

EIP

Bitter battle for the Yorkshire rose

In a recent High Court judgement involving Samuel Smith and Cropton breweries the Hon Mr Justice Arnold stressed on the importance of mediation for resolving disputes quickly and cost efficiently.

The judgement related to Samuel Smith's claim that labels on Cropton Brewery's Yorkshire Bitter and Yorkshire Warrior labels had infringed its registered trademark for a stylised white rose device ([Trade Mark 1006571](#))

Samuel Smith additionally complained that Cropton Brewery had committed the tort of passing off, by use of these labels. Cropton Brewery claimed defence from trademark infringement on the basis that the marks were an indication of geographical origin (a white rose being a symbol of Yorkshire) which were used by Cropton in accordance with honest practices in industrial or commercial matters (Article 6(1)(b) of the European Parliament and Council Directive 2008/95/EC). Cropton also counterclaimed for unjustified threats under Section 21 of the Trade Marks Act 1994.

The first question to be addressed was whether there was a likelihood of confusion between the marks. Arnold J. noted that, regardless of the fact that a white rose is a traditional symbol of the county of Yorkshire, Samuel Smith's trademark was not itself the county emblem. In any event, Justice Arnold stated that prolonged use of the white rose device over forty years by Samuel Smith would likely have caused it to acquire a secondary meaning in the context of beer. Consequently, the trademark had "a reasonably strong" distinctive character. Further, the dominant elements of the alleged infringing labels were judged to be the white rose devices. Whilst there was no evidence of actual confusion, this did not necessarily mean that there was no likelihood of confusion.

The Yorkshire Bitter label clearly identified Cropton Breweries as the brewer on the front of the label (albeit not very prominently) thus reducing likelihood of confusion. Further, Yorkshire Bitter was on sale for about three years, selling about 250,000 bottles, and so there was ample opportunity for confusion to arise. Finally, the judge formed the distinct impression that the Yorkshire Bitter label was included only because it would look odd if it were not included in an action against Yorkshire Warrior. For these reasons, the Judge held that Samuel Smith had failed to establish that there was a likelihood of confusion.

However, the judge felt that there a likelihood of confusion in relation to Yorkshire Warrior. Arnold J. felt the rose device on this label was more similar to the trademark, whilst importantly there was no identification of the brewery on the Yorkshire Warrior label.

In trying to establish a likelihood of confusion, Samuel Smith had included the evidence of a branding expert. However, the judge confirmed the position taken in previous cases (Esure Insurance Ltd. v Direct Line Insurance plc [2008] RPC 34), finding such evidence to be irrelevant to the questions of likelihood of confusion, unfair advantage and detriment to the trademark. In assessing Cropton's defence, Arnold J. agreed that the use of the white rose would be perceived by consumers as indicating that the beers are associated with Yorkshire. Further, the Yorkshire Bitter label was in accordance with honest practices, being purely an indication of geographic rather than trade origin; also, because the label was designed by Marks & Spencer (the exclusive customer for the beer), Cropton was entitled to assume Marks & Spencer would have undertaken the necessary legal checks. It was also noted that Samuel Smith had not challenged the honesty of Marks & Spencer's use of the mark.

However, this was not entirely the case for Yorkshire Warrior. The Yorkshire Warrior beer was produced in order to raise funds for the Yorkshire Regiment benevolent fund. The label is based on the cap badge of the Yorkshire Regiment (itself a registered trademark) which Cropton honestly and reasonably thought had been licensed for their use, but on 22 October 2009 the colonel of the regiment asked Cropton to stop using it, having been advised by the Ministry of Defence that such use would be at risk of infringing Samuel Smith's trademarks. Despite this, Cropton continued their use of the label. Consequently, up to 22 October 2009, the use by Cropton was in accordance with honest practices for the same reasons as Yorkshire Warrior. However, the use after October 2009, was not in accordance with honest practices because Cropton were by then aware of Samuel Smith's trademarks.

As to the claim for passing off, the absence of evidence of confusion comprised any cause of action against Yorkshire Bitter, but it was held that Cropton Brewery had committed

the tort of passing off by sales of Yorkshire Warrior. As to the counterclaim for unjustified threats, although a letter from Samuel Smith to Marks & Spencer, the sole customer of Yorkshire Bitter, did comprise an unjustified threat with the meaning of Section 21 of the Trade Marks Act 1994, but since Marks & Spencer did not take much notice of it and continued buying it for some two years. As a consequence, Cropton Brewery was not a person aggrieved by the letter, and so the counterclaim failed.

Finally, the judge stated that in future mediation should be explored for disputes of this kind as soon as practicable. The judge lamented the fact that the case had not been settled out of court, commenting that costs were out of all proportion to what was at stake and that the costs themselves may quickly have become an obstacle to settlement. In the words of the judge, "One explanation for this is Yorkshire Pride, but I fear that the English legal system bears a measure of responsibility as well".