TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. 2538625B
BY SOLID FLOOR LTD
TO REGISTER THE TRADE MARKS

SOLID FLOOR SOLIDFLOOR

(A SERIES OF TWO MARKS)

AND THE OPPOSITION THERETO UNDER NO. 101165 BY FETIM B.V.

Background and the issues in dispute

- 1. These opposition proceedings concern an application to register SOLID FLOOR and SOLIDFLOOR as a series of two trade marks. The application was made on 9 February 2010 by Solid Floor Ltd ("the applicant"). Before the application was published in the *Trade Marks Journal* on 6 August 2010, it was divided into two parts (Part A and Part B). Fetim B.V. ("the opponent") opposes part B of the application, in respect of the following goods:
- Class 2: Paints, varnishes, lacquers, preservative against rust and against deterioration of wood; colorants.
- Class 11: Lamps, lamp shades, lamp globes; apparatus for lighting; parts and fittings for any of the aforementioned goods.
- Class 16: Printed matter; painting; works of art; prints; posters; cards; postcards; greeting cards; pictures; photographs; paintings; stationery; books; catalogues; albums; diaries; calendars; writing materials and instruments; office requisites; wrapping and packaging materials; artists' materials; stencils; labels; transfers; writing paper, envelopes.
- Class 20: Furniture; bathroom furniture; fitted kitchen furniture; cupboards and cabinets; worktops and table tops; doors for furniture, drawer units for furniture; mirrors; picture frames; cushions, pillows; goods, not included in other classes of plastics; curtain tie backs; towel racks and towel holders; hampers; goods of wood, cork, reed, cane, wicker, horn, bone, ivory, whalebone, shell, amber, mother-of-pearl, meerschaum and substitutes for all these material; parts and fittings for any of the aforementioned goods.
- Class 24: Textiles and textile goods; fabrics; cushion covers; bed and table covers; textile piece goods, household textile articles; towels; bed linen, duvets, duvets covers; quilts, quilt covers, pillowcases; furnishing fabrics and material, curtains, curtain fabric, drapes, blinds; parts and fittings for any of the aforementioned goods.
- Class 27: Carpets, rugs, mats and matting, linoleum and other materials for covering existing floors; wall hangings (non-textile).
- 2. The opposition grounds are that registration would be contrary to sections 3(1)(b), 3(1)(c), 3(3)(b), 3(6), 5(3) and $5(4)(a)^1$ of the Trade Marks Act 1994 ("the Act"). Some of these sections of the Act were pleaded differently in relation to each mark in the series, as set out below.
- 3. Sections 3(1)(b)((c) and (d) of the Act state:

(a)

"3.— (1) The following shall not be registered –

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- (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) ...

Provided that, a trade mark shall not be refused registration by virtue of paragraph (b), (c) or (d) above 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."

Sections 3(1)(b) and (c) are pleaded against both marks in the series. In relation to the conjoined series mark, SOLIDFLOOR, the opponent states that the two words are clearly discernible; other than this difference, the section 3(1) pleadings are the same for both marks. The complaint under section 3(1)(b) is that the mark comprises two words which could be taken as either describing the goods applied for themselves or else their suitability for a given purpose. Under section 3(1)(c), the complaint is that:

"...the words SOLID FLOOR are used as a descriptor for various goods, and by extension, for goods suitable for use on, with, or in relation to those goods. Additionally or alternatively, the word FLOOR could be taken as describing the intended usage of the goods, with SOLID being a modifier as indicating a characteristic of the goods (e.g. sturdy, well constructed, uniform in composition)."

- 4. Section 3(3)(b) of the Act states:
 - "3.— (3) A trade mark shall not be registered if it is-
 - (a) ...
 - (b) of such a nature as to deceive the public (for instance as to the nature, quality or geographical origin of the goods or service)."

The opponent's section 3(3)(b) ground (against both marks) is:

"If used on or in relation to goods which are not solid floors, or on or in relation to goods which are not suitable for use on, with, or in relation to solid floors then there is the risk that the public would be deceived. Likewise if the mark is used on or in relation to goods which are suitable for use on, with, or in relation to floors but the goods are not solid in nature; or if the mark is used on, or in relation to goods which are solid in nature but which are not suitable for use on, with, or in relation to floors; in both those situations there would be a risk that the public would be deceived."

5. Section 3(6) of the Act states:

"3.— (6) A trade mark shall not be registered if or to the extent that the application is made in bad faith."

The opponent claims that both marks in the series were applied for in bad faith because the marks "include goods for which the applicant can have no bona fide use or intent to use the mark on or in relation thereto as a trade mark to indicate the source of the goods in question." It elaborates by claiming that the list of goods of the application includes all or most of the class headings, covering over sixty specific categories of goods, in addition to more general terms, ranging from books to towel racks to hampers. The opponent states that the applicant's website indicates that the applicant's current business is in relation to flooring products and that the goods of the application are, in most cases, far removed from those which the applicant supplies under its existing business or those that could reasonably be expected to be supplied by a business of the nature of the applicant. The opponent claims that the only reasonable inference is that the application is "covetous" as it covers goods or categories of goods that the applicant has no genuine intention to deal in. The opponent places significance on the fact that the 'A' part of the trade mark application includes retail services connected with the broad range of goods applied for in the opposed application. The opponent also states that the goods of the application include, for example, goods made of ivory and whalebone which originate from protected species.

- 6. In relation solely to the conjoined mark SOLIDFLOOR, the opponent also claims that the mark was applied for in bad faith because:
 - "...the applicant is well aware of the long and substantial use that the opponent has made of the mark SOLIDFLOOR (one word); the inclusion of the mark SOLIDFLOOR in this application is an act of bad faith."

The opponent explains that there have been previous proceedings between the parties before the Intellectual Property Office (under opposition number 95416) and also before the Office for Harmonisation in the Internal Market (Trade Marks and Designs) ("OHIM"). Therefore, it claims, the applicant will have known that the opponent has been using the mark SOLIDFLOOR for a number of years.

- 7. Section 5(3) of the Act states:
 - (3) A trade mark which-
 - (a) is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a Community trade mark or international trade mark (EC), in the European Community) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark."

Under this ground, the opponent attacks only the conjoined mark SOLIDFLOOR, relying on its Community trade mark number 5667837:



Class 19: Building materials, not of metal, parquet flooring of plastic and wood, flooring of wood, cork and laminate; subfloors; transportable floors, not of metal.

- 8. This Community trade mark was applied for on 6 February 2007, so is an earlier mark. However, it is not yet registered (it is under opposition by the present applicant). The opponent claims that its reputation would be diminished if the applicant's goods were of inferior quality and that its distinctiveness will be weakened. The opponent also claims that the similarity between the marks would lead the relevant public to believe that the marks are used by the same undertaking or that there is an economic connection between them.
- 9. Section 5(4)(a) of the Act states:
 - "5.-(4) 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, or

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an "earlier right" in relation to the trade mark."

Under this ground, the opponent attacks only the conjoined mark SOLIDFLOOR. It relies upon use of the sign SOLIDFLOOR, which it states was first used in the UK in 2006, "probably in London". It states:

"The Opponent has made use of its mark SOLIDFLOOR, not only in the United Kingdom, but also at exhibitions (for example Domotex, a major international flooring exhibition) which would be attended by customers and potential customers from the United Kingdom. Thus the use of the mark SOLIDFLOOR by the Opponent, on the goods applied for, especially as ancillary to retail services in, and sales of, flooring products, is likely to give rise to confusion as to the source of the products, given that the Opponent is well known for flooring products bearing the mark SOLIDFLOOR and it would seem that the Applicant has not, as far as can be ascertained, used the mark SOLIDFLOOR (one word) in relation to the goods applied for (or indeed in relation to any goods or services).

10. The applicant filed a counterstatement in which it denied all the grounds of opposition. The applicant denies that it is well aware of the long and substantial use that the opponent claims and puts the opponent to proof of its alleged reputation and goodwill. The applicant states that it adopted the name SOLID FLOOR in 1994,

which it states is known to the opponent. The applicant states that it has used the name continuously since that time in relation to goods and services "in the field of floor coverings". In relation to the intention to use allegation, the applicant states:

"The Applicant denies the allegations made by the Opponent at paragraph 6 to the effect that the Applicant does not have a bona fide intention to use the proposed marks on all of the goods of the application. The Applicant has declared a bona fide intention to use the proposed marks in relation to all of the goods listed in the application. The goods of the opposed application include, inter alia, works of art and furniture, which may include antique works of art and furniture, which may consist of or contain materials such as ivory or whalebone, which do not contravene relevant laws.

11. Both parties filed evidence and a hearing took place at which the opponent was represented by Mr Michael Edenborough QC of Counsel, instructed by Mewburn Ellis LLP, its trade mark attorneys, and the applicant was represented by Mr Simon Malynicz of Counsel, instructed by The Trademark Café, its trade mark attorneys.

Evidence

- 12. The opponent has filed evidence from two individuals, Michael Foster (five witness statements) and Antonius Pieter Wieringa (two witness statements). Mr Foster is the opponent's trade mark attorney. Mr Wieringa is Director of Commerce of Fetim Professional (part of the Opponent)². The applicant's evidence comes from Mr Eelke Jan Bles and Ms Laurel McBray (one witness statement from each). Mr Bles is the founder of the applicant and has been one of the applicant's directors for fifteen years. Ms McBray is the applicant's trade mark attorney.
- 13. Mr Foster states in his first witness statement that there is a history between the parties, including previous UK opposition proceedings³; he submits, therefore, that the applicant is aware of the opponent's long use of the mark SOLIDFLOOR. The applicant has applied for various goods which are found in do-it-yourself, home improvement and renovation retail outlets, such as Homebase, which also sells various types of wooden flooring. Exhibit MGF12 shows that Homebase sells goods such as furniture, lighting, paint, interior woodcare products, arts and crafts material, textiles, rugs, floor coverings and flooring. Mr Foster submits:

"Thus the inclusion of the mark SOLIDFLOOR in the application for the various goods applied for could be seen as an attempt by the applicant to stop the Opponent from using its mark SOLIDFLOOR on a range of goods that are a reasonable and logical extension of the Opponent's current range of goods, for which it has a substantial reputation."

14. Mr Wieringa's evidence gives details of the opponent's trade and reputation. Some of the evidence has been adopted from previous opposition proceedings (95416); exhibit AW1 is a copy of Mr Wieringa's 2008 witness statement and

² Mr Wieringa states that he joined the opponent in 1984 as a salesman and became Director of Commerce in 1998. He states that he has full access to the opponent's records.

³ Opposition number 95416, decision BL O/032/10..

accompanying exhibits which were filed as the opponent's evidence in those proceedings. The witness statement gives pre-2008 details of the opponent's use of SOLIDFLOOR on wooden flooring. In those proceedings, the opponent did not plead any relative grounds. The evidence relates to its use of SOLIDFLOOR, not the CTM which it relies upon in these proceedings under section 5(3). The vast majority of the exhibits are in Dutch. I will not summarise here the evidence from the earlier proceedings, but I will refer to it when I assess the section 5(4)(a) ground because that is based on SOLIDFLOOR.

15. Mr Wieringa states that the opponent has spent a considerable amount on advertising and publicity, including international exhibitions, fairs and magazines, and that the dealers who sell the opponent's flooring also advertise the goods. He gives details of the expenditure in exhibit AW2⁴. There is a list of publications, the titles of which are not English words; they appear to be Dutch. The breakdown, by country of advertising expenditure, appears to combine Netherlands and GB figures. although there is a separate "ENG" entry. There are zeros in the "NL/GB" column for 2008 to 2011, although there are figures in a column called "Fetim". Mr Wieringa refers to the exhibit showing details of expenditure. Mr Wieringa's second witness statement clarifies the meaning of exhibit AW2. The figures relate to the number of brochures sent to partners in various countries for Solidfloor products for the partners' use. Some brochures were printed with the partner's logo. 29,535 Englishlanguage brochures were printed in 2008 and 8,250 in 2009. It is not possible to draw very much from the table, certainly in relation to the mark relied upon. Later in his first witness statement, Mr Wieringa states that the marketing budget is 1.5 million Euros per year, specifically on Solidfloor.

16. Mr Wieringa states that the opponent distributes its flooring through EU dealers, including eight in the UK (a list is shown at exhibit AW3). Exhibit AW4 is a seventeen-point list of "European activities for brand development of Solidfloor". It refers to participation at over 50 European trade shows; about 700,000 multilingual EU brochures "by Solidfloor"; "Fetim only" annual marketing budgets of 1.5 million Euros; over 100 dedicated Solidfloor dealers in the Netherlands; sales in over 30 countries by over 100 Solidfloor partners; a list of countries where Solidfloor products are, or have been sold (AW13) but which only relates to Poland, Austria and Switzerland; Solidfloor shops in Norway, France, Marseille and Sneek (Netherlands), EU dealer conferences, membership of various industry bodies (this cannot be the trade mark, it must refer to the opponent); newsletters about Solidfloor product news; multiple editions of Solidfloor News, a dealer oriented magazine focusing on the brand development in Europe; and "many individual activities by Solidfloor partners, for example for Poland, Austria and Switzerland". AW5 is a list of flooring trade shows, some of which Mr Wieringa states are also for end users. He refers to a show in Oslo for designers and one in Woonbeurs for end users. None of the shows were in the UK. AW6 shows an article about a Hannover show in 2009 (called Domotex) and a leaflet publicising the show from 2010. The information is presented in German and English (with options for other languages). AW7 shows proofs of promotional literature. The mark is similar to, but not the same as, the mark relied upon for section 5(3). Where there are dates, they are in the form of tiny digital date and time markings at the bottom right of each page (e.g. "20-5-11 14:53"). Most of

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⁴ AW2 is identical to AW8.

the pages of the 51-page exhibit are in Dutch; two are in English. One relates to publicity for an October 2010 show in Kuala Lumpur, with an advertisement for "Solidfloor The professional's choice" shown on the page.

- 17. Mr Wieringa exhibits 217 pages⁵ of what he describes as various mentions of Solidfloor on websites and in publications. The dates mentioned in the text on many of the website extracts are January, February, March, April, May June 2011 or are undated. Many are illegible. Some are dated in 2009, but virtually all the pages are in Dutch, Scandinavian or German. There is a one-page advertorial, undated, which is in English, which refers to the word-only sign Solidfloor. Another page has dating in the text of 2010 and is in English, referring to Solidfloor's new brand "Solidfloor...forever yours!" The article appears to be in a trade publication because there is an advert, below it, for the Shanghai Domotex exhibition in March 2011. Page 136 refers to Solidfloor at Domotex 2011. An article on page 176 about Fetim's stand at an exhibition appears to relate to Domotex. Solidfloor is mentioned in the article. The page is undated and there are no references in the text to indicate in what year, or where, the exhibition took place. Page 200 is hosted on a German website, and appears to be from Parquet International 2009. It is in English and refers to the "Dutch wooden flooring trader, Fetim always stays in touch with or even ahead of contemporary lifestyles. In 2009 the company is offering various, up-todate designs in the Solidfloor range." The article is one of several reports to news from various flooring companies around the world and is headed "FETIM, NETHERLANDS". A similar article and presentation appears on page 211, also from 2009.
- 18. Exhibit AW10 is comprised of what Mr Wieringa states to be various brochures called "About the floor" in English, and the equivalent publications in Dutch, German and French. The dates of the brochures are after the date of application and I note that there is pricing in Euros of a facility to upload photographs from a room-planning tool on the Solidfloor website. It is aimed at sellers of flooring because the October 2010 edition refers to "in your shop". The brochure shows the stylised mark relied upon for section 5(3). AW11 shows Dutch, German and English versions of press releases about Solidfloor dating from 2011. Exhibit AW12 includes several pages in English from "Solidfloor News". News articles about Solidfloor flooring are shown for Switzerland, Germany, France, Portugal, the Czech Republic, Slovakia, the Netherlands, Latvia, the Ukraine, Iceland, Estonia, Turkey, Italy, Greece, Norway, Russia and Austria. The calendar of exhibitions mentions shows in Thessaloniki, Lausanne, Milan, Moscow, Lisbon, Madrid, Hannover, Munchen, Saltzburg, Odessa, Kiev, Barcelona, Bologna, Zagreb, Grenoble, Ljubljana and Belgrade. There are no news items for the UK and no details of exhibitions held in the UK. Mr Wieringa exhibits (AW13) examples of individual activities by the opponent's partners. These all relate to activities in Poland, Switzerland and Austria. Mr Wieringa states that a Solidfloor dealer has broadcasted at least fifty Solidfloor commercials in Poland.
- 19. Mr Wieringa states that in the past 10 years, 15 million m² of Solidfloor flooring has been sold in 28 countries. Exhibit AW14 is a list of countries in which, Mr Wieringa states, Solidfloor flooring is or has been sold. Not all of the countries are in the EU. The UK is included in the list. Mr Wieringa refers to the "Piet Boon"

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⁵ Exhibit AW9.

Solidfloor line. He states that Mr Boon is a famous designer. Mr Wieringa refers to the Solidfloor by Piet Boon collection as being "currently introduced" in the Netherlands, Poland, the UK, Italy, France and Greece.

- 20. Mr Wieringa refers to his having been interviewed by an international flooring magazine (the exhibited article is in German). He refers to a large, very famous Dutch shop, which sells many different kinds of items, as including a "shop within a shop" which sells Solidfloor flooring. Mr Wieringa also refers to the opponent's website solidfloor.nl and solidfloor.com and the dealers' websites in which the name Solidfloor is included. The example he gives is solidfloor.eu.
- 21. Mr Wieringa states that the flooring all bears the following packaging:



Also, individual planks are stamped, although this is simply with a swirly S, rather than the words or CTM.

22. Mr Wieringa exhibits (AW20) a table showing the level of Solidfloor sales for 2006 to 2010, mainly in the EU. This exhibit has been granted confidentiality under rule 59 of the Trade Marks Rules 2008. Mr Wieringa states that the decline in sales in some countries has been caused, at least partly, by the recession. The figures in the table are wholesale and retail prices (he calls them end user prices) differ from country to country. He states that, in general, the retail price is twice the wholesale price. There is a separate table, specifically for the UK, in Euros:

(table redacted)

23. The applicant's evidence come from Mr Bles, who states that he originally adopted the business name Solid Floor and formed a company under the name Solid Floor Vennootschap onder firma ("Solid Floor V.o.f.") in the Netherlands on 27 December 1993. Exhibit EJB1 is a copy of the Commercial Register Extract from the Amsterdam Chamber of Commerce and Industries (an English translation is provided) which shows that Mr Bles was one of two partners in the business. Mr Bles explains that he chose the name because he liked the positive connotations of the word 'solid', in the sense of strength and reliability. The company operated in the Netherlands, supplying wooden and timber floors until it was closed on 1 December 1996 when Mr Bles moved permanently to London in order to develop his business in wood, timber and other floor coverings. Mr Bles states that, since December 1993, he has continuously owned and operated a company whose business is the retail, supply and fitting of wood and timber flooring and other floor coverings under the name Solid Floor: in the Netherlands (Solid Floor V.o.f.) from December 1993 to 1 December 1996 and in the UK (Solid Floor Limited) from 7 March 1997 onwards.

- 24. Ms McBray's evidence is in the nature of criticism of the opponent's evidence. Her first witness statement adduces the results of searches for the combination of Solid Floor and Solidfloor; she could not find any instances of sequential use. The remainder of her evidence is a critique of the opponent's evidence and is in the nature of submission, which I bear in mind, but will not summarise here.
- 25. Both Mr Foster and Mr Wieringa have filed evidence in reply (three additional statements from Mr Foster and one from Mr Wieringa). The first additional statement from Mr Foster deals only with the historical legal status of Mr Bles' company. As will be seen from the summary of Mr Bles' evidence, it comes nowhere near to establishing concurrent trade, so I do not need to say any more about Mr Foster's evidence. Mr Foster's second statement deals with the differences between the two marks in the series and the impact upon the perceived distinctiveness or lack of it. This statement is in the nature of submissions which I will not summarise, but have borne in mind. Mr Fosters final witness statement is in reply to criticisms of Mr Wieringa's evidence made by the applicant and it is not necessary to summarise it.
- 26. Mr Wieringa states (second witness statement) that at the date of his statement (3 April 2012), there were twenty-four dealers in the UK. This was over two years after the relevant date. In relation to criticism about the Domotex exhibition, Mr Wieringa exhibits a webpage from turgonflooring.co.uk, reporting a news item on 20 December 2011 that the Domotex exhibition was set for January 2012. Another website, instacoustic.co.uk states that it will be exhibiting at the 2012 exhibition, which is the "world's largest market place for the carpet and floor coverings industry".

27. Finally, Mr Wieringa states:

"As regards paragraph 22 of Ms McBray's Witness Statement information relating to the market share of products sold under the **Solidfloor** trademark is not available. We are not prepared to provide copies of invoices that we have sent to UK customers."

28. I have borne all papers filed by both parties in mind, whether evidence of fact or submission, along with, of course, the submissions made at the hearing.

Section 5(3)

- 29. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, [1999] ETMR 950, Case 252/07, *Intel*, [2009] ETMR 13, Case C-408/01, *Adidas-Salomon*, [2004] ETMR 10 and Case C-487/07, *L'Oreal v Bellure* [2009] ETMR 55. The law appears to be as follows:
 - (a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors, paragraph 24*;
 - (b) The trade mark for which protection is sought must be known by a significant part of that relevant public; General Motors, paragraph 26; but the

reputation of the earlier mark may extend beyond the consumers for the goods and services for which it is registered; *Intel, paragraph 51;*

- (c) It is necessary, but not sufficient, for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman, paragraph* 29 and *Intel, paragraph* 63;
- (d) Whether such a link exists must be assessed globally taking into account all relevant factors, including the degree of similarity between the respective marks and between the respective goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel, paragraph 42*;
- (e) Although it is not a necessary factor, a link between the trade marks is necessarily established where the similarity between the marks causes the relevant public to believe that the goods/services marketed under the later mark come from the owner of the earlier mark, or from an economically connected undertaking; *Intel, paragraph 57*;
- (f) Where a link is established, the owner of the earlier mark must also establish that it has resulted in the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel, paragraph 68:* whether this is the case must also be assessed globally, taking account of all the relevant factors; *Intel, paragraph 79;*
- (g) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious likelihood that this will happen in future; *Intel, paragraphs 76 and 77;*
- (h) The more unique the earlier mark appears, the greater the likelihood that the use of a later mark identical or similar mark will be detrimental to its distinctive character; *Intel, paragraph 74*.
- (i) Detriment to the repute of the earlier mark is caused when the goods or services for which the later mark is used by the third party may be perceived by the public in such a way that the earlier trade mark's power of attraction is reduced; *L'Oreal*, *paragraph 40*.
- (j) Unfair advantage covers, in particular, cases where a third party seeks to ride on the coat-tails of the senior mark in order to benefit from a transfer of the image of the earlier mark, or of the characteristics it projects to the goods/services identified by the later mark; *L'Oreal, paragraph 41*.
- 30. In *PAGO International GmbH v Tirolmilch registrierte Genossenschaft mbH*, case C-301/07, the CJEU stated:

- "Article 9(1)(c) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark must be interpreted as meaning that, in order to benefit from the protection afforded in that provision, a Community trade mark must be known by a significant part of the public concerned by the products or services covered by that trade mark, in a substantial part of the territory of the European Community, and that, in view of the facts of the main proceedings, the territory of the Member State in question may be considered to constitute a substantial part of the territory of the Community."
- 40. Consequently, both *General Motors* and *Pago* require that the opponent's CTM must be known by a significant part of the public concerned for the goods covered by the marks, in a substantial part of the EU. Reputation of a CTM in one member state may be sufficient to establish the requisite reputation, as per *Pago*. One of the requirements of section 5(3) is the establishment of a link in the mind of the average consumer of the goods. As these proceedings include or relate to the UK, even if reputation is shown amongst a significant part of the public in the rest of the EU, if the CTM is not known sufficiently in the UK, there can be no link in the mind of the UK consumer, no damage to the distinctive character or reputation of the opponent's CTM, and no taking advantage of the opponent's CTM.
- 41. The opponent has refused to provide invoices sent to customers and it has made a positive statement that market share details are not available. Mr Edenborough pointed to a page in the opponent's evidence which it had filed in the previous proceedings from "Parkett International", which was an article written in 2005, stating that "Europe consumes 100 million sqm of parquet." A breakdown per country is given, but not for the UK. Mr Edenborough submitted that it may be deduced from the opponent's sales figures of 15 million m² that it has 1% of the European market. However, this was 2005; there is no mention of the UK; I cannot tell if this was sales under the CTM relied upon for section 5(3); and the opponent has chosen to make a positive statement that market share details are not available.
- 42. The publicity literature is nearly all in European languages other than English. Where it is in English, it is either not dated, or there is no other corroborative evidence to show that UK sales took place. English-language brochures which refer to pricing in Euros could be aimed at customers from anywhere in the world who do not have a grasp of Dutch, German or French (the other languages of the brochures); eg. for the Shanghai Domotex exhibition. In the Solidfloor newsletters, there are no news items for the UK and no details of exhibitions held in the UK. With such a lengthy list of other countries mentioned, and exhibitions in major European cities, the UK is conspicuous in its absence.
- 43. The table of sales figures is the only reference to UK sales in the opponent's evidence, other than a bare list of dealer locations in the UK. It relates to Solidfloor, not the CTM relied upon for section 5(3). Mr Wieringa states that all products have the packaging shown above, which does show the CTM. The sales figure table does not refer to the CTM. The overwhelming picture is that use of the CTM has been on the continent and not in the UK. Even if use of the CTM in the UK had been shown, as a very rough conversion for euros to pounds at today's exchange rate, the sales figures in the table in sterling for the years

(redacted figures). This not enough to satisfy

a claim to a *Chevy*-type reputation. Bearing in mind that the applicant's SOLIDFLOOR mark in the previous proceedings was found to be devoid of any distinctive character/descriptive for flooring, it is very unlikely that even if the reputation requirement was satisfied there would be a link with the vast majority of the application. However, I do not need to decide this point because the opponent has failed to demonstrate in its evidence that it has a reputation in the mark relied upon in the UK. The average consumer will make no link with the opponent's goods. **The opposition under section 5(3) fails.**

Section 5(4)(a)

- 44. The requirements to succeed in a passing off action are well established and are summarised in *Halsbury's Laws of England* 4th Ed. as being that:
 - i) the claimant's goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
 - ii) there is a misrepresentation by the defendant (whether or not intentional) which is likely to deceive the public into believing that the defendant's goods or services are those of the claimant; and
 - iii) the claimant has suffered or is likely to suffer damage as a result of the erroneous belief created by the defendant's misrepresentation.
- 45. The date of application is the relevant date in relation to section 5(4)(a)⁶. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made. If the applicant was not passing off when it commenced trading under the sign, a continuation of the same trade under the same sign will not amount to passing off at the relevant date. The applicant could show evidence which could establish that it was the senior user and that the existing position should not be disturbed and so its use would not be liable to be prevented by the law of passing-off⁷. In this case, the applicant has not substantiated its claim to concurrent trade and so the relevant date is the date of application, 9 February 2010.
- 46. It is not a requirement under this section to prove reputation, but it is a requirement to prove goodwill in the UK. The opponent has pleaded that its mark SOLIDFLOOR was first used in the UK in 2006, probably in London. For this, I go back to Mr Wieringa's statement in the previous opposition, because the opponent's evidence filed in the current proceedings does not go that far back. The opponent has referred me to the Hearing Officer's summary of both parties' evidence in the

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⁶ See the comments of Mr Daniel Alexander QC, sitting as the Appointed Person in *MULTISYS* BL O/410/11.

⁷ See, for instance: Croom's Trade Mark Application [2005] RPC 2 and Daimlerchrysler AG v Javid Alavi (T/A Merc) [2001] RPC 42.

earlier absolute grounds proceedings. In relation to Mr Wieringa's evidence, the Hearing Officer's summary said⁸:

"The next Witness Statement is dated 21 February 2008 and comes from Anthonius Pieter Wieringa, Director of Commerce of Fetim Professional. Mr Wieringa says that he joined Fetim in 1984 as a salesman and started his present position in 1998. Mr Wieringa says that Fetim started using SOLID FLOOR in the Netherlands in 1996. Exhibits APW1 and APW2 consist of copies of the Fetim company newsletter that he says was sent to approximately 15,000 Dutch clients, and translations into English, respectively. Exhibit APW3 consists of various items such as price lists, dealer lists and a letter to clients. None of these are in English so appear to have been targeted at the Dutch market. Exhibit APW4 consists of items of trade related literature. Exhibit APW5 consists of details related to the registration of "solidfloors.nl."

47. I have looked at the evidence and cannot add to this summary. The previous evidence does not help the opponent's case; it does not refer to trade in the UK and so cannot prove there was goodwill which "is the attractive force which brings in custom", to quote the well-known definition from *Inland Revenue Commissioners v Muller & Co's Margerine Ltd* [1901] AC 217 at 223. The only direct evidence relating to trade in the UK in relation to SOLIDFLOOR are the sales figures table referred to above. The opponent has declined to provide invoices sent to customers. Mr Wieringa states in his second witness statement:

"We are not prepared to provide copies of invoices that we have sent to UK customers.

This leaves me in a difficult position as the decision taker. Mr Geoffrey Hobbs QC, sitting as the Appointed Person said, in *Club Sail*, BL O/074/10:

"Thirdly, when assessing the evidence in the witness statements it is appropriate to do so from the perspective identified by Lord Bingham of Cornhill in <u>Fairchild v. Glenhaven Funeral Services Ltd</u> [2002] UKHL 22; [2003] 1 AC 32 (HL) at paragraph [13]:

...And I think it is salutary to bear in mind Lord Mansfield's aphorism in *Blatch v. Archer* (1774) 1 Cowp 63 at 65, 98 ER 969 at 970 quoted with approval by the Supreme Court of Canada in *Snell v. Farrell*:

'It is certainly a maxim that all evidence is to be weighed according to the proof which it was in the power of one side to have produced, and in the power of the other to have contradicted'."

Recently, Mr Daniel Alexander QC, sitting as the appointed person in *Plymouth Life Centre*, BL O/230/13, observed, in the context of proof of use, that:

⁸ BL O/032/10.

"A tribunal is entitled to be sceptical of a case of use if, notwithstanding the ease with which it could have been convincingly demonstrated, the material actually provided is inconclusive."

48. In Reef Trade Mark [2002] RPC 19, Pumfrey J said:

"There is one major problem in assessing a passing off claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under s.11 of the 1938 Act (see Smith Hayden & Co. Ltd's Application (OVAX) (1946) 63 R.P.C. 97 as qualified by BALI Trade Mark [1969] R.P.C. 472). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on."

and

"Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed to the relevant date. Once raised, the applicant must rebut the prima facie case. Obviously, he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of probabilities that passing off will occur."

In *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat), Floyd J, building upon Pumfrey J's observations, said:

- "8 Those observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be answered of passing off. I do not understand Pumfrey J to be laying down any absolute requirements as to the nature of evidence which needs to be filed in every case. The essential is that the evidence should show, at least prima facie, that the opponent's reputation extends to the goods comprised in the application in the applicant's specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application."
- 49. There is a substantial amount of evidence relating to use on the Continent (although much of it is after the relevant date, is undated, or it is unclear what sign is being used). The opponent chose to add the section 5(4)(a) ground after it had filed its evidence in support of the other grounds. However, although the evidence is sketchy, there is a statement from the opponent's Director of Commerce, a person who is in a direct position to know the extent of the opponent's business, that (a) Solidfloor flooring has been sold in the UK (see paragraph 19); (b) he provides sales

figures for the UK which are beyond a trivial amount⁹ (in the redacted sales table) and (c) there are eight UK dealers selling Solidfloor flooring and (d) the words Solidfloor appear on the packaging (as shown at paragraph 21). Although the sales figures are not large, they are at a level which satisfies me that the above piecing together of the evidence produces an overall picture that the opponent had a small, but protectable, goodwill at the relevant date which was attached to wooden flooring by association with the sign Solidfloor.

Misrepresentation

- 50. In Woolley & Anr v. Ultimate Products Ltd & Anr [2012] EWCA Civ 1038, Lady Justice Arden said:
 - "3. The second requirement for the tort of passing off is that there must be a misrepresentation by the defendant that his goods emanate from the claimant. It is not enough to show that purchasers were merely confused as to the provenance of the defendant's goods: purchasers must be led to believe that the goods emanate from the claimant (see per Lord Jauncey, with whom the other members of the House also agreed, in the *Jif Lemon* case at 510-1). There is some flexibility in this. As Lord Jauncey explained, it is enough that the defendant:

"misrepresents his goods in such a way that it is a reasonably foreseeable consequence of the misrepresentation that the plaintiff's business or goodwill will be damaged. Thus a misrepresentation by B that his inferior goods are of a superior quality, which is that of A's goods, whereby people buy B's goods instead of A's, is actionable."

- 4. The misrepresentation must be more than transitory: it is not sufficient that a purchaser is misled initially but his misunderstanding is dispelled before any material step is taken (see *Cadbury-Schweppes Pty Ltd v Pub Squash* [1981] 1 WLR 193, PC). In this case, for example, trade purchasers who were confused as to HENLEYS watches checked the position with Mr Woolley so that any misrepresentation to them was not operative.
- 5. Misrepresentation must operate to mislead a substantial number of members of the public. Substantiality is not a question of counting heads. It is relative to the product and market in question. The judge has to make both a qualitative and quantitative assessment of substantiality: *Neutrogena Corpn v Golden Ltd* [1996] RPC 473. The judge found that there was little direct evidence of misrepresentation in this case. There is an issue as to whether he gave adequate consideration to the need for substantiality and whether it was satisfied.
- 6. Misrepresentation must be "the right way round", that is to say, members of the public must be confused into believing that the goods of the defendant

⁹ A trivial goodwill will not accrue protection (*Hart v Relentless Records* [2002] EWHC 1984); however a small goodwill can give rise to protection (e.g. *Stannard v Reay* [1967] FSR 140) and *Lumos Skincare Ltd v. Sweet Squared Ltd and others* [2013] EWCA Civ 590.

are goods of the claimant. It is not enough for them to be misled into thinking that goods of the claimant are goods of the defendant. This is "the wrong way round", or "reverse misrepresentation", as I shall call it. It may suffice for trade mark infringement but not for passing off."

51. In deciding whether a substantial number of the opponent's customers (and potential customers) will merely wonder if there is a connection between the parties, or whether they will assume that there is a connection and thereby be deceived, the following factors from Halsbury's Laws, cited in *WILD CHILD* [1998] RPC 455 by Geoffrey Hobbs QC, sitting as the Appointed Person, are helpful:

"In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to

- (a) the nature and extent of the reputation relied upon;
- (b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;
- (c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff:
- (d) the manner in which the defendant makes use of the name, mark etc complained of and collateral factors; and
- (e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances."
- 52. The mark attacked is identical to the sign which has a small level of goodwill. In *Multisys*, Mr Alexander QC said (at paragraph 28) that the "more limited the reputation on the part of the undertaking asserting the potential claim in passing off under s. 5(4)(a), the less likely that it will be able to show that a misrepresentation would be made by the use of a similar mark by a third party" (I recognise that here I am dealing with identical marks and signs). In *Lego System Aktieselskab and Another v Lego M Lemelstrich Ltd* [1983] FSR 155 the distance between the fields of activity, toys and irrigation equipment, was bridged by an enormous reputation, Lego being classed as a household word. In *Harrods Limited v Harrodian School Limited* [1996] R.P.C. 697, Millet LJ said¹⁰:

"There is no requirement that the defendant should be carrying on a business which competes with that of the plaintiff or which would compete with any natural extension of the plaintiff's business... What the plaintiff in an action for passing off must prove is not the existence of a common field of activity but likely confusion among the common customers of the parties.

¹⁰ Coincidentally, the quotation in this case "whether there is any kind of association, or could be in the minds of the public any kind of association, between the fields of activities of the plaintiff and the field of activities of the defendant" came from a judgment in which the present opponent was successful in a passing off action against an escort agency called Annabel's. It can be seen in the judgment that the Court of Appeal considered Annabel's to be a "well-known club in London" with a high-class image, a membership waiting list, and that the club did not need to advertise as it constantly featured in the leading daily papers. The evidence in the present case shows that this remains the position almost forty years after that case was heard.

The absence of a common field of activity, therefore, is not fatal; but it is not irrelevant either. In deciding whether there is a likelihood of confusion, it is an important and highly relevant consideration

"...whether there is any kind of association, or could be in the minds of the public any kind of association, between the field of activities of the plaintiff and the field of activities of the defendant":

Annabel's (Berkeley Square) Ltd. v. G. Schock (trading as Annabel's Escort Agency) [1972] R.P.C. 838 at page 844 per Russell L.J.

In the Lego case Falconer J. likewise held that the proximity of the defendant's field of activity to that of the plaintiff was a factor to be taken into account when deciding whether the defendant's conduct would cause the necessary confusion.

Where the plaintiff's business name is a household name the degree of overlap between the fields of activity of the parties' respective businesses may often be a less important consideration in assessing whether there is likely to be confusion, but in my opinion it is always a relevant factor to be taken into account.

Where there is no or only a tenuous degree of overlap between the parties' respective fields of activity the burden of proving the likelihood of confusion and resulting damage is a heavy one. In Stringfellow v. McCain Foods (G.B.) Ltd. [1984] R.P.C. 501 Slade L.J. said (at page 535) that the further removed from one another the respective fields of activities, the less likely was it that any member of the public could reasonably be confused into thinking that the one business was connected with the other; and he added (at page 545) that

"even if it considers that there is a limited risk of confusion of this nature, the court should not, in my opinion, readily infer the likelihood of resulting damage to the plaintiffs as against an innocent defendant in a completely different line of business. In such a case the onus falling on plaintiffs to show that damage to their business reputation is in truth likely to ensue and to cause them more than minimal loss is in my opinion a heavy one."

53. In *Lumos Skincare Ltd v. Sweet Squared Ltd and others* [2013] EWCA Civ 590, the Lord Justice Lloyd said, at paragraph 42:

"If the same mark is used in relation to goods of two entirely different natures, of kinds which no ordinary person would suppose could be connected, then the use of the mark by one party is unlikely to be found to amount to a representation that its goods are from the same trade origin as those of the other user. If the Defendants had used the mark LUMOS in relation to, let us say, electric lights or light fittings, then it might be fair to say that no-one would suppose that the use of the same mark suggested that such goods came from the same source as the Claimant's skincare products. (Compare the unsuccessful attempt by Granada Television to prevent Ford from selling a car under the name Granada: *Granada Group Ltd v Ford Motor Company Ltd*

[1973] RPC 49.) The Defendants sought to show that the skin care and nail care sectors of the beauty industry are quite distinct, but they cannot be said to be so distinct and separate that no-one could suppose that the use of the same mark in both sectors carried a representation of common origin or business association. For one thing, that is belied by the evidence that some well-known brand names are used in both sectors, as already mentioned."

54. The level of goodwill demonstrated by the opponent is nowhere near the household name level described above. With the exception of rugs, mats and matting, the applicant's goods are far removed from flooring and so the burden falls heavily upon the opponent to satisfy me that there will, nevertheless, be deception on the part of a substantial number of the opponent's customers. I bear in mind that when the present applicant applied for the mark Solid Floor in relation to flooring, the registrar upheld the present opponent's opposition to it under sections 3(1)(b) and (c) of the Act¹¹. In *Burberrys v Cording* (1909) 26 R.P.C. 693, Parker J said:

"It is important for this purpose to consider whether the word or name is prima facie in the nature of a fancy word or name, or whether it is prima facie descriptive of the article in respect of which it is used. It is also important for the same purpose to consider its history, the nature of its use by the person who seeks the injunction, and the extent to which it is or has been used by others. If the word or name is *prima facie* descriptive or be in general use, the difficulty of establishing the probability of deception is greatly increased. Again, if the person who seeks the injunction has not used the word or name simply for the purpose of distinguishing his own goods from the goods of others, but primarily for the purpose of denoting or describing the particular kind of article to which he has applied it, and only secondarily, if at all, for the purposes of distinguishing his own goods, it will be more difficult for him to establish the probability of deception. But whatever be the nature of history of the word or name, in whatever way it has been used, either by the person seeking the injunction or by others, it is necessary, where there has been no actual deception, to establish at least a reasonable probability of deception."

55. There has been no evidence of confusion or deception filed and no evidence that the type of wooden flooring sold by the opponent (planks which fit together, as shown in the evidence) is associated in trade with rugs and mats (and in my experience as a householder, I have never seen such goods sold together). In *Teleworks v Telework Group* [2002] RPC 27, it was observed:

"9 The word "telework" both as a noun and as a verb has recently entered the language. As a verb it means to work remotely from your employer, using telecommunications to communicate with him, and thereby avoid commuting. Some of the goods and services sold by the parties in the present case are relevant to teleworking. Indeed the claimant has specifically drawn attention to that fact in some of its advertising. Where the name in dispute in a passing off action has descriptive connotations the difficulty faced by a trader in establishing that its use would be recognised as distinctive of him is increased. There is a continuum in this respect from the purely descriptive

¹¹ BL O/032/10.

name to the entirely distinctive or invented name: see *Kerly Law of Trade Marks and Trade Names (13th ed.)* paragraph 14-191 and the citation from the judgment of Hill J. in the Federal Court of Australia in Equity Access Pty Ltd v. Westpack Banking Corp. (1989) 16 I.P.R. 431 at footnote 25. It is also recognised that in the case of descriptive names, minor distinctions should be given more weight: see Office Cleaning Services Ltd v. Westminster Window & General Cleaners Limited (1946) 63 R.P.C. 39. Although, in that case a minor addition to the name was what was in issue, I believe the principle to be a general one, in that in such cases differences in such matters as manner of trading, area of activity and even size of undertaking can be given more weight than would otherwise be the case."

56. The moderate goodwill shown by the opponent in relation to a sign which is lacking in distinctiveness for the goods the opponent sells will not cross the divide between the different fields of activity, i.e. the different goods of the parties. There will be no deception and therefore no damage. **The section 5(4)(a) ground fails.**

Section 3(6) "Bad faith"

- 57. The law in relation to section 3(6) of the Act was summarised by Arnold J in Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited [2012] EWHC 1929 (Ch):
 - "130. A number of general principles concerning bad faith for the purposes of section 3(6) of the 1994 Act/Article 3(2)(d) of the Directive/Article 52(1)(b) of the Regulation are now fairly well established. (For a helpful discussion of many of these points, see N.M. Dawson, "Bad faith in European trade mark law" [2011] IPQ 229.)
 - 131. First, the relevant date for assessing whether an application to register a trade mark was made in bad faith is the application date: see Case C-529/07 Chocoladenfabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH [2009] ECR I-4893 at [35].
 - 132. Secondly, although the relevant date is the application date, later evidence is relevant if it casts light backwards on the position as at the application date: see *Hotel Cipriani Srl v Cipriani (Grosvenor Street) Ltd* [2008] EWHC 3032 (Ch), [2009] RPC 9 at [167] and cf. Case C-259/02 *La Mer Technology Inc v Laboratoires Goemar SA* [2004] ECR I-1159 at [31] and Case C-192/03 *Alcon Inc v OHIM* [2004] ECR I-8993 at [41].
 - 133. Thirdly, a person is presumed to have acted in good faith unless the contrary is proved. An allegation of bad faith is a serious allegation which must be distinctly proved. The standard of proof is on the balance of probabilities but cogent evidence is required due to the seriousness of the allegation. It is not enough to prove facts which are also consistent with good faith: see *BRUTT Trade Marks* [2007] RPC 19 at [29], *von Rossum v Heinrich Mack Nachf. GmbH & Co KG* (Case R 336/207-2, OHIM Second Board of Appeal, 13 November 2007) at [22] and *Funke Kunststoffe GmbH v Astral*

- Property Pty Ltd (Case R 1621/2006-4, OHIM Fourth Board of Appeal, 21 December 2009) at [22].
- 134. Fourthly, bad faith includes not only dishonesty, but also "some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined": see *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367 at 379 and *DAAWAT Trade Mark* (Case C000659037/1, OHIM Cancellation Division, 28 June 2004) at [8].
- 135. Fifthly, section 3(6) of the 1994 Act, Article 3(2)(d) of the Directive and Article 52(1)(b) of the Regulation are intended to prevent abuse of the trade mark system: see *Melly's Trade Mark Application* [2008] RPC 20 at [51] and *CHOOSI Trade Mark* (Case R 633/2007-2, OHIM Second Board of Appeal, 29 February 2008) at [21]. As the case law makes clear, there are two main classes of abuse. The first concerns abuse vis-à-vis the relevant office, for example where the applicant knowingly supplies untrue or misleading information in support of his application; and the second concerns abuse vis-à-vis third parties: see *Cipriani* at [185].
- 136. Sixthly, in order to determine whether the applicant acted in bad faith, the tribunal must make an overall assessment, taking into account all the factors relevant to the particular case: see *Lindt v Hauswirth* at [37].
- 137. Seventhly, the tribunal must first ascertain what the defendant knew about the matters in question and then decide whether, in the light of that knowledge, the defendant's conduct is dishonest (or otherwise falls short of the standards of acceptable commercial behaviour) judged by ordinary standards of honest people. The applicant's own standards of honesty (or acceptable commercial behaviour) are irrelevant to the enquiry: see *AJIT WEEKLY Trade Mark* [2006] RPC 25 at [35]-[41], *GERSON Trade Mark* (Case R 916/2004-1, OHIM First Board of Appeal, 4 June 2009) at [53] and *Campbell v Hughes* [2011] RPC 21 at [36].
- 138. Eighthly, consideration must be given to the applicant's intention. As the CJEU stated in *Lindt v Hauswirth*:
 - "41. ... in order to determine whether there was bad faith, consideration must also be given to the applicant's intention at the time when he files the application for registration.
 - 42. It must be observed in that regard that, as the Advocate General states in point 58 of her Opinion, the applicant's intention at the relevant time is a subjective factor which must be determined by reference to the objective circumstances of the particular case.
 - 43. Accordingly, the intention to prevent a third party from marketing a product may, in certain circumstances, be an element of bad faith on the part of the applicant.

- 44. That is in particular the case when it becomes apparent, subsequently, that the applicant applied for registration of a sign as a Community trade mark without intending to use it, his sole objective being to prevent a third party from entering the market.
- 45. In such a case, the mark does not fulfil its essential function, namely that of ensuring that the consumer or end-user can identify the origin of the product or service concerned by allowing him to distinguish that product or service from those of different origin, without any confusion (see, inter alia, Joined Cases C-456/01 P and C-457/01 P Henkel v OHIM [2004] ECR I-5089, paragraph 48)."
- 139. There have been a series of cases in which courts and tribunals have had to consider whether a lack of intention to use the trade mark on the part of the applicant constitutes bad faith within section 3(6) of the 1994 Act/Article 3(2)(d) of the Directive/Article 52(1)(b) of the Regulation. It should be noted at the outset that there are a number of variants of this question, including the following:
- (1) whether the making of a declaration of intention to use the mark as required by section 32(3) of the 1994 Act, which is false because in fact the applicant did not intend to use the mark, amounts to bad faith;
- (2) whether an intention to use the mark in relation to some goods covered the application, but not others and hence a statement of intention to use that is true in relation to the former goods, but not in relation to the latter amounts to bad faith; and
- (3) whether a lack of intention to use amounts to bad faith if there are exacerbating factors, such as (a) an attempt to obtain protection for an unregistrable mark or (b) an attempt to block others from registering the mark by repeated applications."

"Is a possible or conditional future intention to use enough?

- 161. If the UK's requirement for a declaration of intention to use is compatible with the Directive, and the making by the applicant of a false declaration of intent to use can amount to bad faith, the next issue concerns the intention which the applicant must have in order to be able to declare in good faith that he intends to use the mark in relation to the goods or services specified in the application in the UK. Counsel for the Defendants submitted that a concrete present intention was required, whereas counsel for Red Bull submitted that a possible or contingent future intention was sufficient.
- 162. In *Knoll* Neuberger J said that "whether a contemplated use, or a possible or conditional intention to use, can suffice must depend upon the circumstances". In that case, he found that the proprietor had had a definite intention to use the mark in relation to pharmaceutical preparations for the

treatment of obesity and contemplated that it might use the mark in relation to other pharmaceutical products. In those circumstances he held that it was unarguable that the proprietor had acted in bad faith by making a false declaration that it intended to use the mark in relation to pharmaceutical preparations and dietetic substances. In 32Red the Court of Appeal appears to have accepted that a possible future use of the mark in relation to the services applied for was enough to defeat an allegation of bad faith on the ground of lack of intention to use in the circumstances of that case, albeit without any detailed consideration of the law.

- 163. Neuberger J's statement in Knoll appears to me to be not only correct in principle, but also supported by the subsequent jurisprudence of the CJEU in Lindt v Hauswirth and Internetportal v Schlicht. I therefore conclude that a possible or contingent intention to use the mark at some future date may suffice. Whether it does suffice will depend on all the circumstances of the case, and in particular whether there are other factors present of the kind mentioned in paragraph 139 above."
- 58. Both Counsel referred to there being a question over the compatibility of section 32(3) with the European Trade Marks Directive, referred to in the Red Bull case, but both Counsel also said that for the purposes of the present Tribunal, they were prepared to accept that it was compatible with the Directive 12. The opponent's 'intention to use' objection is pleaded against both marks in the series. Edenborough submitted that intention to use had been put in issue by the opponent in its pleadings and that the applicant had made no answer to rebut the pleading, save for a submission from Ms McBray in her witness statement. Ms McBray submitted:
 - "11. It is further submitted that the Applicant has a bona fide intention of using SOLIDFLOOR conjoined and that it is not a requirement of the application process to illustrate the manner in which the proposed mark will be used. Current usage of the conjoined form, e.g. in the context of the domain name www.solidfloor.co.uk was provided merely as one example.

13. At Paragraph 12 Mr Foster expresses the view that the inclusion of the mark SOLIDFLOOR in the Application for the various goods applied for is an attempt to prevent the Opponent from using its mark SOLIDFLOOR on a reasonable and logical extension of the Opponent's current range of goods, for which it has a substantial reputation. It is submitted that the various goods covered by the Application for the marks SOLID FLOOR and SOLIDFLOOR. constitute a reasonable and logical extension of the Applicant's current range of goods, for which it has a demonstrated reputation (UK Registration No. 2390415 SOLD FLOOR (figurative) refers)."

¹² European Parliament and Council Directive 2008/95/EC of 22 October 2008 to approximate the laws of the Member States relating to trade marks.

- 59. Mr Edenborough's submission was that this was insufficient to rebut the pleading because a) the counterstatement contained only a bare denial; b) there was no evidence from the applicant itself (i.e. Mr Bles); and c) Ms McBray had made a mere submission and had not provided any evidence. Mr Edenborough contended that I should consider that the allegation had been made out because the applicant had failed to put in any evidence to counter it. He pointed me towards Arnold J's reference in *Red Bull* to *Kinder* [2004] RPC 29; Arnold J said (paragraph 147):
 - "In Ferrero SpA's Trade Marks [2004] RPC 29 the applicant sought declarations of invalidity against five trade marks all containing the word KINDER, the marks being registered in the names of two associated companies. The applicant contended that the proprietors had not had any intention of using the trade marks when the applications were filed, and consequently that they had been filed in bad faith. The applicant's evidence was that the proprietors had filed no less than 68 applications to register trade marks including the word KINDER, mostly in classes 29 and 30 with a few in classes 28 and 32, which were either pending or registered. None of the marks in issue had been used, nor had most of the trade marks the subject of the applications to register. Only six had been used. The applicant asserted that the evidence showed that the proprietors did not have a real and effective intention to use the trade marks in issue when the applications were filed, but rather had filed a large number of applications to register marks incorporating the word KINDER in order to obtain broad protection for the word KINDER (which, so the applicant argued, was itself unregistrable). The proprietors did not file any evidence in answer to this ground of objection."
- 60. Mr Malynicz, on the other hand, submitted that, the applicant having denied the allegation in its counterstatement, it was up to the opponent to prove its case. He said that an allegation of bad faith is a very serious charge, rarely to be inferred; the opponent's pleading was both the beginning and the end of the opponent's case because it had put in no evidence. Mr Malynicz submitted that what Ms McBray had said in her witness statement should stand as evidence and that she could have been cross-examined upon it.
- 61. The arguments were thus centred upon the burden of proof and the burden of rebuttal. In the end, I think the actions of the parties cancelled each other out. Having pleaded lack of intention to use, and faced with a denial in the counterstatement, the opponent did nothing to support its case: it had the first bite at the evidence cherry, but proved no facts. In the extract from *Red Bull*, Arnold J said:
 - "133. Thirdly, a person is presumed to have acted in good faith unless the contrary is proved. An allegation of bad faith is a serious allegation which must be distinctly proved. The standard of proof is on the balance of probabilities but cogent evidence is required due to the seriousness of the allegation. It is not enough to prove facts which are also consistent with good faith..."
- 62. The applicant did very little to rebut the claim beyond its denial, but then there was no evidence to counter. I do not agree that Ms McBray's submission should be treated as evidence; its inclusion in a witness statement does not make it a fact. It

would have been preferable for the applicant (Mr Bles) to have made a positive statement in relation to the allegation; evidence should come from parties, not their representatives. But I do not think it is fatal that he didn't make such a statement because the opponent had done nothing to prove its case and, particularly, because because Mr Foster said this:

"Thus the inclusion of the mark SOLIDFLOOR in the application for the various goods applied for could be seen as an attempt by the applicant to stop the Opponent from using its mark SOLIDFLOOR on a range of goods that are a reasonable and logical extension of the Opponent's current range of goods, for which it has a substantial reputation."

- 63. It seems to me that what is sauce for the goose is sauce for the gander. The opponent cannot on the one hand say that the applicant is being covetous and couldn't have an intention to trade in such goods because it sells flooring, and then to say that these goods are a logical extension of its own flooring business. Furthermore, I note that the applicant has been selective about what goods it has put in its specifications; it has not simply reproduced the class headings from the Nice Classification (with the exception of class 27, which is a very short class heading). The opponent itself has filed evidence to show that these sorts of goods are sold in Homebase alongside flooring. All things considered, the opponent has not made out its case. This aspect of its bad faith claim fails.
- 64. The other aspect of the bad faith claim is against the conjoined mark only, SOLIDFLOOR. The opponent claims that the mark was applied for in bad faith because the applicant is well aware of the long and substantial use that the opponent has made of the mark SOLIDFLOOR, because it has been involved in other proceedings with the opponent, both in the UK and at OHIM.
- 65. The first point to note is that even where an applicant knows of long use of the other side's name/mark/sign, there may be no bad faith involved. It depends on more than that single fact: see the Court of Justice in the European Union's judgment in *Chocoladefabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH* Case C-529/07. There is no evidence that the applicant was intent on preventing the opponent from marketing its own goods. In *Hotel Cipriani SRL and others v Cipriani (Grosvenor Street) Limited and others* [2008] EWHC 3032(Ch) Arnold J held:
 - "189. In my judgment it follows from the foregoing considerations that it does not constitute bad faith for a party to apply to register a Community trade mark merely because he knows that third parties are using the same mark in relation to identical goods or services, let alone where the third parties are using similar marks and/or are using them in relation to similar goods or services. The applicant may believe that he has a superior right to registration and use of the mark. For example, it is not uncommon for prospective claimants who intend to sue a prospective defendant for passing off first to file an application for registration to strengthen their position. Even if the applicant does not believe that he has a superior right to registration and use of the mark, he may still believe that he is entitled to registration. The applicant may not intend to seek to enforce the trade mark against the third parties and/or may know or believe that the third parties would have a defence to a claim for

infringement on one of the bases discussed above. In particular, the applicant may wish to secure exclusivity in the bulk of the Community while knowing that third parties have local rights in certain areas. An applicant who proceeds on the basis explicitly provided for in Article 107 can hardly be said to be abusing the Community trade mark system."

66. Mr Bles states that he adopted the name SOLID FLOOR in 1993, in the Netherlands, before moving to London to expand the business in 1996. It is not a name which is new to him, as the controlling mind of the applicant. The conjoining of the two words SOLID and FLOOR, which can hardly be said to create a neologism such that the only inference could be of copying the opponent's mark (as the opponent says in its section 3(1) pleadings, the words are clearly discernible), does not strike me as suspicious. The applicant may believe it has the superior right but, even if the applicant has not previously use the mark, the opponent has not demonstrated that it is already trading in the goods applied for; it is in the same position as the applicant. Neither has traded in the goods applied for. The goods are not wooden flooring. The applicant's actions do not represent behaviour which falls short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined. The section 3(6) ground fails.

Section 3(1)(b) and (c)

67. It is well established in law that the absolute grounds for refusing registration must be examined separately, although there is a degree of overlap between sections 3(1)(b), (c) and (d) of the Act: see *Koninklijke KPN Nederland NV v Benelux-Merkenbureau* [2004] E.T.M.R. 57, the Court of Justice of the European Union ("CJEU"), paragraphs 67 to 70. That degree of overlap is reflected in the opponent's pleadings in which, effectively, descriptiveness (i.e. section 3(1)(c)) is given as a reason for lack of distinctive character under section 3(1)(b). The opponent has pleaded under section 3(1)(b) that the mark comprises two words which could be taken as either describing the goods applied for themselves or else their suitability for a given purpose; its complaint under section 3(1)(c) is that:

"...the words SOLID FLOOR are used as a descriptor for various goods, and by extension, for goods suitable for use on, with, or in relation to those goods. Additionally or alternatively, the word FLOOR could be taken as describing the intended usage of the goods, with SOLID being a modifier as indicating a characteristic of the goods (e.g. sturdy, well constructed, uniform in composition)."

68. The opponent elaborates in its statement of case, and in Mr Foster's evidence, by giving some examples:

• The class 2 goods could be used on solid floors; there are paints and varnishes specially formulated for floors¹³. The word SOLID could be seen as

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¹³ Exhibit MGF13 gives details of Leyland Heavy Duty Floor paint. There are no references to paint for solid floors.

- referring to a characteristic of a paint suitable for use on floors, with the colour being uniform and opaque ("solid").
- In relation to lighting (class 11), the mark indicates that the lighting is suitable
 for use in, affixed to, or standing on solid floors. SOLID could also be taken as
 referring to the construction of the product, i.e. sturdiness. Floor lamps are a
 recognized subset of lighting. So, the mark could describe sturdy/solid floor
 lamps.
- Various of the items in class 16 could relate to floors; exhibits MGF16 and 17 show floor stencils, stickers and graphics. Mr Foster submits that the mark could describe stencils of solid construction for use on floors.
- Mr Foster submits that various of the goods applied for in class 20 could be intended to sit or stand on a floor, eg bathroom floor cabinets. The mark would be descriptive of goods of solid construction and/or solid materials for placing on floors.
- In relation to class 24, Mr Foster exhibits (MGF19) pages from a website called woodandbeyond.com, which recommends that curtains and blinds be used to protect oak hardwood flooring from sun damage. Mr Foster submits that such curtains and blinds would need to be solid in nature to prevent ultra violet light penetration.
- In relation to the class 27 goods, with the exception of wall hangings, the goods are for use on floors. Mr Foster submits that SOLID FLOOR carpet could be seen as a firm pile carpet for use on a floor, which may also be in a single (solid) colour. He submits that SOLID FLOOR vinyl flooring could be vinyl flooring which does not contain a cushioning layer and exhibits (MGF21) a print from a website called esedirect.co.uk for "solid vinyl flooring". Exhibit MGF 22, a print from a website called portable-building.co.uk, shows the details for a refurbished toilet unit which refers to "2mm Solid floor vinyl".
- 69. Other than this exhibit, there are no instances in the opponent's evidence of the sequential occurrence of "solid floor" (and Ms McBray gives evidence that she could not find any in her trawl of the Internet).
- 70. In Starbucks (HK) Limited, PCCW Media Limited, UK Broadband Limited v British Sky Broadcasting Group plc, British Sky Broadcasting Limited, Sky IP International Limited [2012] EWHC 3074, Arnold J referred to summaries of the law in two decisions from the CJEU in relation to Articles 7(1)(b) and (c) of Community Trade Mark Regulation¹⁴, which correspond to sections 3(1)(b) and (c) of the Act:
 - "90 The principles to be applied under <u>Article 7(1)(b) of the CTM Regulation</u> were conveniently summarised by the Court of Justice of the European Union in Case C-265/09 P OHIM v BORCO-Marken-Import Matthiesen GmbH & Co KG [2010] ECR I-8265 as follows:
 - "29. ... the fact that a sign is, in general, capable of constituting a trade mark does not mean that the sign necessarily has distinctive character for the purposes of Article 7(1)(b) of the regulation in relation to a specific product or service (<u>Joined Cases C-456/01 P and C-457/01 P Henkel v. OHIM [2004] ECR I-5089</u>, paragraph 32).

¹⁴ Council Regulation 207/2009/EC of 26 February 2009.

- 30. Under that provision, marks which are devoid of any distinctive character are not to be registered.
- 31. According to settled case-law, for a trade mark to possess distinctive character for the purposes of that provision, it must serve to identify the product in respect of which registration is applied for as originating from a particular undertaking, and thus to distinguish that product from those of other undertakings (Henkel v. OHIM , paragraph 34; <u>Case C-304/06 P Eurohypo v. OHIM [2008] ECR I-3297</u>, paragraph 66; and Case C-398/08 P Audi v. OHIM [2010] ECR I-0000 , paragraph 33).
- 32. It is settled case-law that that distinctive character must be assessed, first, by reference to the goods or services in respect of which registration has been applied for and, second, by reference to the perception of them by the relevant public (Storck v. OHIM , paragraph 25; Henkel v. OHIM , paragraph 35; and Eurohypo v. OHIM , paragraph 67). Furthermore, the Court has held, as OHIM points out in its appeal, that that method of assessment is also applicable to an analysis of the distinctive character of signs consisting solely of a colour per se, three-dimensional marks and slogans (see, to that effect, respectively, <u>Case C-447/02 P KWS Saat v. OHIM [2004] ECR I-10107</u> , paragraph 78; Storck v. OHIM , paragraph 26; and Audi v. OHIM , paragraphs 35 and 36).
- 33. However, while the criteria for the assessment of distinctive character are the same for different categories of marks, it may be that, for the purposes of applying those criteria, the relevant public's perception is not necessarily the same in relation to each of those categories and it could therefore prove more difficult to establish distinctiveness in relation to marks of certain categories as compared with marks of other categories (see <u>Joined Cases C-473/01 P and C-474/01 P and C-474/01 P Procter & Gamble v. OHIM [2004] ECR I-5173</u>, paragraph 36; <u>Case C-64/02 P OHIM v. Erpo Möbelwerk [2004] ECR I-10031</u>, paragraph 34; Henkel v. OHIM, paragraphs 36 and 38; and Audi v. OHIM, paragraph 37).
- 34. In that regard, the Court has already stated that difficulties in establishing distinctiveness which may be associated with certain categories of marks because of their very nature difficulties which it is legitimate to take into account do not justify laying down specific criteria supplementing or derogating from application of the criterion of distinctiveness as interpreted in the case-law (see OHIM v. Erpo Möbelwerk, paragraph 36, and Audi v. OHIM, paragraph 38).

. . .

37. ... it should be pointed out that, even though it is apparent from the case-law cited that the Court has recognised that there are certain categories of signs which are less likely prima facie to have distinctive character initially, the Court, nevertheless, has not exempted the trade mark authorities from having to carry out an examination of their distinctive character based on the facts.

. . .

- 45. As is clear from the case-law of the Court, the examination of trade mark applications must not be minimal, but must be stringent and full, in order to prevent trade marks from being improperly registered and, for reasons of legal certainty and good administration, to ensure that trade marks whose use could be successfully challenged before the courts are not registered (see, to that effect, *Libertel*, paragraph 59, and OHIM v. Erpo Möbelwerk, paragraph 45)."
- 91 The principles to be applied under <u>Article 7(1)(c) of the CTM Regulation</u> were conveniently summarised by the CJEU in Case C-51/10P Agencja Wydawnicza Technopol sp. z o.o. v OHIM [2011] ECR I-0000, [2011] ETMR 34 as follows:
 - "33. A sign which, in relation to the goods or services for which its registration as a mark is applied for, has descriptive character for the purposes of Article 7(1)(c) of Regulation No 40/94 is save where Article 7(3) applies devoid of any distinctive character as regards those goods or services (as regards Article 3 of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1), see, by analogy, Case C-265/00 Campina Melkunie [2004] ECR I-1699, paragraph 19; as regards Article 7 of Regulation No 40/94, see Case C-191/01 P OHIM v Wrigley [2003] ECR I-12447, paragraph 30, and the order in Case C-150/02 P Streamserve v OHIM [2004] ECR I-1461, paragraph 24).
 - 36. ... due account must be taken of the objective pursued by <u>Article 7(1)(c)</u> of <u>Regulation No 40/94</u>. Each of the grounds for refusal listed in <u>Article 7(1)</u> must be interpreted in the light of the general interest underlying it (see, *inter alia*, <u>Joined Cases C-456/01 P and C-457/01 P Henkel v OHIM [2004] ECR I-5089</u>, paragraph 45, and Case C-48/09 P Lego Juris v OHIM [2010] ECR I-0000, paragraph 43).
 - 37. The general interest underlying Article 7(1)(c) of Regulation No 40/94 is that of ensuring that descriptive signs relating to one or more characteristics of the goods or services in respect of which registration as a mark is sought may be freely used by all traders offering such goods or services (see, to that effect, OHIM v Wrigley, paragraph 31 and the case-law cited).
 - 38. With a view to ensuring that that objective of free use is fully met, the Court has stated that, in order for OHIM to refuse to register a sign on the basis of Article 7(1)(c) of Regulation No 40/94, it is not necessary that the sign in question actually be in use at the time of the application for registration in a way that is descriptive. It is sufficient that the sign could be used for such purposes (OHIM v Wrigley, paragraph 32; Campina Melkunie, paragraph 38; and the

order of 5 February 2010 in Case C-80/09 P Mergel and Others v OHIM, paragraph 37).

39. By the same token, the Court has stated that the application of that ground for refusal does not depend on there being a real, current or serious need to leave a sign or indication free and that it is therefore of no relevance to know the number of competitors who have an interest, or who might have an interest, in using the sign in question (<u>Joined Cases C-108/97 and C-109/97 Windsurfing Chiemsee [1999] ECR I-2779</u>, paragraph 35, and <u>Case C-363/99 Koninklijke KPN Nederland [2004] ECR I-1619</u>, paragraph 58). It is, furthermore, irrelevant whether there are other, more usual, signs than that at issue for designating the same characteristics of the goods or services referred to in the application for registration (Koninklijke KPN Nederland, paragraph 57).

. . .

- 46. As was pointed out in paragraph 33 above, the descriptive signs referred to in Article 7(1)(c) of Regulation No 40/94 are also devoid of any distinctive character for the purposes of Article 7(1)(b) of that regulation. Conversely, a sign may be devoid of distinctive character for the purposes of Article 7(1)(b) for reasons other than the fact that it may be descriptive (see, with regard to the identical provision laid down in Article 3 of Directive 89/104, Koninklijke KPN Nederland, paragraph 86, and Campina Melkunie, paragraph 19).
- 47. There is therefore a measure of overlap between the scope of Article 7(1)(b) of Regulation No 40/94 and the scope of Article 7(1)(c) of that regulation (see, by analogy, Koninklijke KPN Nederland, paragraph 67), Article 7(1)(b) being distinguished from Article 7(1)(c) in that it covers all the circumstances in which a sign is not capable of distinguishing the goods or services of one undertaking from those of other undertakings.
- 48. In those circumstances, it is important for the correct application of <u>Article 7(1) of Regulation No 40/94</u> to ensure that the ground for refusal set out in <u>Article 7(1)(c)</u> of that regulation duly continues to be applied only to the situations specifically covered by that ground for refusal.
- 49. The situations specifically covered by Article 7(1)(c) of Regulation No 40/94 are those in which the sign in respect of which registration as a mark is sought is capable of designating a 'characteristic' of the goods or services referred to in the application. By using, in Article 7(1)(c) of Regulation No 40/94, the terms 'the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service, or other characteristics of the goods or service', the legislature made it clear, first, that the kind, quality, quantity, intended purpose, value, geographical origin or the

time of production of the goods or of rendering of the service must all be regarded as characteristics of goods or services and, secondly, that that list is not exhaustive, since any other characteristics of goods or services may also be taken into account.

50. The fact that the legislature chose to use the word 'characteristic' highlights the fact that the signs referred to in Article 7(1)(c) of Regulation No 40/94 are merely those which serve to designate a property, easily recognisable by the relevant class of persons, of the goods or the services in respect of which registration is sought. As the Court has pointed out, a sign can be refused registration on the basis of Article 7(1)(c) of Regulation No 40/94 only if it is reasonable to believe that it will actually be recognised by the relevant class of persons as a description of one of those characteristics (see, by analogy, as regards the identical provision laid down in Article 3 of Directive 89/104, Windsurfing Chiemsee, paragraph 31, and Koninklijke KPN Nederland, paragraph 56)."

92 In addition, a sign is caught by the exclusion from registration in <u>Article 7(1)(c)</u> if at least one of its possible meanings designates a characteristic of the goods or services concerned: see <u>Case C-191/01 P OHIM v Wm Wrigley Jr Co [2003] ECR I-12447</u> at [32] and <u>Case C-363/99 Koninklijke KPN Nederland NV v Benelux-Merkenbureau [2004] ECR I-1619</u> at [97].

93 Counsel for PCCW relied upon two other authorities. First, Case C-273/05 P OHIM v Celltech R&D Ltd [2007] ECR I-1912, in which the CJEU stated at [81]:

"In this case, it must be held that the Court of First Instance properly assessed the descriptive character of the mark CELLTECH considered as a whole and concluded that it was not established that the mark, even understood as meaning 'cell technology', was descriptive of the goods and services referred to in the application for registration. Therefore, it did not infringe Article 7(1)(c) of Regulation No 40/94."

94 Secondly, Case T-207/06 Europig SA v OHIM [2007] ECR II-1961, in which the Court of First Instance (now General Court) said at [27]:

"It follows that, for a sign to be caught by the prohibition set out in [Article 7(1)(c)], there must be a sufficiently direct and specific relationship between the sign and the goods and services in question to enable the public concerned immediately to perceive, without further thought, a description of the goods and services in question or one of their characteristics (see *PAPERLAB*, paragraph 25, and the case-law cited there)."

71. Mr Edenborough submitted that, e.g. in relation to paint for floors, the marks identify a characteristic of the goods; potentially the way in which the paint could be used (on floors), or the way in which the paint gives a resultant property once used.

It could be solid, which would be laudatory. He said the same argument applied to the goods in classes 11, 16, 20, 24 and 27. Mr Malynicz submitted that none of the applicant's goods relate to flooring, the products are not for "solid floors", there is no class of paint for 'solid floors', as opposed to 'wobbly floors', and no direct and specific relationship between the marks and the goods. Likewise, there is no class of lamps or embedded lighting for 'solid floors' because the juxtaposition of solid and floor does not lead to an immediate understanding of what the goods are.

- 72. There are many goods in the application which are completely removed from being related to floors, such as bed linen, curtains and furniture. In the case of class 16, the high point of the opponent's case is stencils for solid floors. This seems nonsensical. The argument appears to be that the marks are laudatory for anything which is used on a floor because solid deems the article to be of sturdy construction: a solid/sturdy floor stencil, lamp, paint etc. In the alternative, the objection is that the marks are descriptive and non-distinctive for any goods which can be placed on a solid floor, as opposed to any other (unidentified) type of floor. This seems fanciful, even in relation to the class 27 goods for putting on floors, and particularly in relation to the wall-hangings: Mr Foster says that the marks would be deceptive in relation to wall-hangings as they would not be for floors and, if they could also be used on floors, the marks would be descriptive. In relation to carpet, Mr Foster argues that the marks could relate to a firm (solid) pile. Alternatively, the marks could relate to a carpet for a floor in a single (solid) colour. In relation to class 24, Mr Foster submits that the marks are descriptive for solid blinds which protect floors against ultraviolet light.
- 73. Would the public understand 'solid floor' in relation to the applicant's goods, which are not floors, to describe characteristics of the goods rather than indicate trade origin? A characteristic is a "property, easily recognisable by the relevant class of persons, of the goods or the services in respect of which registration is sought... a sign can be refused registration on the basis of Article 7(1)(c) of Regulation No 40/94 only if it is reasonable to believe that it will actually be recognised by the relevant class of persons as a description of one of those characteristics". There must be a "sufficiently direct and specific relationship between the sign and the goods and services in question to enable the public concerned immediately to perceive, without further thought, a description of the goods and services in question or one of their characteristics". Mr Malynicz submitted that the objections under section 3(1)(b) and (c) are fanciful, that the meaning in relation to floors is disturbed when the marks are applied to the goods of this application. I agree. There is no direct and specific relationship between SOLID FLOOR or SOLIDFLOOR and the goods of the application. The opponent's objection under section 3(1)(b) is predicated on the exact same basis as for its section 3(1)(c) objection but, even if it were not, I cannot see any merit in either objection for any of the goods. The section 3(1)(b) and (c) objections both fail.

Section 3(3)(b)

74. Mr Edenborough submitted that the opponent's case under section 3(3)(b) of the Act complemented its case under sections 3(1)(b) and (c). The pleading is that:

"If used on or in relation to goods which are not solid floors, or on or in relation to goods which are not suitable for use on, with, or in relation to solid floors then there is the risk that the public would be deceived. Likewise if the mark is used on or in relation to goods which are suitable for use on, with, or in relation to floors but the goods are not solid in nature; or if the mark is used on, or in relation to goods which are solid in nature but which are not suitable for use on, with, or in relation to floors; in both those situations there would be a risk that the public would be deceived."

- 75. Section 3(3)(b) of the Act derives directly from article 3(1)(g) of Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 ("the Directive"). In *Elizabeth Florence Emanuel v Continental Shelf 128 Ltd* Case C-259/04 the Court of Justice of the European Union ("CJEU") stated:
 - "47 Nevertheless, the circumstances for refusing registration referred to in Article 3(1)(g) of Directive 89/104 presuppose the existence of actual deceit or a sufficiently serious risk that the consumer will be deceived (Case C-87/97 Consorzio per la tutela del formaggio Gorgonzola [1999] ECR I-1301, paragraph 41).
 - In the present case, even if the average consumer might be influenced in his act of purchasing a garment bearing the trade mark 'ELIZABETH EMANUEL' by imagining that the appellant in the main proceedings was involved in the design of that garment, the characteristics and the qualities of that garment remain guaranteed by the undertaking which owns the trade mark.
 - Consequently, the name Elizabeth Emanuel cannot be regarded in itself as being of such a nature as to deceive the public as to the nature, quality or geographical origin of the product it designates."
- 76. As well as it being clear that there must be a real (as opposed to a purely theoretical) potential for deception of the public, it is also clear from the judgment that the deception envisaged must be borne of the intrinsic qualities of the marks themselves.
- 77. There has been no evidence of the existence of actual deceit. I am entirely unconvinced that there is a sufficiently serious risk that the consumer will be deceived for this ground to bite. *Kerly's Law of Trade Marks and Trade Names*¹⁵ explains that section 3(3)(b)
 - "...refers expressly to deception caused by the nature of the mark itself. This does not mean that the mark has to be considered in a vacuum. It must be considered against the goods or services applied for and in the general context of the relevant trade."

¹⁵ 15th Edition.

78. The marks will not be encountered in a vacuum; they will be encountered by the average consumer in the process of choosing domestic furnishing items which are bought by eye. He or she will be able to tell if the item is "solid in nature" and whether it can go on a floor. There is no serious risk that the consumer, buying a standard lamp, will find that it can only be put on a floor which is not 'solid' or, that items which are solid cannot be put on the floor. This is fanciful. **The section 3(3)(b) ground of opposition fails.**

Outcome

79. The series of marks may proceed to registration for all the goods in the B part of the divided application.

Costs

80. The applicant has been successful and is entitled to its costs. The parties were content for the published scale¹⁶ to apply. The breakdown of costs is as follows:

Considering the opposition and filing the counterstatement £500

Considering the opponent's evidence and filing evidence £1200

Attendance at hearing £800

Total:

81. I order Fetim B.V. to pay Solid Floor Ltd the sum of £2500. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 26th day of June 2013

Judi Pike For the Registrar, the Comptroller-General

¹⁶ Tribunal Practice Notice 4/2007.

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