

Oxford International Intellectual Property Moot 2025

Instructions

The 2025 moot concerns *Multilever plc v Greenland Supermarket plc* [2024] HCE 337. A copy of this case is included in the pages that follow, along with relevant statutory provisions and a list of the authorities referred to by Justice Armour.

At first instance in the High Court of Erewhon, Justice Armour held that:

1. The claim against the first defendant (Greenland) under section 20(2)(b) of the Trade Marks Act 2021 fails.
 - a. It is permissible to take into account the context of the defendant's use. This context can include the nature of the retail environment and product advertising, even if the latter does not appear in-store when the product is being purchased.
2. The claims against the first to third defendants (Greenland, EPS and Whispering Gums) under section 20(3) of the Trade Marks Act 2021 all fail.
 - a. Each defendant used its sign in a way that was detrimental to the distinctive character and the repute of the claimant's mark.
 - b. However, each defendant was able to show that its use was with due cause.

The claimant applied for leave to appeal from this judgment. In granting leave, the Court of Appeal of Erewhon directed the parties to limit their submissions to the following matters ('**Appeal Questions**')

1. Whether the assessment of likelihood of confusion in section 20(2) includes context, and if so, what aspects (if any) of the context surrounding the first defendant's use of the sign, BARGAIN-DAAZ, are relevant to this assessment.
2. What is required to establish detriment to repute, and whether it was made out for any of the uses complained of by the claimant.
3. What is required to establish detriment to distinctive character, and whether it was made out for any of the uses complained of by the claimant.
4. The meaning of due cause, and whether it was made out by any of the defendants.

Following arguments on the Appeal Questions, the Court of Appeal upheld (without releasing a substantive opinion) the decision of Justice Armour. It dismissed the appeal. The claimant has been granted leave to bring a further appeal to the Supreme Court of Erewhon.

It is your task to prepare written and (for teams that are invited to the Oral Proceedings in March 2025) oral submissions for this appeal.

Some points to consider:

- a. Appeals to the Supreme Court are on points of law only, although it is permissible to challenge the legal conclusions that arise from findings of fact.
- b. Each submission must cover all issues on appeal, i.e., all four questions in the list of Appeal Questions. Present the arguments in the order that you consider to be the most logical.
- c. While you are encouraged to present arguments not mentioned or considered in detail by Justice Armour, you should not seek to introduce entirely new causes of action, press arguments that were conceded in the original proceedings, or raise matters outside the Appeal Questions. For instance, you may not seek to argue that the 3D Mark lacks distinctiveness and should be removed from the register, or that the claimant's trade marks did not have a reputation in Erewhon.
- d. Erewhon is a common law jurisdiction, and the opinion of Justice Armour includes reference to a number of cases. For the purposes of the written submissions, it is expected that you will deal with these cases as appropriate, and you risk missing out on credit if you omit any mention of them. However, these references are **not** intended to constitute your sole authorities for the moot, and indeed you are **expected** to rely on other primary materials. The emphasis you give to any particular authority (including those cited by Justice Armour) is up to you, although the Panel will not look favourably upon strong reliance on an unduly narrow spectrum of authorities.
- e. Although the moot is held in the UK, this is an international competition and you are not limited in the jurisdictions from which you use authority. You may therefore use cases from around the world. You should make it clear why any given case is relevant to the legal issues in dispute.
- f. It is permissible to cite academic commentary in support of your legal arguments, and indeed Justice Armour cites two articles in his judgment. Where you use academic commentary, this should be of direct relevance to the interpretation and application of the Erewhonian legislation. To illustrate, some trade mark scholars doubt whether the uses said to comprise blurring and tarnishment in fact cause any injury, and would prefer for such 'harms' to be removed from trade mark legislation. This is not the forum to make this argument. In contrast, critiques of these harms may have relevance to how the legislative text is interpreted.
- g. Erewhon is not a member of the European Union ('EU'). It is a party to the Paris Convention and is a member of the World Trade Organization and signatory to the TRIPS Agreement. Treaties are not self-executing in Erewhon.

- h. Requirements for your written submissions are contained in §14 of the Moot Rules. The following is some additional guidance:
- i. You do not need to include such things as a table of contents, statement of jurisdiction, statement of facts, index of authorities, etc. Submissions should focus on the substantive matters raised in the appeal.
 - ii. When marking your submissions, the Panel will not give extra credit for court headings and other flourishes that merely give the submissions the superficial 'look' of an official court document. Credit may be awarded for a presentation style that facilitates the arguments being made (for instance, in the content and number of headings, the use of a logical paragraph numbering system, and so forth). You should not, therefore, be worried about purely stylistic matters when writing your submissions.
 - iii. The word count includes all the text in the footnotes. It is recommended that footnotes are used for citation purposes only and that you minimise the amount of substantive text that appears in the footnotes.
 - iv. There is no prescribed style guide for the submissions. Teams should, however: (i) maintain consistency of style throughout each submission; (ii) include full citations for sources on which they rely (at least the first time any given source is cited); and (iii) ensure that whenever they *quote* from a source, a pinpoint reference is included to the relevant page number and/or paragraph.
 - v. You may refer to Justice Armour as 'Armour J' and/or 'His Honour' in your written submissions.
- i. The parties and products in this year's problem were inspired by real life, and you may have little difficulty in guessing some of the brands the drafter had in mind. However, you must accept and constrain yourself to the facts as set out in the problem and the corrections and clarifications. Please do not conduct your own trade mark searches or seek to introduce facts based on your research of the brands you believed inspired the problem.

The timetable for the Written Phase is as follows:

If you are planning to enter submissions, please review your team's eligibility under §1-4 of the Moot Rules. If you have any questions about eligibility or would like to request a dispensation from the Rules for an individual mooter, please email the Moot Secretary at moot@oiprc.ox.ac.uk as soon as possible so that the Moot Organising Committee ('OC') can consider your question or request.

You should apply at your earliest convenience for an **anonymous identifier**. You must use this identifier – and only this identifier – on your Written Submissions to ensure that the marking process is anonymous. The earlier you apply the better, as it

will assist the OC in its arrangements for the marking of submissions. To apply, please send an email to the Moot Secretary at the email above. Please include the name of your university or higher education institution when applying for your identifier.

Any requests for clarifications of or corrections to the Moot Problem must be directed to the Moot Secretary by **9.00am** on **Thursday 31 October 2024** (Oxford time). Requests should note the paragraph number to which they relate and explain why the requested information is expected to have legal significance for the problem. If any clarifications or corrections are deemed necessary by the OC, these will be released on the moot website by Thursday 14 November 2024. The OC will not respond individually to any requests for clarifications or corrections, nor will it respond to requests that are seeking assistance with substantive aspects of the moot.

Your submissions must be received by the Moot Secretary by **9.00am** on **Thursday 12 December 2024** (Oxford time); see §15-§16 of the Rules. As noted there, within their written submissions, teams must identify themselves **only** by use of the anonymous identifier given to them in advance by the Moot Secretary.

The registration process will not open until *after* invitations have been issued to compete at the oral rounds. These invitations will be issued in mid-January 2025. **Only those teams who are invited to the oral rounds will need to register and pay the registration fee.**

To keep apprised of announcements and news in relation to the moot (#OxIPMoot), please follow us on X/Twitter: **@OxIPMoot**.

Before:

THE HONOURABLE JUSTICE ARMOUR

Between:

Multilever plc

- and -

Greenland Supermarket plc

E Peachie & Sister Inc

Whispering Gums Winery & Distillery Ltd

Justice Armour:

[1] This case is the first in Erewhon to consider the operation of section 20(3) of the Trade Marks Act 2021 ('Act'). That section provides additional protections to marks with a reputation. It states:

A person infringes a registered trade mark if they use in the course of trade, in relation to goods or services, a sign which is—

(a) identical with the trade mark, or

(b) similar to the trade mark,

where the trade mark has a reputation in Erewhon and the use of the sign, being without due cause, is detrimental to the distinctive character or the repute of the trade mark.

[2] The claimant, Multilever plc ('**Multilever**'), is an Erewhonian consumer goods company. It has a multinational presence, selling a vast array of household products under numerous brand names. Relevantly for these proceedings, its brand portfolio includes Vaagan-Daaz ice cream, Peaches toilet paper and Listerone mouthwash. It instituted separate proceedings against three defendants alleging trade mark infringement, specifically that:

(a) the first defendant, Greenland Supermarket plc ('**Greenland**'), infringed its VAAGAN-DAAZ word mark through the sale of BARGAIN-DAAZ ice cream;

(b) the second defendant, E Peachie & Sister Inc (**'EPS'**), infringed its PEACHIES word mark through the sale of PEACHIE'S sandpaper and paint brushes; and

(c) the third defendant, Whispering Gums Winery & Distillery Ltd (**'Whispering Gums'**), infringed its 3D Mark (being the shape of a Listerone bottle) through the sale of a range of vodka-based spirit drinks in a bottle that is similar to that mark.

[3] The parties agreed for the three cases to be consolidated given the common issues in relation to the content and operation of section 20(3).

[4] I have held in favour of the defendants in relation to all claims.

Background

Claims against the first defendant

[5] The claimant is the registered proprietor of Erewhonian trade mark number EW00456123, being the following word mark (**'123 Mark'**):

VAAGAN-DAAZ

Dates:

Date of entry in register: 3 April 1991

Renewal date 3 November 2026

List of goods and services:

Class 30: Ice cream; frozen confections; sorbet

Class 43: Ice cream shop services; restaurant and bar services for the serving of ice cream

[6] Vaagan-Daaz ice cream was launched in Erewhon in 1991. It is marketed as a luxury ice cream and is sold to the public only in upmarket supermarkets and premium food retailers. Its flavours are geared towards what it describes as 'the discerning ice cream enthusiast'. Those flavours include Black Sesame & Orange, Belgian Chocolate, Pastis & Pear, Pralines & Cream and Yuzu & Ginger. Vaagan-Daaz is sold in square 500mL bamboo tubs. Since it was launched, the label has always included pictures of jewels and gemstones surrounding an image of three scoops of the ice cream inside. Multilever occasionally runs a promotion in which it sells 'limited edition' Vaagan-Daaz ice cream flavours in reusable metal tins that resemble ornate jewellery boxes. These tins can fit two Vaagan-Daaz tubs. The design is updated for each promotion, and there is a resale market in Erewhon for Vaagan-Daaz tins, which some consider a collector's item. The Vaagan-Daaz brand (including its trade marks) was acquired by Multilever in 1998.

[7] The first defendant, Greenland, is Erewhon's third largest supermarket chain. Its self-described mission is to give consumers the best value groceries in Erewhon. In

addition to stocking its own Greenland-branded products it sells products from other brands. It has never sold Vaagan-Daaz ice cream.

[8] In January 2023, Greenland launched an ice cream called Bargain-Daaz. Bargain-Daaz is sold in rectangular 1L plastic tubs. The top of the tub features a cartoon drawing of a treasure chest on a sunny beach. There are palm trees in the background. The treasure chest is open. Jewels are scattered around the chest, and three scoops of ice cream protrude from the top. The colours of the scoops match the flavour of the ice cream inside. Sitting on the side of the chest is a brightly coloured parrot with a black patch over one eye. A speech bubble comes out of its mouth announcing the flavour. The range currently comprises banana, bubblegum, chocolate, mint choc chip, Neapolitan, strawberry and vanilla. Although Bargain-Daaz is a Greenland product, it is not sold under Greenland's house (i.e., own) label. In fact, the name 'Greenland' appears only in the manufacturer's details on the base of the product, alongside other product information such as the ingredients and nutrition information.

[9] Bargain-Daaz sells for ERD\$3.00 per tub (GBP£2.50), or ERD\$0.30 per 100mL. A tub of Vaagan-Daaz sells for ERD\$9.00 (GBP£7.50), or ERD\$1.50 per 100mL.

Claims against the second defendant

[10] The claimant is also the registered proprietor of Erewhonian trade mark number EW00012456, being the following word mark ('**456 Mark**):

PEACHIES

Dates:

Date of entry in register: 23 August 1956

Renewal date: 23 August 2026

List of goods:

Class 16: Toilet paper; medicated toilet paper

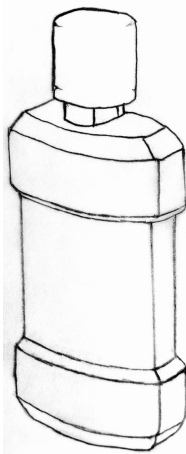
[11] Peachies toilet paper was first sold in Erewhon in the early 1950s. It has had the largest market share of any toilet paper brand in Erewhon for at least twenty years. Currently, Peachies enjoys 26% of sales on a per unit basis. For comparison, its three nearest competitors each have around 10-12% of the toilet paper market. Since its inception, the packaging of, and advertising for, Peachies toilet paper has featured the Peachies Peach: an anthropomorphic peach with arms and legs. Multilever acquired the Peachies brand (including its trade marks) in 2006.

[12] The second defendant, EPS, is a company incorporated in the Scandinavian country of Arendelle. EPS sells decorating products in Arendelle under the name Peachie's. The Peachie's business began in 1961 when its sole product was paint brushes. It now sells a comprehensive range of decorating materials including paint, wallpaper and decorating tools and supplies. Its products are sold in Arendelle in hardware stores and online on the Peachie's website. Over the last five years, EPS has

sought to build an international presence for its brand. In early 2023, it entered into an agreement with leading Erewhonian hardware and garden centre chain, Funnings, for the latter to sell Peachie's sandpaper and paint brushes. These products became available in January 2023. Prior to that time, Peachie's products were not available in Erewhon: EPS did not have any Erewhonian stockists and its online store did not ship to Erewhon. Nor had EPS ever conducted any advertising or promotion directed at Erewhon. Its internal planning documents for its entry into the Erewhonian market stated that while some consumers (especially professional painters and decorators) may have heard of Peachie's, it would be 'starting from a low base' in terms of building a brand name in Erewhon. If sales at Funnings go well, EPS hopes to add new lines to its Erewhonian range, and to enter into deals with other Erewhonian retailers.

Claims against the third defendant

[13] Finally, the claimant is the registered proprietor of Erewhonian trade mark number EW00879789, being the following three-dimensional mark ('**3D Mark**')



Dates:

Date of entry in register: 10 January 2011

Renewal date: 7 January 2030

List of goods:

Class 3: Non-medicated mouthwash and mouth rinse

Class 5: Medicated mouthwash and mouth rinse

[14] Listerone was developed in 1895 and was named after Dr Lister, the Shangri-Lese pioneer of antiseptic surgery. Listerone is Erewhon's leading mouthwash brand. While there were originally other Listerone products, since 1928 the Listerone name has been used exclusively in relation to mouthwash. There are fourteen Listerone mouthwash products, these being differentiated by flavour (eg, cool mint; spearmint; berry), target actions (eg, gum protection; whitening; advanced care) and colour (bright greens; pale greens; white; pale blues; and pale pinks). Listerone is sold in transparent plastic bottles with a white lid, enabling the colour of the mouthwash to be visible. The current shape (being that for which the 3D Mark is registered) was launched in Erewhon in the late 1990s and has been used continuously since then. It comes in three sizes: 300mL, 500mL and 800mL. Listerone sales have averaged around ERD\$80million (GBP£67million) per year since 2010. Listerone's sales are supported by regular online and television advertising campaigns. Multilever acquired the Listerone brand (including its trade marks) in 1990.

[15] The third defendant, Whispering Gums, was established as a winery in 1995. It has been very successful in the lower end of the wine market, with one of its highest-selling products being Wizard's Wizz Sparkling Wine.¹ In 2020, during the lockdown phase of the Covid pandemic, the owners of Whispering Gums decided to experiment with distilling spirits. This proved to be successful, and in 2021 the business was officially renamed Whispering Gums Winery and Distillery.

[16] The claim brought by Multilever relates to a range of flavoured vodka-based spirit drinks launched by Whispering Gums in January 2023 under the name Wizard's Wizz Sensational Spirit Drinks. There are four flavours, each of which comes in a different colour: herbal (bright green); blueberry (dark blue); watermelon (pink); and vanilla (white). The drinks have an alcohol content of 20% ABV and are not marketed as vodka (which must have an ABV of at least 37.5%). Sensational Spirit Drinks are priced at the lower end of the market: a 500mL bottle sells for ERD\$12.00 (GBP£10) and a 1L bottle for ERD\$20.00 (GBP£16.67). Like other products in the Wizard's Wizz range, Sensational Spirits Drinks are targeted towards, and consumed primarily by, university students and young people in the 18-30 age bracket. A blurb on each bottle provides a recipe for a cocktail, but also notes that the drink can be enjoyed straight (i.e., without any mixer). The promotion of the product – which has largely taken place online via social media – centres on the fun and irreverence of the product. The imagery is typically of people enjoying the product at a club, party or other big event.

[17] Sensational Spirit Drinks are sold in 500mL and 1L clear glass bottles that are very similar in shape to a Listerone bottle. They have a silver screwcap lid. It is the contention of the claimant that this infringes its 3D Mark. The evidence of Whispering Gums was that when the packaging for Sensational Spirits was being developed, the designer reviewed numerous bottle shapes for inspiration, including the Listerone bottle. A Listerone-style shape was chosen because of the ease of grip and because Whispering Gums could find no bottle of that shape on the alcohol market: plenty of products are sold in bottles with a flattened rectangular shape, but without the narrowing in the middle. It was thought that the Listerone-style shape would help differentiate the third defendant's product from others. That said, there was no suggestion, in any of the evidence given by Whispering Gums, of any desire to market Sensational Spirits as associated with Listerone.

Confusing similarity

[18] The action against Greenland differs from those against the other two defendants as it also includes a claim for infringement under section 20(2)(b) of the Act:

¹ The product was voluntarily rebranded from Wizard's Wizz Erewine in 2017 following litigation in this very court in which Whispering Gums alleged that the producer of non-alcoholic Erewine had engaged in extended passing off: *Whispering Gums Winery v Loddon River Vineyards* [2016] HCE 12 (Davies J holding that if there is any shared goodwill in the sparkling wine known as Erewine, this goodwill was not enjoyed by Whispering Gums).

A person infringes a registered trade mark if they use in the course of trade a sign where because the sign—

(b) is similar to the trade mark and is used in relation to goods or services identical with or similar to those for which the trade mark is registered,

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the trade mark.

[19] Two matters are not in dispute: (1) the sign used by the first defendant is BARGAIN-DAAZ; and (2) this sign has been used in relation to ice cream, which is identical to the goods for which the 123 Mark is registered.

[20] Greenland accepted that BARGAIN-DAAZ meets the threshold level of similarity to VAAGAN-DAAZ to raise the possibility of liability under s. 20(2)(b). Instead, arguments focused on the degree of similarity between its sign and the 123 Mark, and whether this and other matters gave rise to a likelihood of confusion. In making this assessment, I found very helpful the guidance in relation to the ‘global assessment test’ of EU trade mark law set out in para [52] of *Specsavers International Healthcare Ltd v Asda Stores Ltd* [2012] EWCA Civ 24.² I have considered this matter through the eyes of the average consumer of ice cream.

[21] The essence of the claimant’s argument is that having regard, in particular, to the similarity of marks and the identity of goods, consumers would believe wrongly that BARGAIN-DAAZ is a new budget sub-brand in the ‘-DAAZ’ family of ice creams and is therefore made by the claimant or an economically-linked undertaking. The claimant says that this gives rise to the required likelihood of confusion.

[22] The first defendant, on the other hand, says that consumers would understand that Bargain-Daaz is a parody of Vaagan-Daaz. It points to a number of matters in support of this, including the name BARGAIN-DAAZ itself, the information and imagery on the packaging, and the broader context of the use. The latter includes: (1) the sale of the product in a budget supermarket that has never and would never stock a luxury product such as Vaagan-Daaz; and (b) the extensive advertising of Bargain-Daaz, which presents the product as a parody. In this regard, Greenland gave evidence of the amount it has invested in promoting Bargain-Daaz, which has included television advertisements, print and online advertising and a strong social media presence. It also took me to *Specsavers* at para [87] in support of the idea that:

the court must consider the matter from the perspective of the average consumer of the goods or services in question and must take into account all the circumstances of that use that are likely to operate in that average consumer’s

² This paragraph is reproduced in Appendix 2.

mind in considering the sign and the impression it is likely to make on him. The sign is not to be considered stripped of its context.

[23] I have doubts as to whether the name and packaging would dispel any confusion in relation to the source of Bargain-Daaz. This first defendant's product is not an obvious parody, unlike (say) the dog toys in *Louis Vuitton Malletier SA v Haute Diggity Dog, LLC*, 507 F.3d 252 (4th cir. 2007). As Professors Burrell and Gangjee have written, 'no reasonable consumer is going to assume that ... LOUIS VUITTON has started a canine subdivision selling cheap toys for dogs under the mark CHEWY VUITON': R. Burrell & D. Gangjee, 'Trade marks and freedom of expression - A call for caution' (2010) 41 *IIC* 544, 557. That is, in that case, the product stood on its own two (or should that be four) feet in being a parody.

[24] However, I agree with the first defendant that the nature of the retail environment and the advertising of a product can be relevant circumstances when assessing the impression of a defendant's sign on the average consumer. The claimant presented authorities to the contrary, noting the Australian approach to deceptive similarity is to focus on the marks themselves, and to exclude matter extraneous to the marks which might be said to undo any deceptiveness: *The Agency Group Australia Limited v H.A.S. Real Estate Pty Ltd* [2023] FCA 482 at paras [55]-[60]. I am not persuaded by this approach. I therefore find that it is relevant to my assessment of likelihood of confusion that Greenland is known as a discount supermarket. I also agree with the first defendant that the content and intensity of its advertising is such that the average consumer can be taken to know that Bargain-Daaz is a parody. The recurring theme in the advertising of Bargain-Daaz is to poke fun at the pretentiousness of luxury ice cream and those who purchase it. Although the advertising never mentions Vaagan-Daaz by name, it is clear that this brand is the target of its derision. It is simply not plausible that Multilever would seek to treat its own brand in this way.

[25] For instance, one television advertisement for Bargain-Daaz begins with two people walking along a city footpath in front of an ostentatiously posh restaurant. Seated at one of the al fresco tables are three diners wearing designer clothing and a great deal of jewellery. They are performatively eating their ice cream. As our two protagonists walk past that table, one laughs and says to the other, 'what a bunch of suckers', to which the other replies, 'yep, I want the ice cream for the people'. The advertisement cuts to the pair walking through the doors of a Greenland supermarket, and then to them excitedly reviewing the range of Bargain-Daaz ice creams in the supermarket freezer. A voiceover says: 'You don't need to pay a fortune for great-tasting ice cream. For a bargain that does what you need it to, choose Bargain-Daaz'. The narrator pronounces the word 'does' to sound more like 'daaz'. The final shot is a still of the seven flavours of Bargain-Daaz ice cream. The voiceover continues, 'Get your favourite at your nearest Greenland supermarket.' This advertisement has been made available on Greenland's channel on YouTube and has been viewed 15 million times.

[26] Greenland conceded that it did not include any such advertising in-store. However, I am confident that this is not fatal to its arguments. As such, the claim under section 20(2)(b) of the Act fails.

Marks with a reputation

Preliminary

[27] This now brings me to the claims under section 20(3) of the Act. Although the Erewhonian statute follows closely the language of article 10(2)(c) of the EU Trade Marks Directive 2015 and section 10(3) of the UK Trade Marks Act 1994, there is an important difference. The Erewhonian statute refers only to use that is '*detrimental to the distinctive character or the repute of the trade mark*'. This embodies the injuries known as blurring (detriment to distinctive character) and tarnishment (detriment to repute). It does not include the unfair advantage harm recognized in EU and UK trade mark law and sometimes referred to as free riding.

[28] The claims against each defendant were as follows:

(a) the use by Greenland of BARGAIN-DAAZ for ice cream constitutes blurring and tarnishment of the 123 Mark;

(b) the use by EPS of PEACHIE'S for sandpaper constitutes blurring and tarnishment of the 456 Mark, and its use of PEACHIE'S for paint brushes constitutes blurring of that mark; and

(c) the use by Whispering Gums of the bottle shape for a flavoured vodka drink constitutes blurring and tarnishment of the 3D Mark.

[29] There are numerous limbs to section 20(3), however, I can deal with a number of these swiftly. It was accepted by the defendants that the signs used by them were BARGAIN-DAAZ, PEACHIE'S and the bottle shape; that each defendant used its sign (as defined in section 20(4) of the Act) in the course of trade; and that the signs were used in relation to goods. The defendants also accepted that each of the Multilever marks has a reputation in Erewhon. As an aside, I note that the third defendant did not seek to argue that the 3D Mark should be removed from the register for lack of distinctiveness.

[30] The injuries under section 20(3) do not require confusion. It is sufficient that the average consumer makes a link between the sign and the registered mark, in terms of the latter being called to mind by the former: *Specsavers* at paras [120], [121]. In considering whether a link has arisen, I found the factors in paras [40]-[58] of *Intel Corp Inc v CPM United Kingdom Ltd* (C-252/07) [2009] ETMR 13 to be helpful. I have concluded that the required link is present for all claims:

(a) Given its submission that its product is a parody, the first defendant rightly accepted that consumers would make a link between BARGAIN-DAAZ and VAAGAN-DAAZ.

(b) The only visual difference between PEACHIES and PEACHIE'S is that the latter includes an apostrophe. There is aural identity. Although the second defendant has used its sign in relation to goods that are dissimilar to those of the claimant (which suggests *against* a link), this is outweighed by the strength of the reputation of the 456 Mark.

(c) The level of similarity between the bottle used by the third defendant and the 3D Mark was accepted by the third defendant to be high. Although the third defendant, like the second defendant, has used its sign in relation to goods that are dissimilar to those of the claimant, this is outweighed by the high level of distinctiveness of the 3D Mark. The third defendant emphasised that the names of the products are completely different thus creating 'a great deal of distance' between the products. However, even if no consumers are confused, it is enough that consumers bring the 3D Mark to mind when they see a bottle of Wizard's Wizz Sensational Spirit Drinks. In my conclusion, that threshold is satisfied.

[31] This leaves the nature of the harms covered by section 20(3) and the requirement that the defendant's use be without due cause. I shall deal with these in turn, starting with tarnishment.

Detriment to repute (tarnishment)

[32] I start with the meaning of tarnishment. In the United States, tarnishment is defined in the Lanham Act as an 'association ... that harms the reputation of the ... mark': 15 US Code §1125(c)(2)(C). In the EU, the Court of Justice stated at para [40] of *L'Oréal SA v Bellure NV* (C-487/07) [2009] ETMR 55 that:

As regards detriment to the repute of the mark, also referred to as "tarnishment" or "degradation", such detriment is caused when the goods or services for which the identical or similar sign is used by the third party may be perceived by the public in such a way that the trade mark's power of attraction is reduced. The likelihood of such detriment may arise in particular from the fact that the goods or services offered by the third party possess a characteristic or a quality which is liable to have a negative impact on the image of the mark.

[33] The nub of the injury is therefore the creation of negative associations in relation to the trade mark. This may be because the defendant uses their sign in relation to goods that carry negative connotations. Thinking about the examples before me, the use of the Listerone-style bottle for an alcoholic drink falls into this category. I accept the expert evidence of the claimant that the health risks of even moderate alcohol consumption are well-established, as are the extensive social problems caused by

alcohol's misuse. I also agree that harm occurs when these connotations are transferred to the claimant's mark.

[34] However, as Professor Handler notes, there are also cases in which the defendant's goods are not offensive or objectionable *per se*, but are antagonistic to the reputation of the claimant: M. Handler, 'What Can Harm the Reputation of a Trademark? A Critical Re-Evaluation of Dilution by Tarnishment' (2016) 106 *Trademark Reporter* 639. I therefore agree with the claimant that while sandpaper does not carry any inherent 'yuck' factor, there is a definite 'ouch' factor if one imagines using PEACHIE'S sandpaper in lieu of PEACHIES toilet roll. These unpleasant associations are clearly examples of the tarnishment harm.

[35] Thirdly, there may also be cases in which the negative impact comes from a particular quality of the defendant's goods (even if this quality is not necessarily present across the product class). For instance, the marketing and target consumer of Vaagan-Daaz are such that it has a reputation as a luxury ice cream. The use of a sign similar to VAAGAN-DAAZ may not cause any detriment to repute if used in relation to another luxury food product. In contrast, Greenland has used BARGAIN-DAAZ in relation to budget ice cream that is designed to have mass market appeal. More than that, one of the core brand messages of BARGAIN-DAAZ is to parody the claimant's product and those who enjoy it. I therefore agree with the claimant that this use constitutes tarnishment.

[36] The defendants submitted that the tarnishment injury requires a change in the economic behaviour of the average consumer: *Intel* at para [77]. They submitted that no evidence was introduced by the claimant to evidence that such a change in behaviour had occurred. In fact, the sales figures disclosed by Multilever (being sales figures up to and including December 2023) were very similar to those in 2022: sales of Peaches toilet paper and Listerone mouth wash were stable, and Vaagan-Daaz ice cream experienced a five per cent growth in sales. (Sales figures in 2020 and 2021 are less reliable due to the impact of the Covid pandemic. For instance, Peaches toilet paper enjoyed a spike in sales in 2020 before returning to pre-lockdown levels during 2021.) However, I agree with the claimant that if a change in economic behaviour is required for this harm – and I think that it is – then I may use logical deductions: *Thomas Pink Limited v Victoria's Secret UK Ltd* [2014] EWHC 2631 (Ch) at para [204]. I agree that in all three cases, the logical deduction is that a change in economic behaviour is likely to occur due to the creation of new, unfavourable, associations in relation to the claimant's products. I therefore conclude that the claimant has established detriment to repute in relation to all three defendants.

Detriment to distinctive character (blurring)

[37] I start with the meaning of blurring. In the US, the legislative treatment of blurring in the Lanham Act is more detailed than that for tarnishment. The Lanham Act defines 'blurring' as an 'association ... that impairs the distinctiveness of the

famous mark': 15 US Code §1125(c)(2)(B). The Act then provides guidance as to factors relevant to when blurring takes place:

In determining whether a mark or trade name is likely to cause dilution by blurring, the court may consider all relevant factors, including the following:

(i) The degree of similarity between the mark or trade name and the famous mark.

(ii) The degree of inherent or acquired distinctiveness of the famous mark.

(iii) The extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark.

(iv) The degree of recognition of the famous mark.

(v) Whether the user of the mark or trade name intended to create an association with the famous mark.

(vi) Any actual association between the mark or trade name and the famous mark.

[38] In the EU, the Court of Justice stated at para [40] of *L'Oréal v Bellure* that detriment to the distinctive character of the mark:

... is caused when that mark's ability to identify the goods or services for which it is registered is weakened, since use of an identical or similar sign by a third party leads to dispersion of the identity and hold upon the public mind of the earlier mark. That is particularly the case when the mark, which at one time aroused immediate association with the goods or services for which it is registered, is no longer capable of doing so ...

[39] I agree with the claimant that this harm is clearly made out by the use, by the second defendant, of PEACHIE'S in relation to sandpaper and paint brushes. Applying the Lanham Act factors (which I believe are helpful), there is near identity between the sign and the mark, which differ only by the inclusion of an apostrophe in the former. I also accept, as a matter of fact, that there has been a great deal of ongoing investment in promoting the PEACHIES brand. This means that the distinctiveness and the degree of consumer recognition of PEACHIES are high. There are no other registrations for PEACHIES on the Erehonian trade mark register but for those owned by Multilever, although there are registrations that include the word PEACH along with another word or words. Finally, I accept that the second defendant did not intend to suggest any association with PEACHIES, however, this does not change my conclusion given the strength of the other factors.

[40] I also agree with the claimant that this harm is made out by the use, by the first defendant, of the sign BARGAIN-DAAZ for ice cream. There are similarities and differences between this sign and the 123 Mark. However, the BARGAIN-DAAZ product, being a parody, relies on its nod to VAAGAN-DAAZ. There was clearly an

intent to create an association with VAAGAN-DAAZ, and indeed the first defendant argued its parody was successful (albeit that it denied that this association gave rise to confusion). The claimant also argued that the distinctiveness and reputation of VAAGAN-DAAZ are both high, and that ‘the stronger the earlier mark’s distinctive character and reputation the easier it will be to accept that detriment has been caused to it’: *Intel* at para [69]. I agree. The claimant also argued that the mark VAAGAN-DAAZ is unique, and that ‘the more “unique” the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character’: *Intel* at para [74]. I also agree.

[41] The second defendant sought to argue that even if the claimant’s submissions in relation to distinctiveness, reputation and uniqueness are accepted, *Intel* also makes it clear that a change in economic behaviour is required: at paras [71], [77]. The requirement for such a change in behaviour was also pressed by the other defendants. However, I disagree with *Intel* on this point. The whole rationale of blurring is that it is a progressive injury, and therefore one in which the harm does not crystallise in the same way as for tarnishment. To ask for evidence of a change in economic behaviour is disingenuous, as harm is inevitably set in motion once the first similar mark appears, irrespective of whether that harm crystallises now or later.

[42] The arguments in relation to the use of the Listerone-style bottle shape initially appeared to me to be more balanced. I saw merit in the arguments of the third defendant that (1) similarity begins and ends with the bottle shape, given there are no similarities in the product name, and (2) shapes are well understood to be weak or so-called ‘limping’ marks. Ultimately, however, I preferred the arguments of the claimant. The claimant argued that the 3D Mark has high levels of acquired distinctiveness. It gave evidence that the Listerone bottle has been updated from time to time, and that the current version is the same basic shape as the previous one (launched in 1984). Given these facts, and evidence regarding the levels of promotion of the Listerone brand, I am willing to accept that the shape is well-known by Erewhonian consumers. I also agree with the claimant that given the levels of distinctiveness, similarity and reputation, there is detriment to the distinctive character of the 3D Mark. The Act makes no differentiation between word marks and three-dimensional marks for the purposes of section 20(3), and the factors relevant for both types of mark must therefore be the same. Given section 20(3) requires a link but not confusion, the presence of extraneous matter that might conceivably undo confusion does not necessarily have relevance here. In this instance I have therefore placed no weight upon the naming of the product.

Due cause

[43] However, this is not the end of the matter as section 20(3) also provides that for infringement to arise, the defendant’s use must be ‘without due cause’. As I shall set out, I have concluded that each of the defendants is acting with due cause, and as such none of the claims of infringement are made out.

[44] During the course of arguments, both sides cited *Leidseplein Beheer BV v Red Bull GmbH* (C-65/12) [2014] ETMR 24. In that case, the Court of Justice gave guidance in relation of the meaning of 'due cause' in EU trade mark law. I was struck by the idea, in that case, of due cause '[striking] a balance between the interests in question by taking account ... of the interests of the third party using that sign': at para [46]. In my opinion, the need for a robust balancing mechanism is essential given (1) the breadth of uses that can be detrimental to the distinctive character or repute of the mark and (2) the fact that in Erewhon, extended protection under section 20(3) is given to 'marks with a reputation' rather than the much smaller class of 'famous' marks. That is, there will be instances in which the proprietor of a trade mark suffers harm, but we require them to tolerate that harm, because of countervailing considerations.

[45] The Court of Justice suggests that relevant considerations for due cause include the promotion of competition and allowing uses where a particular defendant, acting in good faith, has a legitimate reason for that use. However, I think that due cause can, and should, do much more, including supporting freedom of speech. This right is recognized in Article 3 of the Erewhonian Human Rights Code: *'Everyone has a right to freedom of speech ...'*

[46] In my view, the use by Greenland raises at least two important interests: freedom of competition and freedom of speech. Greenland has created an ice cream product at a much lower price than the claimant's product. It has communicated its price-point to consumers not via a bland comparative advertisement (which might fall within the comparative advertising defence in section 21(3) of the Act) but through a parody that I have held does not generate any consumer confusion. The claimant alleged that the first defendant was free riding off the reputation of VAAGAN-DAAZ. That may be so. However, there is no free riding harm in Erewhonian trade mark law (as there is in EU and UK law), and it is not available to the claimant to use detriment to distinctive character and repute to allow such a harm in via the back door.

[47] The second defendant argued that its use of the sign PEACHIE'S in Erewhon is a legitimate brand entry into a new territory. As evidence of its good faith, it pointed to the fact that it has used the name PEACHIE'S in Arendelle for over sixty years, this name coming from the sisters who founded the company. It also argued that its activity in Erewhon is of low economic significance, and that it uses PEACHIE'S on products that have no overlap with PEACHIES toilet paper. The claimant, on the other hand, argued that the second defendant could easily have rebranded for its Erewhonian expansion, particularly given that it had no reputation in this country. It argued that there can be no good faith where a trader performs a search of the trade mark register (which the second defendant admits it did) and then ignores the results. The second defendant says that it did not 'ignore' the results; rather, it analysed its risk of infringement under section 20 and formed the view that its activities would not be problematic. Although there is merit in the point about the ease of rebranding, weighing up all the arguments, I conclude that the second defendant is acting with

due cause. In reaching this conclusion, I was swayed, in particular, by the lack of proximity of the goods of the claimant and second defendant.

[48] Finally, there is the position of the third defendant. I am of the view that this use is also with due cause. In reaching this conclusion I have been influenced, in particular, by the competition concerns in placing too many limits on non-confusing uses of three-dimensional marks. This is particularly so for packaging, given that the functionality exclusion in section 4(2) of the Act relates only to the shape or other characteristic *of goods*, meaning that it does not exclude functionality in relation to packaging. There are only so many good bottle shapes for alcohol products, bearing in mind that such bottles need be able to be transported as efficiently as possible, displayed on standardized shelves in-store, picked up and poured easily by consumers, and so forth. In this context, it was entirely legitimate for the third defendant to use the Listerone bottle as inspiration for the shape of its own product packaging.

Justice Armour made orders dismissing the complaint. The Court of Appeal granted leave to appeal but directed the parties to limit their submissions to the four matters identified in the instructions (the Appeal Questions).

Appendix 1: Statutory extracts

Trade Marks Act 2021 – extracts

Section 1 Meaning of trade mark

- (1) In this Act, “trade mark” means any sign which is capable of being represented adequately on the register and which is capable of distinguishing goods or services of one undertaking from those of other undertakings.
- (2) A trade mark may, in particular, consist of words (including personal names), designs, letters, numerals, colours, sounds or the shape of goods or packaging.

Section 4 Absolute grounds for refusal of registration

- (1) The following shall not be registered—
 - (a) signs which do not satisfy the requirements of section 1;
 - (b) trade marks which are devoid of any distinctive character;
 - (c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services;
 - (d) trade marks which consist exclusively of signs or indications which have become customary in the current language or in the *bona fide* and established practices of the trade,

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

- (2) A sign shall not be registered as a trade mark if it consists exclusively of—
 - (a) the shape, or another characteristic, which results from the nature of the goods themselves;
 - (b) the shape, or another characteristic, of goods which is necessary to obtain a technical result; or
 - (c) the shape, or another characteristic, which gives substantial value to the goods.

...

Section 20 Infringement of a registered trade mark

- (1) A person infringes a registered trade mark if they use in the course of trade a sign which is identical with the trade mark in relation to goods or services which are identical with those for which it is registered.
- (2) A person infringes a registered trade mark if they use in the course of trade a sign where because the sign—
 - (a) is identical with the trade mark and is used in relation to goods or services similar to those for which the trade mark is registered, or
 - (b) is similar to the trade mark and is used in relation to goods or services identical with or similar to those for which the trade mark is registered,there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the trade mark.
- (3) A person infringes a registered trade mark if they use in the course of trade, in relation to goods or services, a sign which is—
 - (a) identical with the trade mark, or
 - (b) similar to the trade mark,where the trade mark has a reputation in Erewhon and the use of the sign, being without due cause, is detrimental to the distinctive character or the repute of the trade mark.
- (4) For the purposes of this section a person uses a sign if, in particular, they—
 - (a) affix it to goods or the packaging thereof;
 - (b) offer or expose goods for sale, put them on the market or stock them for those purposes under the sign, or offer or supply services under the sign;
 - (c) import or export goods under the sign; or
 - (d) use the sign on business papers or in advertising.

...

Section 21 Defences

- (1) A registered trade mark is not infringed by—
 - (a) the use by an individual of their own name or address,

- (b) the use of indications concerning the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services, or
- (c) the use of the trade mark where it is necessary to indicate the intended purpose of a product or service (in particular, as accessories or spare parts),

provided that use is in good faith.

...

- (3) A person does not infringe a registered trade mark when the person uses the trade mark for the purposes of comparative advertising.

...

Section 30 Grounds for invalidity of registration

- (1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 4.
- (2) Where the trade mark was registered in breach of section 4(1)(b), (c) or (d), it shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered.

...

Erewhonian Human Rights Code

Article 3: 'Everyone has the right to freedom of speech. ...'

Article 18: 'The freedom to conduct a business in accordance with Erewhonian laws and practices is recognized.'

Appendix 2: Authorities cited by Justice Armour

Cases

Specsavers International Healthcare Ltd v Asda Stores Ltd [2012] EWCA Civ 24

<https://www.bailii.org/ew/cases/EWCA/Civ/2012/24.html>

Louis Vuitton Malletier SA v Haute Diggity Dog, LLC, 507 F.3d 252 (4th cir. 2007)

<https://law.justia.com/cases/federal/appellate-courts/ca4/06-2267/062267.p-2011-03-14.html>

The Agency Group Australia Limited v H.A.S. Real Estate Pty Ltd [2023] FCA 482

<https://www.austlii.edu.au/cgi-bin/viewdoc/au/cases/cth/FCA/2023/482.html>

Intel Corp Inc v CPM United Kingdom Ltd (C-252/07) [2009] ETMR 13

https://curia.europa.eu/juris/liste.jsf?num=C-252/07_1

L'Oréal SA v Bellure NV (C-487/07) [2009] ETMR 55

<https://curia.europa.eu/juris/document/document.jsf?docid=75459&doclang=en>

Thomas Pink Limited v Victoria's Secret UK Ltd [2014] EWHC 2631 (Ch)

<https://www.bailii.org/ew/cases/EWHC/Ch/2014/2631.html>

Leidseplein Beheer BV v Red Bull GmbH (C-65/12) [2014] ETMR 24 [https://eur-](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:62012CJ0065)

[lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:62012CJ0065](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:62012CJ0065)

Articles

R. Burrell and D. Gangjee, 'Trade marks and freedom of expression - A call for caution' (2010) 41 *IIC* 544³

https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1604886

M. Handler, 'What Can Harm the Reputation of a Trademark? A Critical Re-Evaluation of Dilution by Tarnishment' (2016) 106 *Trademark Reporter* 639

<https://classic.austlii.edu.au/au/journals/UNSWLRS/2016/41.html>

The global appreciation test: *Specsavers*, para [52]

'On the basis of these and other cases the Trade Marks Registry has developed the following useful and accurate summary of key principles sufficient for the determination of many of the disputes coming before it:

³ IIC is the *International Review of Intellectual Property and Competition Law*.

- (a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors;
- (b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;
- (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;
- (d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;
- (e) nevertheless, the overall impression conveyed to the public by a composite trade mark may, in certain circumstances, be dominated by one or more of its components;
- (f) and beyond the usual case, where the overall impression created by a mark depends heavily on the dominant features of the mark, it is quite possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;
- (g) a lesser degree of similarity between the goods or services may be offset by a greater degree of similarity between the marks, and vice versa;
- (h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;
- (i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;
- (j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;
- (k) if the association between the marks causes the public to wrongly believe that the respective goods [or services] come from the same or economically-linked undertakings, there is a likelihood of confusion.