#### **TRADE MARKS ACT 1994**

# IN THE MATTER OF APPLICATION NOS 3022800 AND 3045476 BY FOREVER LAWN LIMITED TO REGISTER THE TRADE MARKS



#### **AND**



**IN CLASSES 27, 35 AND 44** 

AND IN THE MATTER OF CONSOLIDATED OPPOSITIONS
THERETO UNDER NOS 401490 AND 402459
BY STEVEN MORGAN

#### **BACKGROUND**

1) On 19 September 2013 and 6 March 2014 respectively, Forever Lawn Limited ("the applicant") applied under the Trade Marks Act 1994 ("the Act") for registration of the two marks shown on the front page of this decision. Both applications are in respect of the following identical list of goods and services:

Class 27: Artificial lawn; artificial grass; artificial turf, namely, synthetic turf used for lawn and recreational purposes; carpets and floor coverings.

Class 35: Retail and wholesale services connected with the sale of artificial lawn, artificial grass, artificial turf, namely, synthetic turf used for lawn and recreational purposes, carpets and floor coverings; import and export services; advisory, consultancy and information relating to the above.

**Class 44:** Horticulture, gardening and landscaping; Landscape gardening services; advisory, consultancy and information relating to the above.

- 2) On 4 October 2013 and 4 April 2014 respectively, the applications were published in the Trade Marks Journal and on 6 January 2014 and 4 July 2014 respectively, Steven Morgan ("the opponent") filed notice of opposition to both the applications. The grounds of opposition are identical in both cases and, in summary, they are:
  - a) the opponent is the proprietor of earlier mark 2479483, the relevant details of which are:

Relevant details	List of goods and services
EVERT AWN	Class 1: Glue for joining artificial grass.
	Class 17: Adhesive tape used for carpets.
Filing date: 11 February 2008	carpoto.
Date of entry in register: 4 July 2008	Class 27: Artificial grass for lawns.

The opponent claims use in respect of all the goods listed in this earlier mark and he relies upon it when bringing grounds of opposition based upon Section 5(2)(b) of the Act. In respect of these grounds, he claims that the respective goods and services are identical or similar and that dominant and distinctive components of the applicant's marks are the words "ForeverLawn" and that this is visually, phonetically and conceptually similar to his marks. The opponent claims that as a

consequence of this there is a likelihood of confusion on the part of the relevant public. The opponent further relies on the same earlier mark when relying upon the grounds based upon Section 5(3) of the Act. He claims that his earlier mark has a reputation and that the registration of the applicant's mark would result in:

- an unfair advantage because use of what the opponent claims is a "highly similar mark" would result in confusion by the average consumer thus conferring an unfair advantage because when the applicant enters the market it would immediately benefit from the reputation built up by the opponent;
- detriment to the reputation of his mark on the basis that the opponent will have no control over the quality of the applicant's goods and because of the similarity in the marks, lower quality goods will impact upon the opponent's reputation;
- detriment to the distinctive character of his earlier mark because there
  is a danger that use of the applicant's marks will result in a loss of
  distinctiveness of the opponent's mark.
- b) the applications offend under Section 5(4)(a) of the Act because the opponent has used its earlier mark throughout the UK since 1 January 2007 in respect of "glue for joining artificial grass; adhesive tape used for carpet/artificial grass; artificial grass; retail and wholesale services connected with the sale of the aforementioned products; installation or artificial grass; landscape gardening services". It therefore benefits from goodwill identified by the mark and registration of the applicant's mark would result in misrepresentation and damage through the diversion of sales.
- 3) The applicant filed counterstatements denying the opponent's claims in both sets of proceedings and putting it to proof of use in respect of all of the goods covered by the opponent's earlier mark.
- 4) On 17 October 2014, the two oppositions were consolidated and the evidence filed up to that time in respect of Opposition 401490 was adopted onto Opposition 402459 also.
- 5) Both sides filed evidence and both sides ask for an award of costs. No hearing was requested and so this decision is taken following careful consideration of the papers.

#### **Opponent's Evidence**

- 6) This takes the form of a witness statement by Mr Morgan, the proprietor of the earlier mark and the managing director of Artificial Grass (UK) Limited ("his company". He explains how his company developed a new, more natural looking artificial grass and he created the name EVERLAWN, being a play on words to refer to the fact that the product was long lasting and hardier than normal grass. He claims the product was referred to as EVERLAWN from late 2007.
- 7) The opponent claims his company registered the domain name <a href="https://www.everlawn.co.uk">www.everlawn.co.uk</a> on 13 January 2008. A selection of screenshots from this website from the years 2008 to 2014 are provided at Exhibit SM1. These were obtained from web.archive.org and include a page from 22 July 2009 where there is an announcement that EverLawn artificial grass is launched. All the pages show the mark EverLawn, either in ordinary typeface or occasionally, with a circular device appearing to the left of the words ("the word and device mark"). Pages from 6 December 2010, 13 January 2012 and 16 January 2013 all carry the identical notice that *Jewson* is the official supplier of EverLawn artificial grass.
- 8) At Exhibit SM2, Mr Morgan provides extracts from his company's website illustrating a number of different products offered under the EverLawn mark. There is no indication as to the date these web pages were created, but they were all printed on 11 July 2014. Mr Morgan explains that his company's primary product is artificial grass and various types are shown in the exhibit all identified by the mark "EverLawn". Other products shown are "EverLawn Artificial Grass Adhesive" and "EverLawn Artificial Grass Seaming Tape". The exhibit shows a number of different types of artificial grass including artificial grass for sporting uses such as golf and football. Mr Morgan states that his company's artificial football turf was first launched in 2008 under the name "EverLawn Premier".
- 9) A selection of photographs are provided at Exhibit SM3. These are undated and include:
  - premises with the banner "EverLawn Artificial Grass" (featuring the word and device version of the mark);
  - a number of vehicles including transit vans and a flat bed truck, with the mark "EverLawn" appearing thereon. The number plate of one transit van is visible and is a "57" plate, indicating that the photograph was taken no earlier than September 2007;
  - A display of EverLawn artificial grass outside a retail premises called "Builders Supplies, West Coast Ltd";
  - Rolled up and wrapped artificial grass bearing the EverLawn word and device mark;

- A promotional banner for "EverLawn" artificial garden grass;
- A number of items of clothing all bearing the word and device version of the mark;
- A large tub and application gun of "Artificial Grass Multi Purpose Adhesive", both bearing the word and device version of the mark;
- Retail displays for artificial grass all bearing the word and device version of the mark. One is co-branded with a *Jewson* trademark;
- Advertising banners for EverLawn artificial grass situated around sports pitches/courts
- Promotional cards for artificial grass featuring the word and device mark and the web address www.everlawn.co.uk and example leaflets showing use of both the earlier mark and word and device mark and refer to premises in Poulton Le Fylde, Lancashire. Whilst all are undated, one of the latter items has hand-written statement that it was for "garden centres, builders merchants and Jewson between 2007 - 2013;
- A promotional board that is fixed to a property following installation;
- A sample of the artificial grass, enclosed in a promotional cover that the opponent claims has been sent out to prospective customers since 2007.
   It features both the earlier mark and the word and device mark;
- A similar cover that appears to have enclosed an example EverLawn artificial grass for football pitches and for golf putting greens.
- 10) Mr Morgan states that in 2008, his company began discussions with Jewson Limited with a view of selling and promoting its products in their numerous specialist landscaping centres throughout the UK. Promotion in *Jewson* stores began in 2009 through the use of stands, leaflets, samples and promotional areas. Mr Morgan states that some of the photographs in Exhibit SM3 were display stands situated in *Jewson* stores between 2009 and 2013.
- 11) Mr Morgan also provides a list of independent stockists. One is in Peterborough and eight others all in the north of England.
- 12) Mr Morgan states that his company's products have been available through its website since 2009 and has a diverse range of customers including individuals, schools and businesses.
- 13 Exhibit SM4 consists of a selection of independent press articles, namely:

- From GreenArticles.co.uk an article entitled "Everlawn Artificial Grass on channel 4" and dated 1 January 2013;
- On the website www.channel4.com, information about the television programme "My House is Falling Down aired on 13 December 2011 records "EverLawn Artificial Grass" as one of the suppliers. An article frombignews.biz appears to make reference to EverLawn Artificial Grass appearing on the same programme but the article is dated 22 November 2010:
- On the website www.telegraph.co.uk, an article dated 26 March 2011 entitled "Homegrown style; 10 tiny plot tips". This includes a tip to consider artificial turf and refers the reader to a couple of suppliers including www.everlawn.co.uk;
- From the 2011-2012 picture archive on the website of Shakespeare Primary School, in Fleetwood, Lancashire, a photograph of artificial grass installed around the perimeter of its school yard and with the text "Our new artificial grass has been worth every penny!!! ....If you want to find out more about artificial grass telephone [details of Sales Manager], EverLawn Artificial Grass ....Web: wwweverlawn.co.uk".
- 14) A selection of magazine articles are provided at Exhibit SM5 and include:
  - Extracts from the online version of the magazine "Lancashire & North West" dated June 2013, July 2013, August 2013, September 2013, October 2013, November 2013, January 2014, February 2014, March 2014 and April 2014. All contain a full page advert for EverLawn artificial grass. In addition, the August 2013 and January 2014 editions also carry articles about artificial grass where the product was provided by EverLawn;
  - A magazine entitled "Cheshire", dated April 2014, and another entitled "The Lancashire & North West" magazine, date June 2013, both carry a full page advertisement for EverLawn's artificial grass. The advertisement shows the word and device version of the mark. The July 2013 edition of the latter has a front cover consisting of an advert for EverLawn;
  - A number of advertisements in publications such as Citizen's Paper Ltd, a
    free community newspaper in Blackpool (2008), "Local List" (being a
    trade advertisement publication that appears to be tailored for different
    towns) for a number of towns in the North West of England and dated
    May 2013, June 2013, October 2013.

- 15) An extract from the web site of Mr Morgan's company is provided at Exhibit SM6, being a review from a customer of its EverLawn artificial grass. It is dated 15 November 2013.
- 16) Mr Morgan provides the following sales figures for his company's artificial grass and associated services and also advertising and promotion costs:

Year	Units sold (in m²)	Approx. Turnover (£)	Cost of labels, letterheads, show cards (£)	Cost of advertising (£)
2008	4,000	125,000	2,800	1,000
2009	12,000	145,000	4,000	5,000
2010	20,000	160,000	6,800	15,000
2011	28,000	142,000	10,200	22,000
2012	35,000	190,000	14,000	30,000
2013	45,000	201,000	14,000	39,000
2014	65,000	280,000	-	-

17) Copies of a selection of fourteen invoices are provided at Exhibit SM8. These are dated between January 2010 and February 2012. These variously refer to the products as EverLawn or by reference to the word and device mark appearing in the header, and/or EverLawn appearing as part of the provider's address.

#### **Applicant's Evidence**

- 18) This takes the form of a witness statement by Daniel Macdonald, director of the applicant. He explains that the applicant chose the name FOREVER LAWN for its artificial grass product to suggest that it is high quality, extremely durable and hard wearing. He points out that "forever" means "for all time or an extremely long time". Mr Macdonald's statement is a mix of evidence and submissions. I only summarise the evidence here and refer to submissions only insofar as it is necessary to give the context for providing the evidence.
- 19) Mr Macdonald identifies an apparent discrepancy in Mr Morgan's evidence pointing out that Mr Morgan claims that in 2013 45,000 units of artificial grass were sold with a turnover of £201,000. Mr Macdonald points out that with the opponent's evidence taken from its website showing prices ranging from £17 to £31 per square meter, it would be impossible for the turnover to be so low. He claims this inconsistency runs throughout the period 2008 to 2014. He claims that the figures are untrue. To further support this, at Exhibit DM3, Mr Macdonald provides a print out from Company Check of the key financials for the opponent's company. This shows figures for "cash", "Net Worth", "Total Current Liabilities" and "Total Current Assets" for the years 2009 to 2013. None of these figures ever exceeded £60,000 in this time. Mr Macdonald contends that these figures are

extremely low "and do not support the claims that [Mr Morgan's] company is a large and reputable supplier of artificial grass in the UK".

- 20) Mr Macdonald states that he has done a search on the *Jewson* website for "EverLawn" or "Ever lawn" and was unable to locate any reference. The search result from the website is provided at Exhibit DM4. He states that he also telephoned *Jewson* but could find no one with any knowledge of the EverLawn products and they were unable to confirm that they had ever supplied it.
- 21) To support the claim that Mr Morgan has misled both the Registry in these proceedings and also the public, at Exhibit DM5, Mr Macdonald provides a page from Mr Morgan's company website where claims are made that it delivered 9.731 million square metres or artificial grass in 2010 and 9.276 in 2012. Mr Macdonald estimates that such trade would amount to £90 million turnover per year.

### **Opponent's Evidence-in-Reply**

- 22) This consists of a further witness statement by Mr Morgan. He refutes the claim that he has mislead the Registry in any way claiming that he has a right to withhold his company's sensitive business information that may be of benefit to the applicant and states that he would be prepared to provide this evidence in private to the Registry, but he did not do so, or seek leave to do so.
- 23) Regarding the applicant's company and its tie-up with *Jewson*, Mr Morgan refers to his Exhibits SM3 showing the display stands and signage used that bear the *Jewson* branding. He also points to invoices provided at his Exhibit SM10 as evidence of the tie-up. These invoices actually consist of eighteen "purchase orders" relating to various *Jewson* outlets around the UK covering a date range between July 2009 and June 2010. Most refer to "Everlawn" in the product descriptions "Everlawn premier artificial grass", "Everlawn adhesive", "Everlawn artificial grass in pearl", "Everlawn pearl", "Everlawn artificial grass", Everlawn SL Adhesive", Everlawn Artificial Seaming Tape", "Everlawn Artificial Sapphire Grass", "Everlawn Emerald Artificial Grass", "Everlawn Sapphire Grass". A small number of these documents, including one dated 2012, do not refer to "Everlawn".
- 24) At Exhibit SM11, Mr Morgan provides extracts from the website www.synonyms.woxikon.co.uk for the words EVER and FOREVER illustrating that one word is a synonym for the other when referring to duration.
- 25) The opponent describes a case of actual confusion where, in 2014, his company carried out installation of Everlawn artificial grass in Rotherham where one of the site workers expressed confusion between Everlawn and Foreverlawn, believing them to be the same company and products.

#### **DECISION**

#### Proof of use

- 26) Section 6 and Section 6A of the Act are relevant and read:
  - 6. (1) In this Act an "earlier trade mark" means -
    - (a) a registered trade mark, international trade mark (UK), Community trade mark or international trade mark (EC) which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks,
    - (b) a Community trade mark or international trade mark (EC) which has a valid claim to seniority from an earlier registered trade mark or international trade mark (UK), (ba) a registered trade mark or international trade mark (UK) which-
      - (i) has been converted from a Community trade mark or international trade mark (EC) which itself had a valid claim to seniority within paragraph (b) from an earlier trade mark, and
      - (ii) accordingly has the same claim to seniority, or
    - (c) a trade mark which, at the date of application for registration of the trade mark in question or (where appropriate) of the priority claimed in respect of the application, was entitled to protection under the Paris Convention or the WTO agreement as a well known trade mark.
  - (2) References in this Act to an earlier trade mark include a trade mark in respect of which an application for registration has been made and which, if registered, would be an earlier trade mark by virtue of subsection (1)(a) or (b), subject to its being so registered.
  - (3) A trade mark within subsection (1)(a) or (b) whose registration expires shall continue to be taken into account in determining the registrability of a later mark for a period of one year after the expiry unless the registrar is satisfied that there was no *bona fide* use of the mark during the two years immediately preceding the expiry.

## 6A\* Raising of relative grounds in opposition proceedings in case of non-use

(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) ...
- (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.
- (7) Nothing in this section affects
  - (a) the refusal of registration on the grounds mentioned in section 3

(absolute grounds for refusal) or section 5(4)(relative grounds of refusal on the basis of an earlier right), or

(b) ...

- 27) In Stichting BDO v BDO Unibank, Inc., [2013] EWHC 418 (Ch), Arnold J. stated as follows:
  - "51. Genuine use. In *Pasticceria e Confetteria Sant Ambreoeus 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]; *Silberguelle*, [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]".
- 28) 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.
- 29) The opponent relies upon one earlier mark with a filing date that pre-dates the filing date of the contested applications. It is therefore an earlier mark within the meaning provided by Section 6 of the Act. The registration procedures for the earlier mark was completed more than five years before 4 October 2013 and 4 April 2014, being the respective dates of publication of the applications. In accordance with Section 6A(1), the earlier mark is therefore subject to the proof of use requirements. The opponent must demonstrate that its mark has been put to genuine use during the overlapping periods 4 October 2008 to 3 October 2013 and 4 April 2009 and 3 April 2014.
- 30) The applicant has criticised the consistency and accuracy of the evidence supplied by the opponent, in particular the claimed level of sales when compared with the number of units sold and that, when applying the unit costs disclosed elsewhere. Whilst this does raise the question as to the precise level of trade activity under the mark, it is clear from the evidence provided that goods have been provided under the mark for a number of years:
  - There is evidence (at Exhibit SM1) that the applicant's company launched its "EverLawn" artificial grass in July 2009. Once again, there are discrepancies regarding when the mark was first use and Mr Morgan

states elsewhere in his witness statement that his company launched its "EverLawn Premier" artificial football pitch grass in 2008;

- Purchase orders shown at Exhibit SM11 reflect use in respect of artificial grass and artificial grass adhesive. Whilst there is also a reference to "artificial grass seaming tape", it is not described as being "Everlawn", therefore, it cannot be taken as evidence of such. A further reference to artificial grass seaming tape is also shown at Exhibit SM2, but it is undated, does not assist in demonstrating use during the two defined five year periods;
- A number of undated photographs (at Exhibit SM3) showing packaging for artificial grass and artificial grass multi purpose adhesive;
- Third party references to the applicant's "Everlawn artificial grass" (see paragraph 13, above).
- 31) The use demonstrated by this evidence illustrates that it is not sham use, neither can it be described as token use. Whilst there are unanswered questions regarding some of the detail of use, for the purposes of assessing whether genuine use of the mark has occurred during the relevant five year periods, I am satisfied that this has been demonstrated in respect of the following goods:

Class 1: Glue for joining artificial grass.

Class 27: Artificial grass for lawns

32) In respect of the opponent's Class 17 goods, namely *adhesive tape used for carpets*, there is no mention of such goods in the evidence. There is evidence from the opponent's company website, obtained after the relevant date that it has a Everlawn branded "artificial grass seaming tape". The definition of *carpet* is "A floor covering made from thick woven fabric" 1. In order to fully understand this definition it is also necessary to understand the meaning of the word *floor*, which is "The lower surface of a room, on which one may walk" 2. These are ordinary, commonly used words whose meanings are readily understood. With this in mind, I find that the term *adhesive tape used for carpets* does not include "artificial grass seaming tape" because "artificial grass" is not covered by the term "carpet" that is laid upon floors, i.e. the lower surface of a room whereas artificial grass is laid outdoors. Consequently, the normal meaning attributed to the term *adhesive tape used for carpets* will not be that it includes "artificial grass

http://www.oxfordreference.com/search?siteToSearch=oso&q=floor&searchBtn=Search&isQuick Search=true

<sup>&</sup>lt;sup>1</sup> Oxford Reference at

http://www.oxfordreference.com/search?siteToSearch=aup&q=carpet&searchBtn=Search&isQuic kSearch=true

<sup>&</sup>lt;sup>2</sup> Oxford Reference at

seaming tape". Even if I am wrong on this point, the evidence fails to demonstrate that the opponent's mark was used during the relevant period in respect of these goods.

33) In light of these findings, for the purposes of assessing the grounds based upon Section 5(2)(b) of the Act, the opponent can rely upon its Class 1 and Class 27 goods only.

## Section 5(2)(b)

- 34) Section 5(2)(b) reads:
  - "(2) A trade mark shall not be registered if because –
  - (a) ...
  - (b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

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

- 35) The following principles are gleaned from the decisions of the EU courts in Sabel BV v Puma AG, Case C-251/95, Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc, Case C-39/97, Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V. Case C-342/97, Marca Mode CV v Adidas AG & Adidas Benelux BV, Case C-425/98, Matratzen Concord GmbH v OHIM, Case C-3/03, Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH, Case C-120/04, Shaker di L. Laudato & C. Sas v OHIM, Case C-334/05P and Bimbo SA v OHIM, Case C-591/12P:
  - (a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors:
  - (b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;
  - (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

- (d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;
- (e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;
- (f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;
- (g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;
- (h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;
- (i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;
- (j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;
- (k) if the association between the marks creates a risk that the public will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

#### Comparison of goods

36) In assessing the similarity of goods, it is necessary to apply the approach advocated by case law and all relevant factors relating to the respective goods should be taken into account in determining this issue. In *Canon Kabushiki Kaisha v.Metro-Goldwyn-Mayer* the Court of Justice of the European Union ("the CJEU") stated at paragraph 23:

'In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, *inter alia*,

their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary.'

- 37) Other factors may also be taken into account such as, for example, the distribution channels of the goods concerned (see, for example, *British Sugar Plc v James Robertson & Sons Limited (TREAT)* [1996] RPC 281).
- 38) I also bear in mind the following guidance of the General Court ("the GC") in Gérard Meric v OHIM, T-133/05 ("MERIC"):

"29 In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by the trade mark application (Case T-388/00 Institut für Lernsysteme v OHIM – Educational Services (ELS) [2002] ECR II-4301, paragraph 53) or when the goods designated by the trade mark application are included in a more general category designated by the earlier mark (Case T-104/01 Oberhauser v OHIM – Petit Liberto (Fifties) [2002] ECR II-4359, paragraphs 32 and 33; Case T-110/01 Vedial v OHIM – France Distribution (HUBERT) [2002] ECR II-5275,paragraphs 43 and 44; and Case T- 10/03 Koubi v OHIM – Flabesa (CONFORFLEX) [2004] ECR II-719, paragraphs 41 and 42)."

## 39) The respective goods are:

Opponent's goods	Applicant's goods
Class 1: Glue for joining artificial grass.	Class 27: Artificial lawn; artificial grass; artificial turf, namely, synthetic turf used for lawn and recreational purposes; carpets
Class 27: Artificial grass for lawns	and floor coverings.
	Class 35: Retail and wholesale services connected with the sale of artificial lawn, artificial grass, artificial turf, namely, synthetic turf used for lawn and recreational purposes, carpets and floor coverings; import and export services; advisory, consultancy and information relating to the above.
	Class 44: Horticulture, gardening and landscaping; Landscape gardening services; advisory, consultancy and information relating to the above.

40) The opponent's strongest case against all of the applicant's goods and services lies with his *Artificial grass for lawns*. Therefore, I will limit my

consideration of similarity of goods and services to a comparison with these goods only. The opponent's case is no better when relying upon its *Glue for joining artificial grass*.

#### Applicant's Class 27 goods

- 41) Applying the guidance in *Meric*, it is self evident that the applicant's *Artificial lawn; artificial grass; artificial turf, namely, synthetic turf used for lawn and recreational purposes* is identical to the opponent's *artificial grass for lawns*.
- 42) The remaining goods in the applicant's Class 27 specification, namely carpets and floor coverings are not identical because of my earlier findings regarding the commonly understood meaning of "carpet" and "floor". With these meanings in mind, both parties' goods are used for covering the surface on which you walk upon, therefore, their methods of use will be the same and their nature and intended purpose will be similar. The nature of the applicant's carpets is that of a woven product made from wool or a synthetic material that looks like wool with the intended purpose to provide a comfortable surface and decoratively matched to the other surfaces of a room or internal space. Floor coverings will be understood as including other types of floor coverings other than carpets, such as linoleum and other similar type surface coverings. Neither of these goods are in competition with the opponent's artificial grass for lawns and neither is it common for them to share trade channels. The applicant's goods are commonly sold through household flooring retailers or in flooring departments of larger stores, such as department stores. On the other hand, the opponent's goods are sold through garden centres or D.I.Y. stores. The latter, may on occasions sell both parties' goods, but where this occurs, it is normal for them to be sold in different parts of the store i.e. flooring products in the case of the applicant's goods and in the gardening area in the case of the opponent's goods. Taking all of this into account, I conclude that the respective goods share some similarity. but this is only on the low side.

#### Applicant's Class 35 services

- 43) Firstly, I consider the similarity of the applicant's Retail and wholesale services connected with the sale of artificial lawn, artificial grass, artificial turf, namely, synthetic turf used for lawn and recreational purposes with the opponent's Class 27 goods.
- 44) In *Oakley, Inc v OHIM*, Case T-116/06, at paragraphs 46-57, the GC held that although retail services are different in nature, purpose and method of use to goods, retail services for particular goods may be complementary to those goods, and distributed through the same trade channels, and therefore similar to a degree.

- 45) In Tony Van Gulck v Wasabi Frog Ltd, Case BL O/391/14, Mr Geoffrey Hobbs Q.C. as the Appointed Person reviewed the law concerning retail services v goods. He said (at paragraph 9 of his judgment) that:
  - "9. The position with regard to the question of conflict between use of **BOO!** for handbags in Class 18 and shoes for women in Class 25 and use of **MissBoo** for the Listed Services is considerably more complex. There are four main reasons for that: (i) selling and offering to sell goods does not, in itself, amount to providing retail services in Class 35; (ii) an application for registration of a trade mark for retail services in Class 35 can validly describe the retail services for which protection is requested in general terms; (iii) for the purpose of determining whether such an application is objectionable under Section 5(2)(b), it is necessary to ascertain whether there is a likelihood of confusion with the opponent's earlier trade mark in all the circumstances in which the trade mark applied for might be used if it were to be registered; (iv) the criteria for determining whether, when and to what degree services are 'similar' to goods are not clear cut."
- 46) However, on the basis of the European courts' judgments in Sanco SA v OHIM<sup>3</sup>, and Assembled Investments (Proprietary) Ltd v. OHIM<sup>4</sup>, upheld on appeal in Waterford Wedgewood Plc v. Assembled Investments (Proprietary) *Ltd*<sup>5</sup>, Mr Hobbs concluded that:
  - i) Goods and services are not similar on the basis that they are complementary if the complementarity between them is insufficiently pronounced that, from the consumer's point of view, they are unlikely to be offered by one and the same undertaking:
  - ii) In making a comparison involving a mark registered for goods and a mark proposed to be registered for retail services (or vice versa), it is necessary to envisage the retail services normally associated with the opponent's goods and then to compare the opponent's goods with the retail services covered by the applicant's trade mark;
  - iii) It is not permissible to treat a mark registered for 'retail services for goods X' as though the mark was registered for goods X;
  - iv) The General Court's findings in Oakley did not mean that goods could only be regarded as similar to retail services where the retail services related to exactly the same goods as those for which the other party's trade mark was registered (or proposed to be registered).

<sup>&</sup>lt;sup>3</sup> Case C-411/13P <sup>4</sup> Case T-105/05, at paragraphs [30] to [35] of the judgment

<sup>&</sup>lt;sup>5</sup> Case C-398/07P

- 47) In *Frag Comercio Internacional, SL, v OHIM,* Case T-162/08, the GC held that a registration for 'retail services', which did not identify the kinds of goods covered by the services, was too vague to permit a proper comparison to be made between those services and the goods covered by the later mark. It was not therefore possible to determine that the respective services and goods were similar.
- 48) In the current case, the retail services claimed do identify the kind of goods that these services are connected with and these goods are the same as the opponent's Class 27 goods. There is clear complementarity because the existence of the goods is essential for the retailing of the same. The question is whether this complementarity is sufficiently pronounced for the average consumer to believe that the goods and the retailing of them are provided by the same or linked undertaking. Artificial grass strikes me as a reasonably specialised product that, in addition to being made available through third party traders (such as *Jewson*), it is likely to also be retailed by the specialist provider of such goods together with other related goods such as the opponent's *glue for joining artificial grass*. Consequently, the goods and the retailing of those goods are complementary to the extent that the average consumer believes they are provided by the same or linked undertaking.
- 49) I conclude that the applicant's Retail and wholesale services connected with the sale of artificial lawn, artificial grass, artificial turf, namely, synthetic turf used for lawn and recreational purposes share a medium degree of similarity with the opponent's goods.
- 50) In respect of the applicant's advisory, consultancy and information relating to the above [being Retail and wholesale services connected with the sale of artificial lawn, artificial grass, artificial turf, namely, synthetic turf used for lawn and recreational purposes], this is further removed from the opponent's goods. Advice, consultancy and information relating to a retail service shares no similarity with Artificial grass for lawns.
- 51) Next, I consider the level of similarity between the opponent's *Retail and wholesale services connected with the sale of ... carpets and floor coverings; ...; advisory, consultancy and information relating to the above and the opponent's goods.* Here, the applicant's services are further removed from the opponent's goods than the similar services considered in paragraphs 48 and 49 above. This will result in any complementarity being insufficient for the average consumer to believe that are provided by the same or linked undertaking. Therefore, there is no similarity.
- 52) Finally, I consider the similarity between *import and export services; advisory, consultancy and information relating to the above* with the opponent's goods. The GC in *Frag Comercio Internacional, SL, v OHIM* held that a registration for 'retail services', which did not identify the kinds of goods covered by the services, was

too vague and it could not be concluded that the respective services and goods were similar. By analogy, unspecified import and export services cannot be similar either and neither can advisory, consultancy and information relating to the same. I conclude that there is no similarity.

#### Applicant's Class 44 services

53) There is nothing before me to suggest that businesses that trade in artificial grass also conduct the services of *horticulture*, *gardening and landscaping*; *Landscape gardening services*; *advisory*, *consultancy and information relating to the above*. Neither is it obvious to me that this is so. Whilst there may be occasions when the provision of landscape gardening services may include the sourcing and installing of artificial grass for a client, this is not the same as providing its own artificial grass. There is no evidence to suggest otherwise, it it does not strike me that any complementarity is sufficiently pronounced so that the average consumer believes the two undertakings are the same or linked. Therefore, I am unable to conclude that the respective goods and services share any trade channels. Neither are they complimentary in the sense that one is essential or important for the other (as defined by the GC in *Boston Scientific Ltd v OHIM* - T-325/06, paragraph 82). Further, the respective goods and services' nature, intended purpose and methods of use are self-evidently different. I conclude that there is no similarity.

## The average consumer

- 54) The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: Lloyd Schuhfabrik Meyer, Case C-342/97. In Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:
  - "60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words "average" denotes that the person is typical. The term "average" does not denote some form of numerical mean, mode or median."
- 55) The average consumer of the parties' goods and services will include members of the public who may purchase relatively small quantities of artificial grass for use, for example, as garden lawns. Artificial grass will also be

purchased by businesses, and is likely to include large purchases for use on football pitches and other sports pitches and courts as well as golf courses. Even small purchases are likely to be selected with a little care and in respect of large purchases, the costs involved will ensure that there will be relatively high levels of care and attention when selecting the goods. Therefore, there is a range of attention possible based upon the different consumers and the possible different sizes of order placed, but it will be, at least, more considered than purchases of more everyday goods. The purchasing act is likely to be visual in nature, but I also take account that purchases may be made over the phone where aural considerations are important.

## Comparison of marks

56) It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

"....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion."

- 57) It would be wrong, therefore, to artificially dissect the marks, although, it is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.
- 58) The respective marks are:



- 59) The opponent's mark consists of the two words "Ever" and "Lawn" conjoined, however, the presence of the capital letter "L" at the start of the word "Lawn" ensures that both words retain their own identity within the mark. The words appear in a dark green colour. These words combine to make an allusive phrase and the distinctive character of the mark resides in the combination of these words, with neither having more relative weight than the other.
- 60) The first of the applicant's marks consists of the device of grass within a circle, the words *Forever* and *Lawn* conjoined, a line under these words and the phrase "The Artificial Grass Specialists". This phrase is descriptive and is not a distinctive part of the mark. The device and the conjoined words "ForeverLawn" are both distinctive components, but the size and position in the centre of the mark results in the conjoined words being the dominant and distinctive component. The applicant's second mark has the phrase "The Artificial Grass Specialists" replaced by the words "Part of The Floor Trader Group" with the words "The Floor Trader" appearing as part of a distinctive composite word and device mark (I shall refer to this component as the "embedded mark"). Whilst distinctive, its position and size does not displace the conjoined words "ForeverLawn" as being the dominant and distinctive component.
- 61) Visually, the opponent's mark and the applicant's marks share some similarity in that they all contain the same letter sequence "everlawn". The

applicant's mark has a number of differences, namely the letters "For" appearing before the term "everlawn", the device element and either the phrase "The Artificial Grass Specialists" or the embedded mark. Whilst all the marks are shown in colour, they are not limited to such colours and, consequently, colour has no bearing on the issue of similarity. The "ForeverLawn" component of both the applicant's marks is the dominant visual component within the marks and it is this component that shares the similarity with the opponent's mark. Taking all of this into account, and considering the respective marks in their toitality, I find that they share a medium level of visual similarity.

- 62) The applicant's mark will be articulated as the three syllables EV-ER-LAWN. The applicant's marks will be referred to by reference to the dominant component, namely the four syllables FOR-EV-ER-LAWN. The device component and the additional text/embedded mark are unlikely to be articulated when the marks are referred to. Therefore, all three syllables present in the opponent's mark also occur as the last three syllables of the applicant's four syllable marks. This leads to a good deal of aural similarity.
- 63) Regarding conceptual similarity, the opponent submits that the words "Ever" and "Forever" have very similar meanings. The following definitions are relevant:

EVER: At any time<sup>6</sup>

FOREVER: For all future time; for always<sup>7</sup>

64) These meanings are readily understood by the average consumer in the UK, being everyday and commonly used words in the English language. In addition, EVER has many other meaning when combined with other words in phrases like "best-ever", "last-ever", ever again" and "ever since". However, in the context of the opponent's mark, where the average consumer will seek to make sense of the term "EverLawn", it is likely to be understood as a reference to a lawn for all future time. Whilst, I do not ignore the additional components in the applicant's marks, this is the same as the primary concept conveyed by the "ForeverLawn" component. The words "The Artificial Grass Specialists" and the device of grass reinforce this meaning. The embedded mark present in the second of the applicant's marks has a different concept, but because of the small size of this and its position at the bottom of the mark, it's concept may not register with the average consumer, or if it does, it will be very much secondary to the primary concept created by the term "ForeverLawn".

http://www.oxfordreference.com/search?siteToSearch=aup&q=ever&searchBtn=Search&isQuickSearch=true

http://www.oxfordreference.com/search?siteToSearch=oso&q=Forever&searchBtn=Search&isQuickSearch=true

<sup>&</sup>lt;sup>6</sup> Oxford Reference at

Oxford Reference at

- 65) The following guidance from the GC in Usinor v OHIM Corus UK (GALVALLOY), T-189/05 is helpful here:
  - "69. As is apparent from the examination of the conceptual similarity of the signs at issue, their common prefix 'galva' is likely, as regards the relevant public, to carry a suggestive connotation in respect of the goods concerned, to the effect that they have undergone a process of galvanisation. The same applies in respect of the suffixes 'alloy' and 'allia', which are likely to carry a connotation that is descriptive of the alloy process so far as the former is concerned and suggestive of that process so far as the latter is concerned...."
- 66) Therefore, the suggestive meaning (as opposed to being descriptive) of the opponent's mark remains relevant. It is suggestive of a lawn for all future time, being the same concept conveyed by the applicant's two marks. Therefore, I conclude that the respective marks will be perceived by the average consumer as being conceptually identical. In reaching this conclusion, I have kept in mind the additional components present in the applicant's mark, but conclude that when these marks are viewed as a whole, the overriding concept remains as discussed.

#### Distinctive character of the earlier mark

- 67) I must consider the distinctive character of the earlier mark because the more distinctive it is, either by inherent nature or by use, the greater the likelihood of confusion (*Sabel BV v Puma AG* [1998] RPC 199). The distinctive character of the earlier mark must be assessed by reference to the goods for which it is registered and by reference to the way it is perceived by the relevant public (*Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91). In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, it is necessary to make an overall assessment of the greater or lesser capacity of the mark to identify the goods for which it has been registered as coming from a particular undertaking and thus to distinguish those goods from those of other undertakings *Windsurfing Chiemsee v Huber and Attenberger* Joined Cases C-108/97 and C-109/97 [1999] ETMR 585.
- 68) In respect to the mark's level of inherent distinctive character, I keep in mind that the words EVER and LAWN are ordinary dictionary words that are likely to be readily understood by the average consumer. When combined to form the mark, they create a allusive message about the quality and nature of the goods. Consequently, it is not endowed with a high level of distinctive character as would an invented word with no meaning. I conclude it is endowed with only a moderate level of distinctive character.
- 69) In respect to enhanced distinctive character as the result of use made of the mark, as it has been pointed out by the applicant, there are inconsistencies in the

evidence that make it difficult to ascertain the precise scale of use, but taking the approximate turnover figures provided (and reproduced in paragraph 16, above), the scale of use appears modest and I consider it unlikely that this is sufficient to create a reputation in the UK. I conclude that the marks distinctive character is not enhanced through use.

#### Likelihood of confusion

- 70) I must adopt the global approach advocated by case law and take into account that marks are rarely recalled perfectly with the consumer relying instead on the imperfect picture of them he has in kept in his mind (*Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V* paragraph 27). I must take into account all factors relevant to the circumstances of the case, in particular the interdependence between the similarity of the marks and that of the goods or services designated (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*)
- 71) Mr Macdonald submits that the term "Forever Lawn" is descriptive and therefore it cannot infringe the opponent's mark. I do not agree with this. As the opponent has submitted, the terms "EverLawn" and "ForeverLawn" are not descriptive, but rather, they are allusive. They are endowed with a moderate degree of distinctive character because of this allusive quality and this is a factor that may point away from a finding of likelihood of confusion, but it is not decisive, rather, it is just one of the factors that I must consider.
- 72) Mr Morgan submits that the online presence of "ForeverLawn" is confusing because when conducting a search for "everlawn" using Google Images, images of the applicant's products appear alongside the opponent's images. I note this, but I must consider the issue of likelihood of confusion from the perspective of the average consumer and not whether a computer algorithm used by an online search engine locates both marks when searching for one. Nevertheless, insofar as the respective goods and services share a medium degree of similarity or higher, I find that the similarity between the marks is such that there is a likelihood of confusion, particularly when factoring in that marks are rarely recalled perfectly. The conceptual hook in all the marks is the same, there is a medium level of visual similarity and a good deal of aural similarity. Therefore, even taking account of an enhanced level of attention during the purchasing process, the similarities between the marks and goods and services outweighs any differences in the marks.
- 73) In summary, there is a likelihood of confusion in respect of the following of the applicant's goods:

Class 27: Artificial lawn; artificial grass; artificial turf, namely, synthetic turf used for lawn and recreational purposes;

Class 35: Retail and wholesale services connected with the sale of artificial lawn, artificial grass, artificial turf, namely, synthetic turf used for lawn and recreational purposes

74) The opposition based upon Section 5(2)(b) fails, insofar as the level of similarity between the goods and services is low or where there is no similarity, namely in respect of:

Class 27: carpets and floor coverings.

Class 35: Retail and wholesale services connected with the sale of ..., carpets and floor coverings; import and export services; advisory, consultancy and information relating to the above.

**Class 44:** Horticulture, gardening and landscaping; Landscape gardening services; advisory, consultancy and information relating to the above.

75) In light of this finding, I will only consider the remaining grounds insofar as they are directed at the goods and services where I have found no likelihood of confusion, namely the goods and services listed in the preceding paragraph.

## Section 5(4)(a)

76) Section 5(4)(a) 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."

77) Halsbury's Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165 provides the following analysis of the law of passing off. The 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. It is (with footnotes omitted) as follows:

"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."

78) Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:

"To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

- (1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and
- (2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

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."

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action."

79) The first part of the enquiry is whether the opponent owns goodwill attached to the word mark PIA. In *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL), it was stated:

"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."

- 80) Details of the scale of the opponent's use of its mark are provided by Mr Morgan in his evidence. This illustrates that the opponent has used its "EverLawn" mark in the UK since at least July 2009 (there is a claim to use from 2007, but it is not substantiated) in respect of artificial grass and glue for joining artificial grass. Whilst there are questions raised regarding the precise level of trade in these goods under the mark, it is clear that there has been use since then at a level that illustrates that the opponent has acquired goodwill identified by the mark. This is not a particularly high hurdle, it is sufficient that there is an attractive force which brings in custom. Even taking the sales levels indicated at the lowest interpretation of them, this has been demonstrated.
- 81) Having concluded that the opponent owns this requisite goodwill, I must consider whether use of the applied for marks would result in misrepresentation and damage. The test for misrepresentation was set out in *Neutrogena Corporation and Another v Golden Limited and Another*, [1996] RPC 473, where Morritt L.J. stated:

"There is no dispute as to what the correct legal principle is. As stated by Lord Oliver of Aylmerton in Reckitt & Colman Products Ltd. v. Borden Inc. [1990] R.P.C. 341 at page 407 the question on the issue of deception or confusion is "is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the public will be misled into purchasing the defendants' [product] in the belief that it is the respondents'[product]"

The same proposition is stated in Halsbury's Laws of England 4th Edition Vol.48 para 148. The necessity for a substantial number is brought out also in *Saville Perfumery Ltd. v. June Perfect Ltd.* (1941) 58 R.P.C. 147 at page 175; and *Re Smith Hayden's Application* (1945) 63 R.P.C. 97 at page 101."

82) Therefore, I must now consider if the applicant's mark is sufficiently similar to the opponent's mark to amount to misrepresentation to the public. As stated by Lord Oliver of Aylmerton in Reckitt & Colman Products Ltd. v. Borden Inc.[1990] RPC 341 at page 407, the question on the issue of deception or confusion is:

"is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the public will be misled into purchasing the defendants' [services] in the belief that [they are] the respondents'[services]".

- 83) In respect of the goods and services that have survived the Section 5(2)(b) grounds, the distance between them in terms of similarity is such as to overcome the similarity between the respective marks. It is my view that a substantial number of the public will not be misled into purchasing that the goods and services provided under the applicant's mark in the belief that they are, in fact, the goods of the opponent.
- 84) Therefore, the opponent's grounds based upon Section 5(4)(a) provide it with no better success than its grounds based upon Section 5(2)(b).

#### Section 5(3)

- 85) This part 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."

- 86) 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, *Addidas-Salomon*, [2004] ETMR 10 and C-487/07, *L'Oreal v Bellure* [2009] ETMR 55 and Case C-323/09, *Marks and Spencer v Interflora*. 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.
  - (c) It is necessary 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 account of all relevant factors, including the degree of similarity between the respective marks and between the 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) Where a link is established, the owner of the earlier mark must also establish 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 relevant factors; *Intel, paragraph 79.*
  - (f) 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 risk that this will happen in future; *Intel.*, *paragraphs 76 and 77*.
  - (g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel, paragraph 74.*

- (h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark; L'Oreal v Bellure NV, paragraph 40.
- (i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora, paragraph 74 and the court's answer to question 1 in L'Oreal v Bellure*).

#### Reputation

- 87) Whilst the applicant has identified potential discrepancies in the opponent's evidence, at the least its turnover has climbed steadily from £145,000 in 2009 to a little over £200,000 in 2013. Advertising spend has risen steadily, reaching £39,000 in 2013. There are a number of discrepancies identified by the applicant that the opponent has chosen not to address. Further, there is tension between Mr Morgan's statement that his companies "EverLawn" artificial grass was first launched in 2008 and an exhibit illustrating an announcement that appeared on the company website on 22 July 2009 that "EverLawn" artificial grass was being launched.
- 88) The size of the opponent's business is not particularly large, but even if I was minded to consider it sufficient to demonstrate that the mark is known by a significant part of that relevant public, the discrepancies identified above, cast doubt upon the accuracy of the evidence illustrating the scale of the opponent's business under the mark. In short, I am unable to find that a significant part of the relevant public know the opponent's mark. Consequently, I conclude that it has failed to demonstrate that it has the requisite reputation to succeed in its grounds based upon Section 5(3) of the Act.
- 89) In summary, the opponent's opposition based upon Section 5(3) of the Act fails in its entirety.

## **Summary**

90) The grounds of both oppositions based upon both Section 5(2)(b) succeeds in respect of the following of the applicant's goods:

Class 27: Artificial lawn; artificial grass; artificial turf, namely, synthetic turf used for lawn and recreational purposes;

Class 35: Retail and wholesale services connected with the sale of artificial lawn, artificial grass, artificial turf, namely, synthetic turf used for lawn and recreational purposes

91) The opposition fails, insofar as it relies upon Section 5(2)(b) of the Act, in respect of the following goods and services:

Class 27: carpets and floor coverings.

Class 35: Retail and wholesale services connected with the sale of ..., carpets and floor coverings; import and export services; advisory, consultancy and information relating to the above.

**Class 44:** Horticulture, gardening and landscaping; Landscape gardening services; advisory, consultancy and information relating to the above.

92) The opponent's case based upon Section 5(3) and Section 5(4)(a) of the Act do not improve upon its success under Section 5(2)(b).

#### COSTS

93) Both sides have had a measure of success, and I find it appropriate that each side bears its own costs.

Dated this 19th day of October 2015

Mark Bryant For the Registrar, the Comptroller-General