



Reports of Cases

JUDGMENT OF THE GENERAL COURT (First Chamber)

18 July 2017*

(EU trade mark — Opposition proceedings — Application for the EU figurative mark BYRON — Earlier non-registered trade mark BYRON — Relative ground for refusal — Article 8(4) of Regulation (EC) No 207/2009 — Rules governing common-law actions for passing-off — Goodwill — Proof of the acquisition and continued existence of the earlier right)

In Case T-45/16,

Nelson Alfonso Egüed, residing in Madrid (Spain), represented by N. Fernández Fernández-Pacheco, lawyer,

applicant,

v

European Union Intellectual Property Office (EUIPO), represented by J. Ivanauskas, acting as Agent,

defendant,

the other party to the proceedings before the Board of Appeal of EUIPO, being

Jackson Family Farms LLC, established in Santa Rosa, California (United States),

ACTION brought against the decision of the Second Board of Appeal of EUIPO of 16 November 2015 (Case R 822/2015-2), relating to opposition proceedings between Jackson Family Farms and Mr Alfonso Egüed,

THE GENERAL COURT (First Chamber),

composed of I. Pelikánová, President, V. Valančius and U. Öberg (Rapporteur), Judges,

Registrar: E. Coulon,

having regard to the application lodged at the Court Registry on 1 February 2016,

having regard to the response lodged at the Court Registry on 1 April 2016,

having regard to the Court's written question to the parties and their replies to that question lodged at the Court Registry on 14 and 15 February 2017,

* Language of the case: English.

having regard to the fact that no request for a hearing was submitted by the main parties within three weeks after service of notification of the close of the written part of the procedure, and having decided to rule on the action without an oral part of the procedure, pursuant to Article 106(3) of the Rules of Procedure of the General Court,

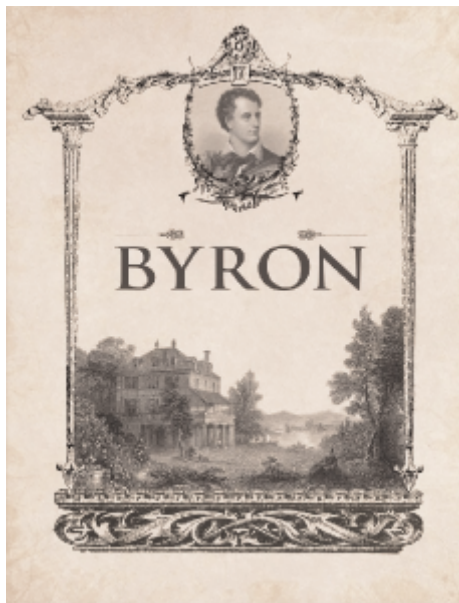
gives the following

Judgment

- 1 The present case concerns the question of whether the European Union Intellectual Property Office (EUIPO) correctly concluded, in a contested decision, that the law of the United Kingdom of Great Britain and Northern Ireland would allow, hypothetically, the opponent of an EU trade mark application to prohibit the use of the subsequent mark before the United Kingdom courts in an action for passing-off. The case raises, in particular, the question of the relevant date for assessing the acquisition and continued existence of the earlier right, in the present case the goodwill (the attractive force which brings in custom).

Background to the dispute

- 2 On 23 January 2012, the applicant, Mr Nelson Alfonso Egüed, filed an application for registration of an EU trade mark with EUIPO pursuant to Council Regulation (EC) No 207/2009 of 26 February 2009 on the European Union trade mark (OJ 2009 L 78, p. 1).
- 3 Registration as a mark was sought for the following figurative sign:



- 4 The goods in respect of which registration was sought are in, inter alia, Class 33 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended, and correspond, for that class, to the following description: ‘Wine and alcoholic beverages (except beers) of all kinds’.
- 5 The EU trade mark application was published in *Community Trade Marks Bulletin* No 56/2012 of 21 March 2012.

- 6 On 21 June 2012, the American company Jackson Family Farms LLC filed a notice of opposition pursuant to Article 41 of Regulation No 207/2009 to registration of the mark applied for in respect of the goods referred to in paragraph 4 above.
- 7 After limiting the scope of the opposition during the proceedings before EUIPO, the opposition was based on the earlier non-registered trade mark BYRON, used in the course of trade to designate wine.
- 8 The grounds relied on in support of the opposition were those set out in Article 8(4) of Regulation No 207/2009 and that covered by the tort of passing-off under United Kingdom law.
- 9 On 27 February 2015, the Opposition Division upheld the opposition.
- 10 On 24 April 2015, the applicant filed a notice of appeal with EUIPO against the Opposition Division's decision, pursuant to Articles 58 to 64 of Regulation No 207/2009.
- 11 By decision of 16 November 2015 ('the contested decision'), the Second Board of Appeal of EUIPO dismissed the appeal.
- 12 In particular, the Board of Appeal found that the evidence submitted by Jackson Family Farms was sufficient to demonstrate that the non-registered trade mark BYRON was used in the course of trade and that its use was not merely of local significance in the United Kingdom.
- 13 The Board of Appeal also concluded that the evidence, when examined together, proved that Jackson Family Farms was engaged in genuine trading activities concerning the wines sold under the BYRON trade mark at the relevant date and that, consequently, goodwill had been established.
- 14 In addition, the Board of Appeal fully endorsed the Opposition Division's conclusion that, since the goods at issue were identical and given the similarities between the signs at issue, there was a likelihood that the applicant's goods would be confused with those of Jackson Family Farms.
- 15 The Board of Appeal concluded, lastly, that, in the present case, the misrepresentation would lead to damage being caused in the sense that Jackson Family Farms would lose sales because consumers would erroneously buy the applicant's goods believing that they originated from Jackson Family Farms.

Forms of order sought

- 16 The applicant claims that the Court should:
- annul the contested decision;
 - grant its application for registration of an EU trade mark for all the goods covered in Classes 18, 25 and 33;
 - order Jackson Family Farms to pay the costs of the proceedings.
- 17 EUIPO contends that the Court should:
- dismiss the application for annulment in its entirety; and
 - order the applicant to pay the costs incurred by EUIPO.

Law

Admissibility of the applicant's second head of claim

- 18 The applicant's second head of claim may be understood as seeking to have the Court alter the contested decision, so that the mark applied for is registered.
- 19 However, the EUIPO bodies with jurisdiction in the matter do not adopt a formal decision declaring the registration of an EU trade mark which might be the subject of an appeal. Consequently, the Board of Appeal does not have power to take cognisance of an application that it register an EU trade mark.
- 20 In those circumstances, nor is it for the Court to take cognisance of an application for alteration requesting that it amend the decision of a Board of Appeal to that effect (order of 30 June 2009, *Securvita v OHIM (Natur-Aktien-Index)*, T-285/08, EU:T:2009:230, paragraphs 17 and 20 to 23; judgments of 15 December 2011, *Mövenpick v OHIM (PASSIONATELY SWISS)*, T-377/09, not published, EU:T:2011:753, paragraph 11, and of 28 November 2013, *Vitaminaqua v OHIM — Energy Brands (vitaminaqua)*, T-410/12, not published, EU:T:2013:615, paragraph 17).
- 21 The applicant's second head of claim must, therefore, be rejected as inadmissible.

Substance

- 22 In support of its action, the applicant relies on a single plea in law, alleging infringement of Article 8(4) of Regulation No 207/2009.

Preliminary observations

– *The reference to the law of the Member State governing the sign relied on*

- 23 Under Article 8(4) of Regulation No 207/2009, the proprietor of a non-registered trade mark may oppose the registration of an EU mark if that non-registered trade mark satisfies four conditions. The non-registered trade mark must be used in the course of trade; it must be of more than mere local significance; the right to that mark must have been acquired, pursuant to the law of the Member State in which the mark was used, prior to the date of application for registration of the EU trade mark; lastly, that mark must confer on its proprietor the right to prohibit the use of a subsequent trade mark.
- 24 Those conditions are cumulative, so that where a mark does not satisfy one of those conditions, the opposition based on the existence of a non-registered trade mark used in the course of trade within the meaning of Article 8(4) of Regulation No 207/2009 cannot succeed (judgment of 30 June 2009, *Danjaq v OHIM — Mission Productions (Dr. No)*, T-435/05, EU:T:2009:226, paragraph 35).
- 25 The first two conditions, namely those relating to use and the more than mere local significance of the earlier trade mark, are apparent from the actual wording of Article 8(4) of Regulation No 207/2009 and must, therefore, be interpreted in the light of EU law.
- 26 Regulation No 207/2009 thus sets out uniform standards, relating to the use of signs and their significance, which are consistent with the principles underlying the system established by that regulation (judgment of 24 March 2009, *Moreira da Fonseca v OHIM — General Óptica (GENERAL OPTICA)*, T-318/06 to T-321/06, EU:T:2009:77, paragraph 33).

- 27 By contrast, in Article 8(4) of Regulation No 207/2009, it is apparent from the phrase ‘where and to the extent that, pursuant to ... the law of the Member State governing that sign’ that the two remaining conditions laid down by that regulation are, unlike the preceding conditions, assessed in the light of the criteria set by the law governing the sign relied on.
- 28 The applicant finds the reference to the Member States’ legislation ‘surprising’ and considers that the application of foreign legislation causes a ‘lack of equity’ between the parties.
- 29 However, first, that reference to the law governing the sign relied on is justified, given that Regulation No 207/2009 makes it possible for signs which fall outside the EU trade mark system to be relied on against an EU trade mark. Therefore, only the Member State’s law which governs the sign relied on can determine whether that sign predates the EU trade mark and whether it can justify the prohibition of the use of a subsequent trade mark (judgment of 24 March 2009, *GENERAL OPTICA*, T-318/06 to T-321/06, EU:T:2009:77, paragraph 34).
- 30 Secondly, it should be observed that several factors seek to ensure that that reference meets the requirements of the principle of effective judicial protection.
- 31 First, in accordance with Article 76(1) of Regulation No 207/2009, the burden of proving that, pursuant to the law of the Member State governing the sign relied on under Article 8(4)(b) of Regulation No 207/2009, that sign confers on its proprietor the right to prohibit the use of a subsequent trade mark, lies with the opponent before EUIPO. On the basis of the national rules advanced in support of the opposition and the judicial decisions delivered in the Member State concerned, it is for the opponent to establish that the sign concerned falls within the scope of the law of the Member State relied on and that it allows use of a subsequent mark to be prohibited (judgment of 29 March 2011, *Anheuser-Busch v Budějovický Budvar*, C-96/09 P, EU:C:2011:189, paragraphs 188 to 190).
- 32 In the present case, the burden of proving that, pursuant to the law of the Member State applicable, the sign relied on conferred on its proprietor the right to prohibit the use of a subsequent trade mark, lay, therefore, with the opponent.
- 33 In addition, EUIPO and the General Court are able to ascertain the relevance of the evidence submitted by the opponent with regard to the taking of evidence, which is incumbent upon it, concerning the content of the national law (see, by analogy, judgment of 27 March 2014, *OHIM v National Lottery Commission*, C-530/12 P, EU:C:2014:186, paragraph 41).
- 34 Accordingly, the competent EUIPO bodies, called upon to rule initially, are not limited to the role of mere validation of the national law as submitted by the opponent. EUIPO may obtain information of its own motion about the national law of the Member State concerned, where such information is necessary for the purposes of assessing the applicability of a ground for opposition relied on before it and, in particular, for the purposes of assessing the accuracy of the facts adduced or the probative value of the documents submitted (see, by analogy, judgments of 27 March 2014, *OHIM v National Lottery Commission*, C-530/12 P, EU:C:2014:186, paragraphs 43 and 45, and of 5 April 2017, *EUIPO v Szajner*, C-598/14 P, EU:C:2017:265, paragraph 36).
- 35 In order to carry out an effective review, the General Court subsequently conducting a review, must be able to confirm, beyond the documents submitted, the content, the conditions of application and the scope of the rules of law relied upon by the opponent (see, by analogy, judgments of 27 March 2014, *OHIM v National Lottery Commission*, C-530/12 P, EU:C:2014:186, paragraph 44, and of 5 April 2017, *EUIPO v Szajner*, C-598/14 P, EU:C:2017:265, paragraph 38). The judicial review would be rendered meaningless if the EU judicature were simply to make do with the documents submitted by the opponent, at the risk of incorrectly applying or misconstruing the applicable rules.

36 Thus, even if the opponent submits documents providing an incomplete or misleading view of the national law applicable, the other party will not, however, be prejudiced, since both EUIPO and the General Court may obtain information of their own motion on the national law of the Member State concerned. The application of a Member State's law does not, therefore, constitute a 'lack of equity' between the parties.

– *The relationship between the use in the course of trade of more than mere local significance and goodwill*

37 In the contested decision, the Board of Appeal concluded that the first two conditions laid down in Article 8(4) of Regulation No 207/2009, that is those relating to use and the existence of more than mere local significance of the earlier trade mark, were met.

38 The applicant has not brought an action against the contested decision in so far as it concluded that Jackson Family Farms' non-registered trade mark BYRON was used in the course of trade in the United Kingdom in relation to wines before the date on which the application for registration of the contested mark was filed, and that that use was of more than mere local significance.

39 The applicant puts forward, by contrast, a single plea in law relating to one of the three conditions making up the 'classical trinity' of the tort of passing-off, namely goodwill.

40 The present case does not, therefore, concern an assessment of the first two conditions provided for in Article 8(4) of Regulation No 207/2009.

41 In the present case, the Court's assessment must, therefore, relate to whether the Board of Appeal correctly concluded, in the contested decision, that United Kingdom law would allow, hypothetically, the opponent to prohibit the use of the subsequent mark before the United Kingdom courts in an action for passing-off.

42 The law of the Member State applicable to the non-registered trade mark is the Trade Marks Act 1994, Section 5(4) of which provides:

'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 ...'.

43 It follows from Section 5(4) of the Trade Marks Act 1994, as interpreted by the national courts (decision of the House of Lords *Reckitt & Colman Products Ltd v Borden Inc.* [1990] R.P.C. 341, 406 HL), that the opponent must establish, in accordance with the legal rules governing actions for passing-off, as laid down by the laws of the United Kingdom, that three conditions are satisfied: first, the goodwill acquired (that is to say, the attractive force which brings in custom) by the non-registered trade mark or the sign at issue, secondly, misrepresentation by the proprietor of the subsequent mark and, thirdly, damage caused to that goodwill (judgments of 18 January 2012, *Tilda Riceland Private v OHIM — Siam Grains (BASmALI)*, T-304/09, EU:T:2012:13, paragraph 19, and of 18 November 2015, *Government of Malaysia v OHIM — Vergamini (HALAL MALAYSIA)*, T-508/13, EU:T:2015:861, paragraph 32).

44 The Board of Appeal concluded that the evidence submitted by Jackson Family Farms, examined as a whole, proved that it was engaged in genuine trading activities concerning the wines sold under the BYRON trade mark at the relevant date and that, consequently, a goodwill had been established.

45 The single plea in law relied on by the applicant may be divided into three parts concerning, first, the existence of goodwill in the non-registered trade mark BYRON in the United Kingdom, secondly, the acquisition of that goodwill and, thirdly, the expiry of the earlier EU trade mark BYRON.

The first part of the single plea in law, relating to the existence of goodwill in the non-registered trade mark BYRON in the United Kingdom

– The insufficient nature of the evidence submitted by Jackson Family Farms

46 The applicant submits that the evidence presented by Jackson Family Farms is insufficient to prove the existence of goodwill in the United Kingdom. In particular, it observes that the invoices issued to the wine wholesaler Boutinot Ltd do not mention the trade mark BYRON, but only the term 'byr'; that they do not evidence the sale of goods to final consumers; that they cannot be considered, as the Board of Appeal found, mere examples of sales; and that the internal documents provided by Jackson Family Farms moreover are of very low probative value.

47 EUIPO disputes the applicant's arguments.

48 The Court points out that the property protected by an action for passing-off is not property in a word or name, which third parties are restrained from using, but the very customer base which is undermined by the usage in question (Lord Parker in the decision of the High Court of Justice (England & Wales), Chancery Division, *Burberrys v JC Cording & Co Ltd* (1909) 26 R.P.C. 693), since the reputation of a trade mark is the power of attraction which brings in custom and the criterion which distinguishes an established business from a new business (judgments of 11 June 2009, *Last Minute Network v OHIM — Last Minute Tour (LAST MINUTE TOUR)*, T-114/07 and T-115/07, EU:T:2009:196, paragraph 61, and of 9 December 2010, *Tresplain Investments v OHIM — Hoo Hing (Golden Elephant Brand)*, T-303/08, EU:T:2010:505, paragraph 101; see, also, Lord Macnaghten in the decision of the House of Lords, *Inland Revenue Commissioners v Muller & Co's Margarine* [1901] A.C. 217, 223 HL).

49 Goodwill is normally proved by evidence of, inter alia, trading activities, advertising, and customers' accounts. Genuine trading activities, which result in acquiring reputation and gaining customers, are usually sufficient to establish goodwill (judgments of 9 December 2010, *Golden Elephant Brand*, T-303/08, EU:T:2010:505, paragraph 102, and of 18 November 2015, *HALAL MALAYSIA*, T-508/13, EU:T:2015:861, paragraph 74).

50 It must, therefore, be examined whether the evidence submitted by Jackson Family Farms enables goodwill to be established.

51 Admittedly, as the applicant correctly notes, some of the evidence is irrelevant. That is true, in particular, of the invoices concerning the sales made to companies situated in Cyprus and Luxembourg.

52 The temporal condition expressly laid down in Article 8(4)(a) of Regulation No 207/2009 with regard to acquisition of the right to the sign relied on in opposition is that of the date of application for registration of the EU trade mark (judgment of 29 March 2011, *Anheuser-Busch v Budějovický Budvar*, C-96/09 P, EU:C:2011:189, paragraph 166; see also, by analogy, judgment of 9 December 2010, *Golden Elephant Brand*, T-303/08, EU:T:2010:505, paragraphs 98 and 99). The relevant date in the present case is, therefore, 23 January 2012.

53 Consequently, the list of wines offered by British Airways which includes byron pinot noir 2010, dated December 2012, cannot be taken into account either.

- 54 The most relevant pieces of evidence submitted by Jackson Family Farms in order to prove the existence of goodwill are, in chronological order, as follows:
- a 2010 Boutinot catalogue, offering for sale wines under the BYRON trade mark, with a minimum order of 25 cases (and also an undated catalogue);
 - four invoices issued to Boutinot, located in the United Kingdom, dated between January and December 2011, in the total amount of approximately USD 45 000 for 728 cases of wine, and for goods such as ‘09 BYR PN Santa Maria 750 ml 14.6% Alc’;
 - a wine review published on the internet, dated March to April 2011, mentioning a byron pinot noir 2008;
 - an online invitation from the ‘meetup.com’ website to a wine tasting event at the Harrods department store in London (United Kingdom), advertising a byron pinot noir, dated May 2011;
 - an internal sales report for the period from 1 May to 8 June 2011, listing sales of wines under the BYRON trade mark totalling approximately GBP 3 800;
 - an internal sales report for the sale of wines under the BYRON trade mark for the period from September 2010 to November 2011, listing a total of 2 130 bottles, sold, inter alia, to restaurants and retailers (in particular Harrods) in the United Kingdom;
 - (undated) screenshots from the Harrod’s website showing wines sold under the BYRON trade mark.
- 55 The four invoices mentioned above, which are the most relevant in the present case, are issued to Boutinot, located in the United Kingdom, and were sent to an address in the United Kingdom. They show, therefore, that the wines were sold under the BYRON trade mark in the United Kingdom.
- 56 The applicant submits that the invoices issued to Boutinot do not refer to the BYRON trade mark, only the term ‘byr’. It is, however, normal that goods sold are described in an abbreviated form on invoices and, given that this was not the only evidence provided to demonstrate the sale of wine under the earlier trade mark in the United Kingdom, it was appropriate for EUIPO to carry out an overall assessment of all the evidence (see, to that effect, judgment of 9 December 2010, *Golden Elephant Brand*, T-303/08, EU:T:2010:505, paragraphs 106 and 107). The invoices, assessed in conjunction with the other evidence of trading activities, show that the wines were sold under the BYRON trade mark in the United Kingdom.
- 57 The applicant submits that the invoices issued to Boutinot do not evidence the sale of goods to end consumers, and that Jackson Family Farms has no business in the United Kingdom.
- 58 In that regard, it should be borne in mind that the United Kingdom courts have consistently held that a claimant who is seeking to maintain an action in passing-off had to have a goodwill, understood as customers, in the United Kingdom (judgment of the Supreme Court of the United Kingdom *Starbucks (HK) Ltd and another v British Sky Broadcasting Group Plc and others* [2015] UKSC 31). A business established abroad may have goodwill in the United Kingdom if its goods are in demand in the United Kingdom and that demand is capable of being satisfied (Wadlow, C., *The Law of Passing-Off: Unfair Competition by Misrepresentation*, 5th Edition, Sweet & Maxwell, London, 2016, points 1-17 and 3-93). In the case giving rise to the decision of the High Court of Justice (England & Wales), Chancery Division, *SA des Anciens Établissements Panhard et Levassor v Panhard-Levassor Motor Co* ((1901) 18 R.P.C. 405)), for example, the sale by a third party of the goods of a claimant seeking to maintain an action in passing-off and also the purchase and importation of those goods by United Kingdom residents were held to be a sufficient activity. As EUIPO correctly notes, the fact that

Jackson Family Farms is established in the United States and sells its wine through its distributor in the United Kingdom cannot, therefore, alter the Board of Appeal's finding that Jackson Family Farms has goodwill in the United Kingdom.

- 59 In addition, it is apparent from the national case-law that customers include both persons in a direct contractual relationship with the claimants seeking to maintain an action in passing-off, and persons who buy those claimants' goods indirectly (decision of the Court of Appeal (England & Wales) (Civil Division) *Anheuser-Busch Inc. v Budějovicý Budvar NP* [1984] F.S.R. 413, 415 CA; see, also, judgment of 18 November 2015, *HALAL MALAYSIA*, T-508/13, EU:T:2015:861, paragraphs 67 and 75).
- 60 The intermediate agents, that is, the wholesalers, importers and retailers, which purchased Jackson Family Farms' goods were, therefore, in the same way as the end consumers, Jackson Family Farms' customers with which the goodwill had been acquired. In that regard, the invoices mentioned in paragraph 54 above enable the existence of goodwill with Boutinot, a customer which is engaged in the wholesale wine trade and resells the Jackson Family Farms' goods, to be demonstrated.
- 61 As regards the goodwill acquired with end consumers, as EUIPO correctly notes, it is logical to assume that the goods were sold to the end consumers, because had that not been the case, the wholesaler would not have ordered the additional shipments of those goods, as can be seen from the evidence submitted.
- 62 The applicant submits, lastly, that the invoices issued to Boutinot cannot be considered, as the Board of Appeal held, mere examples of sales, which would be contrary to the judgment of 23 October 2013, *Dimian v OHIM — Bayer Design Fritz Bayer (Baby Bambolina)* (T-581/11, not published, EU:T:2013:553), and that the internal documents provided moreover by Jackson Family Farms are of very low probative value.
- 63 As the Board of Appeal correctly observes, probative value can be attributed to a statement from one of the parties only if it is supported by other evidence (judgment of 13 May 2009, *Schuhpark Fascies v OHIM — Leder & Schuh (jello SCHUIHPARK)*, T-183/08, not published, EU:T:2009:156, paragraph 39).
- 64 In that regard, the Board of Appeal is required to carry out an overall assessment of all the evidence produced before EUIPO.
- 65 It cannot be excluded that an accumulation of items of evidence may allow the necessary facts to be established, even though each of those items of evidence, taken individually, would be insufficient to constitute proof of the accuracy of those facts (judgments of 17 April 2008, *Ferrero Deutschland v OHIM*, C-108/07 P, not published, EU:C:2008:234, paragraph 36, and of 9 December 2010, *Golden Elephant Brand*, T-303/08, EU:T:2010:505, paragraphs 104 to 107).
- 66 In the present case, even if the internal sales reports come from Jackson Family Farms, they are borne out by other evidence. For example, the internal sales report for the sales of wines under the BYRON trade mark for the period from September 2010 to November 2011, listing a total of 2 130 bottles sold, inter alia, to the Harrods department store in London, is borne out by the online invitation of the 'meetup.com' website to a wine tasting event at the Harrods store, dated May 2011, and by the screen shots from the Harrods website.
- 67 Similarly, if the Boutinot catalogue dated 2010, offering for sale wines under the BYRON trade mark, does not prove that wines bearing the BYRON mark were actually sold, that evidence, examined in conjunction with the four invoices issued to Boutinot, suggests the sale of wines under the BYRON trade mark by that company to third parties.

68 The Board of Appeal therefore rightly concluded that by examining the invoices in conjunction with the further material submitted — which included the reports of Boutinot’s sales to United Kingdom retailers, restaurants and hotels, as well as magazine extracts and other information on wines sold under the BYRON trade mark published on the internet and aimed at customers in the United Kingdom — it could be held that Jackson Family Farms was engaged in genuine trading activities concerning the wines sold under the BYRON trade mark at the relevant date and that, consequently, it had acquired goodwill at that date.

– *Jackson Family Farms’ market share*

69 The applicant submits that it may be concluded from the lack of significance of Jackson Family Farms’ sales in the United Kingdom and its minimal market share, approximately 0.0001234% in 2011/2012 according to the applicant’s calculations, that there was no goodwill.

70 EUIPO disputes the applicant’s arguments.

71 In that regard, it must be borne in mind that the action for passing-off protects goodwill regardless of the size of the undertaking. The mere fact that the business of the claimant seeking to maintain an action for passing-off is very small does not of itself prevent it having goodwill (Wadlow, C., *The Law of Passing-Off: Unfair Competition by Misrepresentation*, 5th Edition, Sweet & Maxwell, London, 2016, point 3-13).

72 Accordingly, in the case giving rise to the decision of the High Court of Justice (England & Wales), Chancery Division, *Stannard v Reay* ([1967] R.P.C. 589), it was held that a mobile fish and chips shop, with a turnover of between GBP 129 and GBP 138 per week, had acquired goodwill after trading for approximately three weeks (judgment of 9 December 2010, *Golden Elephant Brand*, T-303/08, EU:T:2010:505, paragraph 110).

73 In the case giving rise to the decision of the High Court of Justice (England & Wales), Chancery Division, *Jian Tools for Sales v Roderick Manhattan Group* ([1995] F.S.R. 924, 933), the sale of 127 software program units by an American undertaking on the United Kingdom market was considered sufficient (judgment of 9 December 2010, *Golden Elephant Brand*, T-303/08, EU:T:2010:505, paragraph 114).

74 A fortiori, the size of a claimant’s business compared to the entire market is not determinative (decision of the Court of Appeal (England & Wales) (Civil Division) *Lumos Skincare Ltd v Sweet Squared Ltd and Others* [2013] EWCA Civ 590).

75 Thus, very slight trading activity has been held to be sufficient to create goodwill (Wadlow, C., *The Law of Passing-Off: Unfair Competition by Misrepresentation*, 5th Edition, Sweet & Maxwell, London, 2016, point 3-64).

76 If the claimant in an action for passing-off is not established in the United Kingdom, he will have to show at least that he has a customer or customers in the United Kingdom (decision of the High Court of Justice (England & Wales), Chancery Division, *Jian Tools for Sales v Roderick Manhattan Group* [1995] F.S.R. 924, 925), not merely a reputation in the United Kingdom (judgment of the Supreme Court of the United Kingdom *Starbucks (HK) Ltd and another v British Sky Broadcasting Group Plc and Others* (2015) UKSC 31).

77 It is apparent, therefore, from the national case-law, applied by the General Court in similar cases (judgments of 9 December 2010, *Golden Elephant Brand*, T-303/08, EU:T:2010:505, and of 18 November 2015, *HALAL MALAYSIA*, T-508/13, EU:T:2015:861), that even small businesses can have goodwill.

- 78 In the present case, as is apparent from the contested decision, Jackson Family Farms sold 728 cases of wine sold under the BYRON trade mark to Boutinot in 2011, for a total of approximately USD 45 000, not approximately USD 30 000 as the applicant incorrectly claims.
- 79 If the internal sales reports provided by Jackson Family Farms are also taken into account, the latter sold a further 2 130 bottles of wine under the BYRON trade mark to other customers in the United Kingdom from September 2010 to November 2011, for a total of approximately GBP 3 800 between May and June 2011, not GBP 6 800 as EUIPO contends by incorrectly taking into account the sales of wines other than those sold under the BYRON trade mark in the sales report dated May to June 2011.
- 80 While the sales shown by the evidence put forward by Jackson Family Farms may be considered low, it nonetheless regularly sold wine under the earlier trade mark in the United Kingdom (over 700 cases in 2011) for at least one year before the date on which the application for an EU trade mark was filed.
- 81 Having regard to the national case-law on that point, the Board of Appeal therefore correctly concluded that Jackson Family Farms was engaged in genuine trading activities concerning the wines sold under the BYRON trade mark at the relevant date and that, consequently, it had acquired goodwill as at the date of application for registration of the figurative mark BYRON as an EU trade mark.

– *The continued existence of the goodwill*

- 82 The applicant also denies that the British Airways wine list dated December 2012 is relevant, since ‘it relates to a date after the opposition was filed (even six months after)’.
- 83 Rule 19(2)(d) of Commission Regulation (EC) No 2868/95 of 13 December 1995 implementing Council Regulation (EC) No 40/94 on the Community trade mark (OJ 1995 L 303, p. 1) states that an opponent relying on Article 8(4) of Regulation No 207/2009 must provide evidence not only of the earlier right’s acquisition and the scope of its protection, but also that right’s continued existence.
- 84 This presupposes as a matter of course that the sign in question must still be in use at the time of the filing of the notice of opposition (see, by analogy, judgment of 23 October 2013, *Baby Bambolina*, T-581/11, not published, EU:T:2013:553, paragraphs 26 and 27).
- 85 The Board of Appeal took into account the British Airways wine list in order to assess not the acquisition of the goodwill — which, as was noted in paragraph 53 above, must be assessed at the date of application for registration of the EU trade mark against which the notice of opposition has been filed — but the continued existence of the earlier right as at the date of the opposition.
- 86 The question arises of whether, even if goodwill was acquired before the date on which the application for an EU trade mark was filed, the opposition should be rejected as unfounded in the light of the opponent allegedly having failed to show the continued existence of the right as at the date of the opposition.
- 87 In that regard, in order to establish that continued existence as at the date of the opposition, the Board of Appeal relied not only on the British Airways wine list, but also on the fact that all the other evidence submitted by the opponent was sufficiently close to the date on which the application for registration of the contested mark was filed.

- 88 It has been established in the United Kingdom case-law that goodwill could survive the temporary cessation of business (decision of the Judicial Committee of the Privy Council, *Star Industrial v Yap Kwee Kor*, [1976] F.S.R. 256 PC), even if that cessation lasted several years (Wadlow, C., *The Law of Passing-Off: Unfair Competition by Misrepresentation*, 5th Edition, Sweet & Maxwell, London, 2016, point 3-223 et seq.).
- 89 In the light of that case-law, it must be concluded that, in the present case, even if there were a cessation in Jackson Family Farms' activity between the date on which the application for the contested mark was filed and the date of the opposition, the gap between those two dates is not long enough for the goodwill to have been capable of being extinguished solely on account of the passage of time.
- 90 It may thereby be concluded that the goodwill acquired as at the date on which the application for the contested mark was filed, namely on 23 January 2012, continued to exist five months later, when the notice of opposition was filed on 21 June 2012.

– *The absence of specific and distinguishable characteristics*

- 91 By the first part of the single plea in law, relating to the existence of goodwill in the non-registered trade mark BYRON in the United Kingdom, the applicant further submits, on the basis of the decisions of the Court of Appeal (England & Wales) (Civil Division) *Diageo North America v InterContinental Brands* ([2010] EWCA Civ 920, 'the *Vodkat* decision') and of the House of Lords *Erven Warnink BV v J Townend & Sons (Hull) Ltd* ([1979] A.C. 731, 'the *Advocaat* decision'), that the condition relating to goodwill is not met, in particular because Jackson Family Farms has not showed that its product possesses certain specific and distinguishable characteristics which determine that consumers will acquire it. On the contrary, the moderate price and average quality of its product would suggest that it is not a distinct and recognisable one. The applicant also submits that the Board of Appeal itself, in the contested decision, refers to a condition relating to specific and distinguishable characteristics.
- 92 EUIPO contends that the applicant thereby relies on the 'extended' form of the action for passing-off. In EUIPO's view, this is incorrect, however, since Jackson Family Farms based its opposition on the 'classic' form of that action.
- 93 It must first be noted that the tort of passing-off covers a vast array of situations.
- 94 As EUIPO correctly notes, in the 'classic' form of the tort of passing-off, the defendant in an action for passing-off deceives as to the commercial origin of its goods inducing the belief that they are the claimant's goods. That misrepresentation consists generally in the defendant using a distinctive sign of the claimant (Wadlow, C., *The Law of Passing-Off: Unfair Competition by Misrepresentation*, 5th Edition, Sweet & Maxwell, London, 2016, points 1-16, 5-8, 7-35, 7-163, 8-1 and 8-8).
- 95 By contrast, in the 'extended' form of the tort of passing-off, illustrated in the *Advocaat* or *Vodkat* decisions, the defendant in an action for passing-off deceives as to the origin or nature of its goods by misrepresenting that they are the product of a particular region, or that they have a particular character or composition. That misrepresentation may be through the use of a descriptive or generic term which misdescribes the defendant's goods, inducing the belief that they possess a characteristic or quality which they do not (for example the term 'Vodkat' used for a type of beverage which is not vodka) (see *Advocaat* decision and Wadlow, C., *The Law of Passing-Off: Unfair Competition by Misrepresentation*, 5th Edition, Sweet & Maxwell, London, 2016, points 7-161, 7-166 and 7-281).

- 96 In its submissions of 31 December 2012 before the Opposition Division, Jackson Family Farms had contended that, in the present case, its customers would be led to believe that the goods offered by the applicant were those of Jackson Family Farms. In support of that contention, Jackson Family Farms had referred to the case giving rise to the judgment of 9 December 2010, *Golden Elephant Brand* (T-303/08, EU:T:2010:505, paragraphs 132 and 148), which was an example of the ‘classic’ form of the tort of passing-off being applied.
- 97 Since Jackson Family Farms never argued that the applicant’s goods suggest that they possess a characteristic which they do not, but that its customers would be led to believe that the goods offered by the applicant were those of Jackson Family Farms, the Board of Appeal correctly relied, in the contested decision, on the ‘classic’ form of the action for passing-off, concluding that there was a likelihood that the applicant’s goods would be taken for those of Jackson Family Farms.
- 98 In that regard, contrary to the applicant’s claims, the reference, in the contested decision, to the fact that the opponent must prove that ‘its goods are known by some distinguishing feature’, is not a reference to a condition relating to specific and distinguishable characteristics. In order for there to be misrepresentation, the sign used by the claimant in an action for passing-off must be perceived as being distinctive of its goods (Wadlow, C., *The law of Passing-Off: Unfair Competition by Misrepresentation*, 5th Edition, Sweet & Maxwell, London, 2016, points 1-24, 3-11, 8-2 and 8-9). However, that distinctive character of the sign must not be confused with what in the *Advocaat* decision is called the product’s ‘distinct and recognisable qualities’. It must be noted that the distinctive character of the BYRON sign, relevant to the condition relating to misrepresentation, is not in dispute in the present case.
- 99 In any event, there was no need to apply the ‘extended’ form of the tort of passing-off in the present case. Unlike the ‘vodka’ or ‘champagne’ designations, ‘byron’ is not a descriptive or generic term indicating the geographical origin or composition of the product. The misrepresentation is due in the present case to the similarity between the signs used, not to the fact that the applicant claims that its goods possess a quality which they do not.
- 100 There was, therefore, no need to examine whether Jackson Family Farms’ goods are characterised by ‘distinct and recognisable qualities’, such as a particular origin or composition.
- 101 Consequently, the fact that the Board of Appeal assessed the opposition in the light of the assumption that it was based on the ‘classic’ form of the tort of passing-off cannot have had any negative consequences, for the applicant, concerning the assessment of the facts and evidence in the present case.
- 102 In addition, it was established in the *Vodkat* decision that the action for ‘extended’ passing-off was not restricted to goods perceived as being of superior quality, as very modest goods may enjoy goodwill (Wadlow, C., *The Law of Passing-Off: Unfair Competition by Misrepresentation*, 5th Edition, Sweet & Maxwell, London, 2016, point 7-190). In any event, the applicant’s arguments concerning the low price and average quality of Jackson Family Farms’ goods are, consequently, ineffective.
- 103 In applying the ‘classic’, not the ‘extended’, form of the tort of passing-off, the Board of Appeal did not, therefore, commit an error capable of calling in question the lawfulness of the contested decision.

The second part of the single plea in law, relating to the acquisition of the goodwill.

- 104 The applicant submits that, even if the non-registered trade mark BYRON generated goodwill in the United Kingdom, Jackson Family Farms would not own that goodwill, but the wine wholesaler Boutinot.

105 EUIPO disputes the applicant's arguments.

106 The factors which influence the ownership of goodwill are as follows: who is responsible for the quality of the goods and who is perceived by the public as being responsible (decision of the House of Lords *T. Oertli A.G. v E.J. Bowman (London) LD. and Others* [1959] R.P.C. 1, 7 HL).

107 What is necessary for a mark to be capable of being protected is that, in the public's eyes, the sign indicates that the quality of the goods is the responsibility of some one trader, even if the public does not know that trader's name. The question of the ownership of the goodwill is generally one of fact and there is no presumption that the goodwill belongs to the foreign manufacturer rather than the United Kingdom distributor (decision of the High Court of Justice (England & Wales), Chancery Division, *MedGen Inc v Passion for Life Products Ltd* [2001] F.S.R. 30). In principle, goodwill belongs to the identified foreign supplier of imported goods rather than to the importer (Wadlow, C., *The Law of Passing-Off: Unfair Competition by Misrepresentation*, 5th Edition, Sweet & Maxwell, London, 2016, points 3-136 and 3-158).

108 Generally, the function of a trade mark is to identify the commercial origin of a product, that is its producer, not its seller. In the present case, Jackson Family Farms controlled the manufacture and quality of the goods. The public probably perceived Jackson Family Farms, as the producer of the wine, as responsible for its manufacture and quality.

109 The Boutinot catalogue clearly distinguished the different wines it offered for sale, according to their price, geographical origin and producer. Purchasers were, therefore, free to choose their wines according to those criteria. Even if Boutinot was Jackson Family Farms' sole distributor in the United Kingdom, Jackson Family Farms should nonetheless be considered to own the goodwill. The Boutinot catalogue clearly distinguishes the Jackson Family Farms' goods, by their name and origin, from the other goods sold by Boutinot. In particular, in the two Boutinot catalogues submitted by Jackson Family Farms, certain wines apparently produced by Boutinot are clearly identified as such, meaning that the other wines are not produced by Boutinot, but by producers such as Jackson Family Farms.

The third part of the single plea in law, relating to the expiry of the earlier EU trade mark BYRON

110 In support of its conclusion that Jackson Family Farms cannot have acquired goodwill in the BYRON mark in the United Kingdom, the applicant submits that the fact that Jackson Family Farms let the earlier EU trade mark BYRON expire in 2007 shows that it did not have any commercial interest in Europe.

111 The applicant submits — without being challenged on that point by EUIPO — that the trade mark BYRON, the property of Byron Vineyard & Winery, Inc., was registered as an EU trade mark which expired in 2007, one year after Byron Vineyard & Winery was acquired by Jackson Family Farms.

112 That argument cannot disprove the existence of goodwill generated by the non-registered trade mark BYRON and acquired by Jackson Family Farms.

113 The opposition was based on the earlier non-registered trade mark BYRON, not on the earlier EU trade mark BYRON.

114 It must also be borne in mind that there are non-registered trade marks deriving their legitimacy from their use in a number of Member States. Those signs, indicating the commercial origin of a product or service, function as a trade mark. Article 8(4) of Regulation No 207/2009 recognises the existence of such rights in the Member States and confers on the proprietors of non-registered trade marks the possibility of prohibiting the registration of an EU trade mark if those rights are such as to prohibit the use of such a mark under national legislation.

- 115 The question of whether or not the non-registered trade mark protected by a national right was registered beforehand as an EU trade mark is, therefore, irrelevant.
- 116 In the present case, as EUIPO correctly notes, the expiry of the registration of the earlier EU trade mark BYRON did not preclude Jackson Family Farms from using the non-registered trade mark and, by that use, acquiring goodwill.
- 117 In so far as Jackson Family Farms acquired sufficient goodwill by the time the application for an EU trade mark was filed, the expiry of the registration of the earlier EU trade mark BYRON would not preclude Jackson Family Farms from protecting its non-registered right by bringing an action for passing-off.
- 118 The fact that the earlier EU trade mark BYRON expired is not, therefore, inconsistent with the acquisition by Jackson Family Farms of a goodwill generated by the non-registered trade mark BYRON.

Points relating to the misrepresentation and damage

- 119 The last two conditions making up the ‘classical trinity’ of the tort of passing-off provided for under United Kingdom law concern the misrepresentation on the part of the proprietor of the subsequent mark, on the one hand, and the damage to goodwill, on the other.
- 120 In the contested decision, the Board of Appeal concluded that those two conditions were met: given the identical nature of the goods at issue and the similarities between the signs, there was a likelihood that the applicant’s goods would be confused with those of Jackson Family Farms, a misrepresentation which would cause Jackson Family Farms damage.
- 121 The Court points out that, although the applicant states that there has been a ‘fail[ure] to comply with at least one of the “classical trinity”’, it has not put forward any detailed arguments as regards the second and third conditions making up the ‘classical trinity’ of the tort of passing-off, namely misrepresentation and damage, but only a plea relating to the first condition of the ‘classical trinity’ of that tort, goodwill.
- 122 In the absence of arguments put forward by the applicant concerning misrepresentation and damage, the Court must, therefore, uphold the Board of Appeal’s conclusion that, given the identical nature of the goods at issue and the similarities between the signs, there was a likelihood that the applicant’s goods would be confused with those of Jackson Family Farms, a misrepresentation which would cause Jackson Family Farms damage.
- 123 It follows from all the foregoing that since the single plea in law relied on by the applicant is unfounded, the applicant’s first head of claim must be rejected and, consequently, the action must be dismissed in its entirety.

Costs

- 124 Under Article 134(1) of the Rules of Procedure of the General Court, the unsuccessful party is to be ordered to pay the costs if they have been applied for in the successful party’s pleadings.
- 125 Since the applicant has been unsuccessful, he must be ordered to pay the costs, in accordance with the form of order sought by EUIPO.

On those grounds,

THE GENERAL COURT (First Chamber)

hereby:

- 1. Dismisses the action;**
- 2. Orders Mr Nelson Alfonso Egüed to pay the costs.**

Pelikánová Valančius Öberg

E. Coulon

I. Pelikánová

Delivered in open court in Luxembourg on 18 July 2017.

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