records themselves, identified by reference to the opposed marks, for example, quarter soda bread, healthy wholemeal, stonemill and spelt wholemeal loaf.

46. While photographs of branded product are included at Exhibit SW-6, not one is shown branded with either of the opposed marks. The only evidence containing either of the marks applied for is the handwritten notes inscribed with the words “Seán’s Brown Bread” and the date 30/12/91, exhibited at Exhibit SW-5. But this is not even claimed by the Applicant to represent external use of the words in connection with his goods, but rather to represent “*a personal memento of the first day’s sales*”.
47. Ms. McNamara submitted that, against the very substantial evidence of use, reputation and goodwill filed by the Opponent and in response to it, the applicant has not in fact shown any actual proof at all of use of either of the opposed marks in public on or in relation to bread products. What the Applicant’s evidence does show is that he started a business in 1992, developed the trading name “Sean’s Handmade Wholemeals” and sought to protect that trading name in 2005/2006. Perhaps along the way the Applicant saw the disputed marks as something that should belong to his business irrespective of the Opponent’s established use and reputation of its SEÁN’S BROWN mark.
48. Ms. McNamara concluded her arguments by submitting that if the Controller were prepared to admit of the possibility that the Applicant had commenced use of either of the opposed marks on the goods in question in 1992 or at some stage prior to the date of application in 2012, then such use must be found, on the basis of the evidence filed, to be either not continuous or abandoned when the Opponent acquired rights in its mark. Or the

Controller must find that any actual use was confined to a local part of Limerick and is, therefore, insufficient to compromise the Opponent's rights of passing off in the remainder of the State.

49. For his part Mr. Walsh submitted that, despite the Opponent's assertions that it used its SEÁN'S BROWN mark since 1996 there is a total lack of evidence to support such claims. He argued that size does not matter and while the Opponent may now operate 26 stores in Ireland all these stores did not open at the same time. In fact, the Opponent's store in Limerick was not even open in 1996 - the claimed date of first use by the Opponent of its SEÁN'S BROWN mark.
50. He states that he is a sole trader and while there is no need for him to register every name that he uses, nonetheless, he has used the SEÁN'S BROWN mark since 1991. He is not aware of the Sean Blake referred to in the Opponent's evidence and questioned whether he even exists.
51. Turning to the Opponent's evidence in respect of sales figures, Mr. Walsh argued that they cannot be relied upon as they have not been verified and because they show no variation in unit price from year to year despite an admission by the Opponent that prices fluctuated over the years and that discounts were offered on occasions. Also, Mr. Walsh argued the Opponent gave some product away free of charge – possibly on a trial basis.
52. He argued that, while the hand-written invoices were kept by him as mementos of his first sales, nonetheless they are still legitimate invoices of legitimate sales of bread under his SEÁN'S BROWN trade mark in December 1991. His many customers may know his business under various names, but they all know his bread as SEÁN'S BREAD.
53. Mr. Walsh rejected Ms. McNamara arguments that his use of his SEÁN'S BROWN and SEÁN'S BROWN BREAD marks was discontinued for a period of time or was limited to a very restricted area by maintaining the marks were used on a continuous basis by him from before the Opponent commenced use of its SEÁN'S BROWN mark and that he supplies health stores throughout Ireland.

Section 10(4)(a) - use of mark is liable to be prevented by virtue of any rule of law

54. Section 10(4)(a) provides for a relative ground of objection based on earlier unregistered rights and is written in the following terms:

4) A trade mark shall not be registered if, or to the extent that, its use in the State 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.

55. The test (formulated in the WILD CHILD case² in the UK and followed there ever since) applicable under Section 10(4)(a) of the Act is whether, at the date of application, normal and fair use of the mark applied for in relation to the relevant goods could have been prevented under the law of passing off. Also, the formulation of the constituent parts of the tort of passing off given by Oliver J in *Jif Lemon*³ has been approved and applied in Ireland in numerous cases; most recently by the Supreme Court in *McCambridge v Joseph Brennan Bakeries*⁴. The formulation is as follows:

“First, he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying “get-up” (whether it consists simply of a brand name or a trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff’s goods or services.

Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff. Whether the public is aware of the plaintiff’s identity as the manufacturer or supplier of the goods or services is immaterial, as long as they are identified with a particular source which is in fact the plaintiff. For example, if the public is accustomed to rely upon a particular brand name in purchasing goods of a particular description, it matters not at all that there is little or no public awareness of the identity of the proprietor of the brand name.

Thirdly, he must demonstrate that he suffers or, in a quia timet action, that he is likely to suffer damage by reason of the erroneous belief engendered by the defendant’s misrepresentation that the source of the defendant’s goods or services is the same as the source of those offered by the plaintiff.”

² [1998] RCP455

³ *Reckitt & Colman v. Borden* [1990] 1WLR 491

⁴ [2012] IESC 46

56. Section 10(4)(a) is not concerned with whether passing off has actually taken place, but is directed towards the question as to whether registration should be permitted and so it is concerned with what would be the situation if the mark applied for was used in a fair and normal manner. Whether use of a mark should actually be prevented under the law of passing off is a matter for the Court to decide in a given case and, in so deciding, the Court is performing a different function to that performed by the Controller when considering an application for registration. In my opinion, the proper application of Section 10(4)(a), insofar as the question of passing off is concerned, requires a determination by the Controller as to whether the fundamental elements of an action for passing off would be present if the mark for which registration is requested were used in the State by the Applicant. A decision one way or the other on that question does not amount to a finding of fact as to whether there is or has been passing off as that is clearly a matter for the Court to decide in any given case.
57. In order to succeed in its opposition under this Section, the Opponent must establish that the use by the Applicant of the disputed mark in relation to the goods covered by the application would, as of the relevant date, have constituted a misrepresentation that those goods were the goods of the Opponent and that such misrepresentation is calculated to damage the business, goodwill or reputation of the Opponent (in the sense that this is a reasonably foreseeable consequence) and that actual damage will be caused or, in a *quia timet* action, will probably be caused.
58. Before turning to consider the three elements that must be present in order for an action for passing off to succeed, I am satisfied that I can ignore the ‘BREAD’ element of the Applicant’s application to register SEÁN’S BROWN BREAD, as this will not be seen as anything other than a descriptor of the product. Accordingly, the present proceedings can be reasonably judged to be a case of double identity – identical marks (which I shall heretofore refer to as SEÁN’S BROWN) for identical goods.
59. I have already stated that the charge of passing off must be judged on normal and fair use of a mark. Such use must be taken to mean use on the relevant goods in a not untypical way to that which other marks are used on the same type of goods. Use in a widespread geographic area is not required for it to be considered normal or fair, nor can use, confined to a small or specific geographic area, be considered inadequate. The definition of

goodwill quoted above, does not preclude the possibility that a new business can be considered to mean a business new to an area. Therefore, businesses may create and own goodwill in a specific region or town but that goodwill may not extend elsewhere. In the present case the Applicant claims to be using the disputed marks predominantly in the mid-west region, though he also states he supplies health food stores throughout the country. Leaving aside that no evidence has been adduced by him that supports these claims, I accept the Applicant has produced bread products for many years and has traded under many different names, all containing the name SEÁN. I have no doubt that he has created goodwill for his bakery business. Nonetheless, the issue at stake here is not whether the Applicant has goodwill in his own business but whether, if he were to use the disputed mark in a normal and fair manner, he would damage the Opponent's goodwill.

60. The Applicant has not produced a single invoice or order from any customer, any promotional or advertising material, labels or other evidence to suggest he was using the disputed marks prior to the adoption by the Opponent of its SEÁN'S BROWN mark in 1996. There is nothing to suggest the materials adduced in evidence that contain references to the disputed marks are anything other than for internal use. The five handwritten receipts are, in the Applicant's own words, mementos of the first sales of his bread, but I cannot consider the references therein to SEÁN'S BROWN BREAD as anything other than a description of the type of bread made and sold by a baker named Seán. In my opinion these receipts show that Seán sold brown bread, not that Seán sold SEÁN'S BROWN BREAD branded bread. Therefore, I do not consider that use of these three words performed, on that momentous occasion, the function of a trade mark in the true meaning of the term. Nor has any compelling evidence been provided that would allow me to find, on the balance of probability, that the terms SEÁN'S BROWN and/or SEÁN'S BROWN BREAD were known to consumers as trade marks, i.e. as indicators of the source of products and as guarantees of origin.

61. The Opponent has traded under its SEÁN'S BROWN mark since 1996 and has generated substantial sales and undertaken marketing and promotion activities that have given rise to a significant and valuable goodwill. Figures in respect of volume sales and turnover have been provided dating back to 2005. I do not accept the accuracy of the figures the Opponent submitted into evidence, specifically the claim that the average price of a loaf was an even €2 over many years. The Opponent's own evidence clearly shows its

SEÁN'S BROWN product priced at €1.00 and €1.59, or being given away free with another specific purchase as part of a special promotion. Nonetheless, I am satisfied the evidence shows the Opponent had earned a significant reputation in its SEÁN'S BROWN mark at the relevant date. The evidence shows the Opponent first produced its SEÁN'S BROWN branded bread in 1996 and has ever since sold brown bread under that brand on a continuous basis in all its stores that had in-store bakery facilities at that time, and in all others stores as soon as those stores came on stream. As of the relevant date the Opponent was trading in 26 stores across the State and I am in no doubt the Opponent's SEÁN'S BROWN trade mark had earned a reputation and a level of goodwill that is protectable by the tort of passing off.

62. While the Opponent operates its stores mainly in the east of the country, both parties conduct business in the city of Limerick, which leads me to conclude they may cater for, or have catered for, shared consumers in that specific location. By its nature the Opponent's Limerick store would attract thousands of customers on a weekly basis, many of whom would peruse the bakery section and would be aware of, or even purchased, the Opponent's SEÁN'S BROWN product. The Applicant claims, without any supporting evidence that, because of his customers' awareness of the Opponent's SEÁN'S BROWN branded bread, confusion as between the two different SEÁN'S BROWN trade marks has arisen. The Opponent denies this and argues that confusion could have arisen in either direction. However, this point is moot, as the presence or absence of confusion, or the likelihood of confusion arising, is not a factor that has bearing on an opposition grounded on the law of passing off. It is settled case law that a distinction can be drawn between misrepresentation and confusion and that no one is entitled to be protected against confusion as such. This is the line taken in *HFC Bank Plc v. Midland Bank Plc*⁵ by Lloyd J who explained the distinction to the effect that confusion does not prove misrepresentation but only shows "*that people make assumptions, jump to unjustified conclusions and put two and two together to make five*".

63. Turning now to misrepresentation, which can be intentional or unintentional. The Applicant describes himself as a regional craft bakery serving principally the mid-west region, which I take to mean the county of Limerick and adjoining counties. He claims that he is seeking no more than to register, as trade marks, the brand names he has used on

his bread products since the early 1990's and that by doing so it would not be a misrepresentation of that fact. Also, as the disputed mark bears his forename there is no deceit or misrepresentation in attempting to register the terms. However, there is no requirement that there be some degree of deceit in order to find the fundamentals of an action for passing off exists. The Opponent is seeking to protect a property right which is not a right of property in a name, a mark or business get-up but, rather, a right of property in the goodwill the Opponent has created.

64. Normal and fair use of the marks applied for would equate with use of the marks in locations where the goods at issue are typically traded. The Opponent trades in goods bearing its SEÁN'S BROWN mark in 26 stores, each store comprising a large supermarket. Should the Applicant's identical goods be sold under the identical mark in any of the location wherein the Opponent has a presence it is self-evident that consumers, who are familiar with the Opponent's goods sold under its SEÁN'S BROWN mark, would make a connection in trade between the Opponent and the goods sold under the mark. Though the making of the connection may not be the result of deceit or intention misrepresentation, nonetheless, in my opinion, consumers would, on the balance of probability, select the product in question on the basis that they are purchasing the product known to them that possesses the characteristics (e.g. ingredients, flavour, craftsmanship, freshness) for which the Opponent has earned a reputation. The creation of such a connection would be as a result of an unintentional misrepresentation on the part of the Applicant that the law of passing off seeks to avoid.

65. Finally, I must consider whether such misrepresentation would result in damage to the Opponent's business or goodwill. In my opinion, the Opponent has used its SEÁN'S BROWN mark extensively and has sufficient customers to justify its claim to have a vested right in the trade mark for bread. It is entitled to retain and expand that use and custom, which it has already successfully done. It is entitled to be protected against it being taken away or dissipated by someone who would create a misrepresentation of origin in the minds of existing or potential customers. In my opinion, there are many scenarios in which the Applicant could cause damage to the Opponent's goodwill and reputation. These include the possibility of customers unwittingly giving their business to a competitor, or the sale of bread at prices significantly lower than those charged by the

⁵ [2000] FSR 176

Opponent, or the use of different ingredients that would cause customers to believe the Opponent has changed its recipe. In all these scenarios the consequences could reasonably be foreseen as resulting in damage to the Opponent's goodwill and reputation and the loss of custom.

66. Accordingly, I am satisfied that use of the SEÁN'S BROWN marks by the Applicant in respect of bread products would cause damage to the Opponent's hard-earned reputation and goodwill. While such damage would occur by virtue of an unintentional misrepresentation, nonetheless, I find the three fundamental components necessary for an action for passing off exist. Accordingly, I must refuse the Application on the grounds that it offends against Section 10(4)(a) of the Act. For these reasons, I have decided to allow the opposition and to refuse to allow the Applicant's mark to proceed to registration.

Dermot Doyle

Acting for the Controller

27 May, 2015

ANNEX 1

