

Big brands beware: the corner shop may kill your trade mark

The Court of Appeal have upheld a decision of HHJ Hacon that localised goodwill existing before the date of filing will lead to the invalidity of a UK trade mark under s5(4)(a) of the Trade Marks Act 1994. The name of the case is *Caspian Pizza Limited v Shah* [2017] EWCA Civ 1874.

The underlying dispute was between two pizza businesses, one based in Birmingham (Claimants) and the other in Worcester (Defendants), over the right to use the trade name 'Caspian'. The Defendants (who were the Respondents on Appeal) successfully defended trade mark infringement and passing off claims at first instance, and those findings were not appealed. The Defendants also successfully counterclaimed to invalidate one of the Claimants' trade marks for 'Caspian' on the ground that the Defendants had localised goodwill in Worcester before the date of filing of that UK trade mark. It was this finding of invalidity which was the subject of the appeal.

At first instance, HHJ Hacon held that under s5(4)(a) of the Trade Marks Act 1994, localised goodwill was enough to invalidate a national trade mark, as no geographical restriction had been put on the mark during the application stage. Consequently, there was no need to have nationwide goodwill or even goodwill of a certain geographic scope, as any goodwill which would lead to a successful passing off action anywhere in the UK would suffice. Whilst the Claimants had the earlier goodwill in time dating back to the early 1990s, this was localised to the Birmingham area and, therefore, did not impact the goodwill the Defendants had generated in Worcester due to the highly localised

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Ian Bowie, Chambers' Director: ibowie@hogarthchambers.com

or call Hogarth Chambers on +44(0)207 404 0404

clerks@hogarthchambers.com

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nature of the respective businesses. Thus, at the filing date, the Defendants would have been able to restrain use of the Claimants' trade mark in Worcester, and this was enough to engage s5(4)(a).

At the hearing of the appeal, and for the first time, the Claimants sought to geographically limit their trade mark to exclude Worcester under s13 of the Trade Marks Act 1994. However, the Court of Appeal held that this was too late, as their limitation was akin to an abandonment of part of the mark and therefore only took effect from that date, whereas the consideration of the invalidity attack takes place at the date of filing.

The consequence of this decision is that trade mark owners will need to be even more vigilant about bringing an action against a localised business, as the option of geographically limiting your mark only arises during the application process.

[Jonathan Moss](#) represented the Respondents (Defendants at first instance). He was instructed by **RadcliffesLeBrasseur**.

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