

O-384-15

TRADE MARKS ACT 1994

CONSOLIDATED PROCEEDINGS

IN THE MATTER OF TRADE MARK APPLICATIONS 2634397 & 2634398

BY COX PHARMACEUTICAL LTD

TO REGISTER THE FOLLOWING TRADE MARKS IN CLASSES 5 & 42:

Cox Pharmaceutical Ltd

&



AND

**OPPOSITIONS THERETO (NOS 104374 & 104375) BY
ACTAVIS UK LIMITED**

Background and pleadings

1. This dispute involves opposition against the two following trade mark applications (“applications”).

Word mark

Mark: Cox Pharmaceutical Ltd

Number: 2634397

Filing date: 12 September 2012

Publication date: 19 October 2012

Applicant: Cox Pharmaceutical Ltd

Goods and services

Class 5: Pharmaceutical preparations; Sanitary preparations for medical purposes; Dietetic food and substances adapted for medical use; Dietetic substances adapted for medical use; Chemical preparations for medical or pharmaceutical purposes; Vaccines; Plasters for medical purposes; Dressings, medical; Material for stopping teeth, dental wax; Disinfectants; Vitamins for humans; Vitamin preparations; Nutritional supplements; Extracts of medicinal plants; Natural dietetic foodstuffs and medicines made from medicinal plants included in this class; Plant-based preparations, all for medicinal purposes; Herbal products, including herbal extracts for medicinal purposes; Mineral drinks (medicated-); Preparations for the manufacture of dietetic or medicated beverages; Dietetic substances adapted for medical use; Confectionery, medicated.

Class 42: Scientific and technological services and research and design relating thereto; Industrial analysis and research services; All in relation to pharmaceutical and medical purposes.

Composite mark



Mark:

Number: 2634398

Filing date: 12 September 2012


Publication date: 19 October 2012

Applicant: Cox Pharmaceutical Ltd

Goods and services: Identical to the word mark

2. Actavis UK Limited (“the opponent”) oppose the applications on the basis of sections 3(6), 5(2)(b) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”).

3. The section 5(2)(b) claim is based on the following earlier UK trade mark registrations which they claim to give rise to a likelihood of confusion.

Mark	Number	Filing date	Publication date	Registration date	Goods
COX	648356	31/05/1946	11/05/1949	31/05/1946	Class 5: Pharmaceutical preparations and substances
	1261874	05/03/1986	25/02/1987	05/03/1986	Class 5: Pharmaceutical preparations and substances

4. Under section 5(4)(a), the opponent claims common law ownership in the goodwill in a business known as COX, trading in the goods covered by the COX (word) mark for more than 100 years on pharmaceutical products and medicines. Therefore, they claim to have a reputation for the COX marks in the pharmaceutical industry and use of the applications would be a misrepresentation to the public and result in damage to the goodwill.

5. The claim under section 3(6) is on the basis that at the time of filing the applications, the applicant was aware of the opponent’s substantial goodwill and reputation in the UK. Accordingly, the applicant sought to misappropriate the opponent’s goodwill and reputation for their own benefit.

6. The applicant filed a counterstatement denying the claims made. Since the earlier registrations have been registered for over 5 years prior to the date of publication of the applications, the opponent has requested that they provide proof of use for all the registered goods¹.

7. Both sides filed evidence in these proceedings which will be summarised to the extent that it is considered appropriate/necessary.

8. A hearing took place before me via video-link on 23 July 2015. The applicant was represented by Mr Jonathan Moss of counsel, instructed by JMW Solicitors. The opponent, represented by Bird & Bird LLP, filed written submissions in lieu of a hearing.

¹ Section 6A of the Trade Marks Act 1994

Evidence

Witness statement of Sara Vincent and exhibits SV-1 to SV-6

9. Ms Vincent is the Vice-President of Actavis UK Limited (the opponent). She has been employed by the opponent since 2003 and has held her current position since 2011. Ms Vincent details the history of the “Cox” brand; the key dates are as follows:

- 14 June 1839: the “Cox” company was started by Arthur Hawker Cox.
- 1985: Cox Company sold to Hoescht UK. Ms Vincent states that at this time the company employed nearly 300 people with up to 35 million tablets being manufactured each week.
- 1998: Cox Company was acquired by Alparma Limited.
- 2001: The company name was changed to Alparma. It is claimed that the COX brand continued to be used, and was one of the largest manufacturers of generic pharmaceuticals in the UK with an estimated 20% share of the market.
- 2006: Alparma changed its name to Actavis.

10. Ms Vincent then outlines the process of bringing a new pharmaceutical product onto the market. She states at paragraph 22 of her witness statement:

“Before any new pharmaceutical product is put on the market in the UK, it is necessary to obtain a marketing authorisation. As part of the process a dossier containing the quality, safety and efficacy of the new product is submitted to the Medicines and Healthcare Products Regulatory Agency (MHRA) for review. The MHRA typically will ask for clarification of a point or request additional information. Once the MHRA is satisfied with the information provided, it will grant a Marketing Authorisation for the new product. The timeline from submission of the application to the grant of the authorisation is normally between 14-18 months. Laboratory worksheets for product batches are produced and maintained for safety and quality control purposes and are required by the MHRA and the European Medicines Agency (EMA). The information contained in the laboratory worksheets demonstrates that Actavis complies with Good Manufacturing Practice (GMP).”

11. Referred to and attached to Ms Vincent’s witness statement are the following exhibits:

- Exhibit SV-1 is a Companies House Certificate dated 26 February 2007. It states that since 30 December 1903 the original company was called Arthur H Cox & Co Limited. On 1 March 2001 it was changed to Actavis UK Limited.
- Exhibit SV-2 is a leaflet which outlines the history of the opponent. It states that the first “Cox” chemist shop was opened in 1839. The company enjoyed steady growth and in 1998 it was sold for \$200 million. It subsequently

changed its name to Alpharma in 2001, “bringing the Cox Pharmaceuticals name to an end after 160 years”.

- Exhibit SV-3 are laboratory worksheets dated 18 November 2008, 6 March 2009, 2 July 2009 and 11 September 2009. None of the sample names are, or refer to, Cox. They all refer to the manufacturer as Actavis UK, and state that the tablets/capsules are embossed with “COX”, plus all except for one have a shelf life of 36 months (the other is 24 months).
- Exhibit SV-4 comprises of photographs of tablets and capsules with “Cox” embossed on them.
- Exhibit SV-5 is a list of 21 products manufactured by Actavis which Ms Vincent states are sold with the COX mark embossed on them. The earliest is dated 14 May 2007 with a 2 year shelf life, and the latest is dated 10 June 2009 with a 3 year shelf life.
- Exhibit SV-6 consists of a selection of invoices dated between 16 June 2009 and 18 June 2010. Ms Vincent states that these invoices relate to the sales of COX branded tablets and capsules for Piroxicam, Naftidrofuryl, Propranolol and Oxazepam. It is not clear whether these are trade or generic names for the drugs.

Invoice dated 11/11/09

Product	Quantity	Nett price	Nett Value
Piroxicam 20mg	180	1.57	282.60
Propranolol 10mg	330	0.33	108.90
Total	510	1.90	391.50

Invoice dated 27/11/09

Product	Quantity	Nett price	Nett Value
Piroxicam 10mg	20	1.65	33.00
Piroxicam 20mg	100	1.62	162.00
Propranolol 160mg	40	3.18	127.20
Propranolol 80mg	100	3.44	344.00
Propranolol 40mg	10	0.44	4.40
Oxazepam 10mg	30	4.64	139.20
Oxazepam 15mg	40	5.10	204.00
Total	340	20.07	1013.80

Invoice dated 19/01/10

Product	Quantity	Nett price	Nett Value
Naftidrofuryl 100mg	200	3.80	760.00
Propranolol 160mg	10	1.20	12.00
Total	210	5.00	772.00

Invoice dated 18/06/2010

Product	Quantity	Nett price	Nett Value
Naftidrofuryl 100mg	2400	7.72	18,528.00

Invoice dated 17/02/2010

Product	Quantity	Nett price	Nett Value
Naftidrofuryl 100mg	10	4.13	41.30
Oxazepam 15mg	20	5.03	100.60
Total	30	9.16	141.90

Invoice dated 04/01/10

Product	Quantity	Nett price	Nett Value
Propranolol 80mg	30	3.28	98.40
Naftidrofuryl 100mg	10	3.82	38.20
Piroxicam 20mg	10	1.53	15.30
Propranolol 10mg	280	0.32	89.60
Propranolol 40mg	200	0.42	84.00
Propranolol 80mg	10	0.99	9.90
Piroxicam 10mg ²	10	-	-
Total	550	10.36	335.40

12. Ms Vincent states that the number of sales for Piroxicam, Naftidrofuryl, Propranolol and Oxazepam during the relevant period in the UK amounted to £133,017.72.

Witness statement of Cristina Garrigues Martinez and exhibit CGM-1

13. Ms Martinez is legal director at Bird & Bird LLP, the opponent's trade mark representatives. Exhibit CGM-1 to Ms Martinez's witness statement is a cease and desist letter from the opponent to the applicant. It is dated 1 August 2012.

Witness statement of Taife Al-Allaq and exhibit TA-1

14. Mr Al-Allaq is a director of the applicant company. He states that he was involved in the formation of the company in 2010. Mr Al-Allaq outlines the reasons for selecting the company name, which he claims it has used since 2010. These are: 1) the company wanted to use a name which is English in character but would also appeal to the international market, and 2) that the company believed "Cox Pharmaceutical Ltd" was a traditional English sounding name that relates to a medical scientific background".

15. Exhibit TA-1 to the witness statement comprises of numerous website print outs. These are:

- Undated prints from Cox Pharmaceutical Ltd's website.

² This product was under the heading "Stock not available – please reorder"

- Undated website prints from Companies House Direct showing that “Cox Pharmaceutical Ltd” was incorporated on 22 January 2010. Also attached is a copy of their Certificate of Incorporation.
- A letter dated 21 January 2010 from the Royal Pharmaceutical Society of Great Britain to Mr Al-Allaq confirming that they may use the restricted title of “Pharmaceutical” in their company name: Cox Pharmaceutical Ltd.
- A letter dated 9 January 2015 from Medicines and Healthcare Products Regulatory Agency (MHRA) to the applicant. The letter is headed “Grant/renewal of marketing authorisation” and refers to the product “Cefotaxime 1 g powder for solution for injection or infusion”. Also attached is an identical letter dated 6 November 2014 relating to a different product.
- A license dated 30 May 2014 which is headed “Manufacturer’s/Importer’s Licence”, referring to the licence holder as being “Cox Pharmaceutical Limited”

Legislation

16. Since the earlier registrations have been registered for longer than 5 years prior to the date of publication of the subject applications, the opponent is required to provide proof of use. The relevant legislation is as follows:

“Raising of relative grounds in opposition proceedings in case of non-use

6A. - (1) This section applies where -

(a) an application for registration of a trade mark has been published,

(b) there is an earlier trade mark of a kind falling within section 6(1)(a), (b) or (ba) in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and

(c) the registration procedure for the earlier trade mark was completed before the start of the period of five years ending with the date of publication.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if -

(a) within the period of five years ending with the date of publication of the application the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

(b) the earlier trade mark has not been so used, but there are proper reasons for non- use.

(4) For these purposes -

(a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(5) In relation to a Community trade mark or international trade mark (EC), any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Community.

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.”

17. Section 100 of the Act states that:

“100. If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

Case-law

18. In *Stichting BDO v BDO Unibank, Inc.*, [2013] EWHC 418 (Ch), Arnold J. stated as follows:

“51. Genuine use. In *Pasticceria e Confetteria Sant Ambroeus Srl v G & D Restaurant Associates Ltd* (SANT AMBROEUS Trade Mark) [2010] R.P.C. 28 at [42] Anna Carboni sitting as the Appointed Person set out the following helpful summary of the jurisprudence of the CJEU in *Ansul BV v Ajax Brandbeveiliging BV* (C-40/01) [2003] E.C.R. I-2439; [2003] R.P.C. 40 ; *La Mer Technology Inc v Laboratoires Goemar SA* (C-259/02) [2004] E.C.R. I-1159; [2004] F.S.R. 38 and *Silberquelle GmbH v Maselli-Strickmode GmbH* (C-495/07) [2009] E.C.R. I-2759; [2009] E.T.M.R. 28 (to which I have added references to *Sunrider v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM) (C-416/04 P) [2006] E.C.R. I-4237):

(1) Genuine use means actual use of the mark by the proprietor or third party with authority to use the mark: *Ansul*, [35] and [37].

(2) The use must be more than merely token, which means in this context that it must not serve solely to preserve the rights conferred by the registration: *Ansul*, [36].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end-user by enabling him, without any possibility of confusion, to distinguish the goods or services from others which have another origin: *Ansul*, [36]; *Sunrider* [70]; *Silberquelle*, [17].

(4) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, i.e. exploitation that is aimed at maintaining or creating an outlet for the goods or services or a share in that market: *Ansul*, [37]-[38]; *Silberquelle*, [18].

(a) Example that meets this criterion: preparations to put goods or services on the market, such as advertising campaigns: *Ansul*, [37].

(b) Examples that do not meet this criterion: (i) internal use by the proprietor: *Ansul*, [37]; (ii) the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle*, [20]-[21].

(5) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including in particular, the nature of the goods or services at issue, the characteristics of the market concerned, the scale and frequency of use of the mark, whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them, and the evidence that the proprietor is able to provide: *Ansul*, [38] and [39]; *La Mer*, [22] -[23]; *Sunrider*, [70]-[71].


(6) Use of the mark need not always be quantitatively significant for it to be deemed genuine. There is no de minimis rule. Even minimal use may qualify as genuine use if it is the sort of use that is appropriate in the economic sector concerned for preserving or creating market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor: *Ansul*, [39]; *La Mer*, [21], [24] and [25]; *Sunrider*, [72]".

19. Although minimal use may qualify as genuine use, the CJEU stated in Case C-141/13 P, *Reber Holding GmbH & Co. KG v OHIM* (in paragraph 32 of its judgment), that "*not every proven commercial use may automatically be deemed to constitute genuine use of the trade mark in question*". The factors identified in point (5) above must therefore be applied in order to assess whether minimal use of the mark qualifies as genuine use.

Relevant period


20. The opponent is relying upon the following two earlier registrations, both of which are subject to proof of use. The relevant period during which the opponent is

required to show genuine use is the five years prior to the publication of the applications, i.e. 20 October 2007 – 19 October 2012.

Mark	Number	Filing date	Publication date	Registration date	Goods
COX	648356	31/05/1946	11/05/1949	31/05/1946	Class 5: Pharmaceutical preparations and substances
	1261874	05/03/1986	25/02/1987	05/03/1986	Class 5: Pharmaceutical preparations and substances



Relying upon evidence for COX to constitute use for

21. The two earlier relied upon registrations are: COX (word) and  (referred to as “COX stylised”).

22. No evidence has been filed in relation to COX stylised. Therefore, the opponent is relying upon the provisions of section 6A(4)(a). It is clear that the differences between the stylised mark and COX (word) undoubtedly alter the distinctive character. Therefore, the opponent may not rely upon COX (stylised) and the remainder of this decision shall solely relate to COX (word).

Has the opponent genuinely used the mark COX (word)?

23. In the opponent’s submissions, they make sweeping statements that the evidence filed is sufficient to demonstrate genuine use. They do not qualify these statements by making specific references to the evidence. In *Awareness Limited v Plymouth City Council*, Case BL O/230/13, Mr Daniel Alexander Q.C. as the Appointed Person stated at paragraph 22 that:

“The burden lies on the registered proprietor to prove use..... However, it is not strictly necessary to exhibit any particular kind of documentation, but if it is likely that such material would exist and little or none is provided, a tribunal will be justified in rejecting the evidence as insufficiently solid. That is all the more so since the nature and extent of use is likely to be particularly well known to the proprietor itself. 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. By the time the tribunal (which in many cases will be the Hearing Officer in the first instance) comes to take its final decision, the evidence must be sufficiently solid and specific to enable the evaluation of the scope of protection to which the proprietor is legitimately entitled to be properly and fairly undertaken, having

regard to the interests of the proprietor, the opponent and, it should be said, the public.”

and further at paragraph 28:

“..... I can understand the rationale for the evidence being as it was but suggest that, for the future, if a broad class, such as “tuition services”, is sought to be defended on the basis of narrow use within the category (such as for classes of a particular kind) the evidence should not state that the mark has been used in relation to “tuition services” even by compendious reference to the trade mark specification. The evidence should make it clear, with precision, what specific use there has been and explain why, if the use has only been narrow, why a broader category is nonetheless appropriate for the specification. Broad statements purporting to verify use over a wide range by reference to the wording of a trade mark specification when supportable only in respect of a much narrower range should be critically considered in any draft evidence proposed to be submitted.”

24. I note from the *Ansul* case that use of the mark in the UK includes use of the mark in advertisements aimed at maintaining or creating a share of the UK market for the services. In this instance there are no advertising figures, or even any examples of advertisements.

25. No examples of product packaging have been submitted. The only evidence of how the mark is used are photographs of the mark COX on various tablets/capsules³. Only Piroxicum and Oxazepan have a date of manufacture which is in the relevant period, whereas Propranolol and Naftidrofuryl are dated 02/2000 and 06/2000 respectively (before the relevant period). Exhibit SV-5 states that Propranolol and Naftidrofuryl have a “Shelf life” of 3 years. Therefore, there is a question of whether these goods were beyond their shelf life by the relevant date, or had been consumed already.

26. There are two relevant consumers of the goods: the end-user of the product is the person who would ultimately ingest the goods, and people within the healthcare trade, e.g. distributors, pharmacists.

27. The end user is likely to acquire the goods from a prescription or a suitable shop/pharmacist. Upon purchasing the goods, they would expect to see the trade mark on the packet or bottle and the inner blister pack. They would remove the tablet from the inner blister pack and ingest it. Whilst some (certainly not the majority) may look to see what is written on the tablet/capsule itself, it would be in small writing. In my view, since the consumer would expect to see the mark on the packaging, the current example of use is not consistent with the aim of creating and maintaining a market share under the COX mark.

28. The other consumer would be people within the healthcare trade, i.e. distributors and pharmacists who would deal with the tablets/capsules on mass. When the goods are purchased and delivered, the consumer (trade) would expect to see the mark on the packaging, delivery note and/or invoice (no evidence to this effect has

³ Exhibit SV-4 to Miss Vincent’s witness statement

been provided). Since the only use of the mark is on the goods, it is likely that only the pharmacist would see the mark. In my view, use of the mark in this context is not consistent with the essential function of creating and maintaining a share in the market.

29. With regard to the turnover, it is established case law that there is no *de minimus* rule when assessing the level of sales. It cannot be in serious dispute that the pharmaceutical market is extremely large and turnover figures of £133,017.73 over 5 years are not quantitatively significant. However, even with low sales figures, if after considering all of the relevant facts and circumstances, there is real commercial exploitation of the mark, then the onus placed on the owner under section 100 is satisfied. In other words, I do not take the sales figures in isolation but it is one of the relevant considerations to be taken into account. I accept that sales of this level may be sufficient to constitute genuine use of the marks, however the sales cannot be assessed in isolation and should be supported by further cogent evidence. For the reasons set out above, the opponent has not provided sufficient corroboratory evidence of genuine use of the mark. Instead, having considered the evidence as a whole, it is clear the mark had been used to great success until it was acquired by Alpharma in 1998. Subsequent to this acquisition the mark was no longer being used. The overall position is summarised by opponent's brochure states (emphasis added):⁴

"The acquisition of the company by Alpharma happened in 1998, for the purchase price of approximately \$200 million. However, the company did not change its name to Alpharma until 2001, bringing the Cox Pharmaceuticals name to an end after 160 years."

30. The opponent has filed a number of invoices, though the mark does not appear on any of the invoices. Therefore, the consumer would see the "generic" name for the individual goods with "Actavis" at the top. It is more likely that Actavis would be viewed as the origin of goods rather than COX.

31. In view of the above, and applying the principles set out in paragraph 19, I find that the lack of evidence, nature of use of the mark on the tablets/capsules, turnover and lack of advertising and supporting corroboratory evidence is due to there no longer being any interest in the mark: any sales or use of the mark are merely the remnants of the COX brand. This is not genuine use aimed at creating or maintaining a market share and is not consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end-user by enabling him, without any possibility of confusion, to distinguish the goods or services from others which have another origin. There has been no genuine use of the mark within the relevant period..

32. I conclude that since the opponent does not have any earlier rights in which to support its section 5(2)(b) claim, it is accordingly dismissed.

33. The section 5(2)(b) claim fails.

⁴ Page 11 of exhibit SV-2 of Ms Vincent's Witness Statement

Section 5(4)(a)

34. Section 5(4)(a) of the Act states:

“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

(b)...

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.”

Relevant case law

35. The relevant principles are well established and not in dispute. They are conveniently set out in Halsbury’s Laws of England (4th Edition) Vol. 48 (1995 reissue). The following analysis is based on guidance given in the speeches in the House of Lords in *Reckitt & Colman Products Ltd v. Borden Inc.* [1990] R.P.C. 341 and *Erven Warnink BV v. J. Townend & Sons (Hull) Ltd* [1979] AC 731.

“The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

(1) that the plaintiff’s goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;

(2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by the defendant are goods or services of the plaintiff; and

(3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant’s misrepresentation.

The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House’s previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal definition of passing off, and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House.”

The relevant date

36. The Court of Appeal recently considered the relevant date in a case such as this one under the analogous article of the Community Trade Mark Regulation⁵. Kitchen L.J. stated that:

“Under the English law of passing off, the relevant date for determining whether a claimant has established the necessary reputation or goodwill is the date of the commencement of the conduct complained of (see, for example, *Cadbury-Schweppes Pty Ltd v The Pub Squash Co Ltd* [1981] RPC 429). The jurisprudence of the General Court and that of OHIM is not entirely clear as to how this should be taken into consideration under Article 8(4) (compare, for example, T-114/07 and T-115/07 *Last Minute Network Ltd* and Case R 784/2010-2 *Sun Capital Partners Inc.*). In my judgment the matter should be addressed in the following way. The party opposing the application or the registration must show that, as at the date of application (or the priority date, if earlier), a normal and fair use of the Community trade mark would have amounted to passing off. But if the Community trade mark has in fact been used from an earlier date then that is a matter which must be taken into account, for the opponent must show that he had the necessary goodwill and reputation to render that use actionable on the date that it began.”

37. The applicant has made various submissions that they have used their mark in the course of trade prior to filing the trade mark application. Whilst this prior use may impact on assessing the relevant date, there is no evidence to support the submissions. Accordingly, the relevant date for determining the s.5(4)(a) claim is the date of application for registration: 12 September 2012.

What is goodwill?

38. This question was addressed in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL):

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start.”

Was there goodwill of more than a trivial level at the relevant date?

39. Goodwill must be of more than a trivial nature. In *Hart v Relentless Records* [2003] FSR 36, Jacob J. (as he then was) stated at paragraph 62 that:

“In my view the law of passing off does not protect a goodwill of trivial extent. Before trade mark registration was introduced in 1875 there was a right of property created merely by putting a mark into use for a short while. It was an unregistered trade mark right. But the action for its infringement is now barred by s.2(2) of the Trade Marks Act 1994. The provision goes back to the very first registration Act of 1875, s.1. Prior to then you had a property right on

⁵ *Roger Maier v ASOS* [2015] EWCA Civ 220 at paragraph 165

which you could sue, once you had put the mark into use. Even then a little time was needed, see per Upjohn L.J. in BALI Trade Mark [1969] R.P.C. 472. The whole point of that case turned on the difference between what was needed to establish a common law trade mark and passing off claim. If a trivial goodwill is enough for the latter, then the difference between the two is vanishingly small. That cannot be the case. It is also noteworthy that before the relevant date of registration of the BALI mark (1938) the BALI mark had been used “but had not acquired any significant reputation” (the trial judge's finding). Again that shows one is looking for more than a minimal reputation.”

40. However, a small business which has more than a trivial goodwill can protect signs which are distinctive of that business under the law of passing off even though its reputation may be small. In *Stacey v 2020 Communications* [1991] FSR 49, Millett J. stated that:

“There is also evidence that Mr. Stacey has an established reputation, although it may be on a small scale, in the name, and that that reputation preceded that of the defendant. There is, therefore, a serious question to be tried, and I have to dispose of this motion on the basis of the balance of convenience.”

See also: Stannard v Reay [1967] FSR 140 (HC); *Teleworks v Telework Group* [2002] RPC 27 (HC); *Lumos Skincare Limited v Sweet Squared Limited and others* [2013] EWCA Civ 590 (COA)

41. I have already found that the opponent did not provide sufficient evidence to discharge the burden placed upon them under section 100 that they have used the mark in the marketplace. This is indicative of me finding that the opponent does not have a protectable goodwill. As I have established, the mark is no longer in use and any sales that have taken place prior to the relevant date are merely sales of goods which are no longer available. Therefore, I find that at the relevant date the opponent has not established that they accrued a protectable goodwill at the relevant date.

42. Therefore, the section 5(4)(a) claim falls at the first hurdle and is dismissed.

Section 3(6)

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

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

44. The opponent claims that the applicant became aware of their activities and use of the “COX” mark in the summer of 2012. On 1 August 2012 the opponent subsequently issued a cease and desist letter.⁶ Having been placed on notice of the existence of the opponent's registrations, on 12 September 2012 the applicant filed

⁶ Exhibit CGM-1 to the witness statement of Christina Garrigues Martinez dated 15 December 2014

the applications. It is argued that the act of filing the applications so soon after receiving a cease and desist letter constitutes bad faith.

45. In *Hotel Cipriani SRL and others v Cipriani (Grosvenor Street) Limited and others* [2009] RPC 9 (approved by the COA in [2010] RPC 16), Arnold J. stated at paragraph 189 that:

“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.”

46. In my view the guidance provided by Arnold J. encapsulates these proceedings. In my view, once the applicant became aware of the opponent’s registration and assessed the circumstances, it was prudent for them to file a trade mark application. The applicant’s actions are not, as the opponent claims, an act of bad faith and this line of objection fails.

47. The section 3(6) claim is dismissed.

Outcome

48. The opposition is dismissed. The application shall, subject to an appeal, proceed to registration for all of the applied for goods and services.

COSTS

49. The applicant has been successful and is entitled to a contribution towards its costs. During the hearing Mr Moss requested off the scale costs in relation to the section 3(6) and 5(4)(a) claims, but not 5(2)(b). He stated that there was a clear lack of evidence to support an opposition based on sections 5(4)(a) and 3(6). Further arguments in support of an off the scale award is that the opponent had not attended the hearing, had no chance of success and Mr Moss’ client’s (and IPO) time has been wasted.

50. The tribunal has the ability to award costs off the scale, approaching full compensation, to deal proportionately with wider breaches of rules, delaying tactics or other unreasonable behaviour.

51. Whilst the opponent has been unsuccessful, I do not consider that they have behaved in an unreasonable manner. Clearly the evidence filed and claims made have not been led to them being successful in these proceedings, but I do not consider this to be justification for an off the scale award of costs. With regard to the opponent wasting the applicant's and Registry's time, it was the opponent who requested the hearing and therefore the party that decided to incur such an expense when they could of received a decision from the papers.

52. Having taken Mr Moss' comments into consideration I am not persuaded that the circumstances justify an award off the scale. Nevertheless the opponent is entitled to a contribution towards their costs. However, before doing so, Mr Moss stated that they would like to submit further "without prejudice save as to costs" correspondence. Therefore, I order the following:

- 1) The applicant may submit the referred to correspondence together with their submissions within 14 days of the date of this decision.
- 2) The opponent shall then have a further 14 days to review correspondence and file any submissions in reply.
- 3) Since I have already refused the applicant's request for costs award off the scale on the grounds of unreasonable behaviour, should the applicant decide not to file the "without prejudice save as to costs" correspondence, I make the following costs order:

Preparing a statement and considering the other side's statement	£500
Preparing evidence and considering and commenting on the other side's evidence	£1200
Preparing for and attending a hearing	£1000

53. Subject to the applicant pursuing an off the scale award of costs, I order Actavis UK Limited to pay Cox Pharmaceutical Ltd the sum of £2700. The above sum should be paid within seven days of the expiry of the appeal or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 12th day of August 2015

**Mark King
For the Registrar,
The Comptroller-General**