

O-009-16

TRADE MARKS ACT 1994

APPLICATION 3025737 BY SILTBUSTER LIMITED

TO REGISTER THE MARK BIOBUSTER

AND

OPPOSITION 402745 BY GRUNDFOS BIOBOOSTER A/S

Background and pleadings

1. On 24th April 2014, Siltbuster Limited (“the applicant”) applied to register the mark **BIOBUSTER** in respect of the following goods and services:

Class 6

Articles of metal for use in the water treatment industry, tanks of metal, all of the aforementioned goods being for use in biological treatment and being for use in industrial or municipal applications.

Class 7

Effluent treatment installations to separate water from contaminants including Moving Bed Bio-Film Reactors (MBBRs), effluent treatment machines to separate water from contaminants, all of the aforementioned goods being for use in biological treatment and being for use in industrial or municipal applications.

Class 11

Water treatment units, water treatment apparatus, installations for the treatment of water including Moving Bed Bio-Film Reactors (MBBRs), waste water treatment apparatus, devices for the separation of impurities from water, installations for the separation of liquids; water purifying apparatus and machines; water purification installations; all of the aforementioned goods being for use in biological treatment and being for use in industrial or municipal applications.

Class 40

Rental of water treatment equipment, treatment of water, waste water treatment, all of the aforementioned services being offered in connection with biological treatment and being offered in connection with industrial or municipal applications.

2. The application was accepted and published in the Trade Marks Journal on 23rd May 2014.

3. Grundfos Biobooster A/S (“the opponent”) opposes the application on the basis of Section 5(2)(b) of the Trade Marks Act 1994 (“the Act”). This is on the basis of its earlier international trade mark (EU) number 970315 (“IR”). The mark consists of the word **BIOBOOSTER**. The IR covers goods and services in classes 7, 11 and 40.

4. The date of designation of the EU for protection purposes was 7th May 2008. This is equivalent to the filing date of a Community Trade Mark. The IR was protected in the EU on 21st July 2009.

5. The opponent made a statement of use of the IR. It now relies on the registration of the IR for the following goods and services:

Class 7

Pumps for fresh and polluted water; regulation and control devices for use in connection with pumps and pumping plants, such as valves, cocks, packings and automatic regulating valves; electric motors (not for land vehicles); filters (being parts of machines or motors); cleaning machines.

Class 11

Machines and installations for treatment and purification of slurry, water and sewage; disinfection apparatus, water purifying installations, apparatus and machines; and parts and accessories (not included in other classes) for these goods.

Class 40

Treatment of slurry, water and sewage, including water purification and consultancy regarding these services.

6. The opponent claims that the respective goods/services are identical or similar, that the marks are also similar, and there is a likelihood of confusion on the part of the public, including the likelihood of association. Consequently, registration of the applicant's mark would be contrary to s.5(2)(b) of the Act.

7. There were originally further grounds of opposition under s.5(3) and s. 5(4)(a) of the Act, but these were dropped two days before the first hearing described below.

8. The applicant filed a counterstatement denying the claims made and requesting that the opponent provides proof of use of the earlier trade mark relied upon.

Overview of the evidence

9. The opponent's evidence consists of two witness statements (with 18 exhibits) by Soren Nohr Bak, who is the opponent's Segment Director of Industry.

10. The applicant's evidence includes a witness statement by Richard Coultan (with 5 exhibits), who is the applicant's Chief Executive Officer. There is also a witness statement by Julian Bardo (with 3 exhibits). Mr Bardo is a trade mark attorney in the firm of Abel & Imray, which represents the applicant in these proceedings.

11. Mr Bak's first statement sets out the history of the opponent and its use of the mark Biobooster (or more usually Grundfos Biobooster). This evidence is intended to show that the earlier IR had been put to genuine use in the Community in the five years preceding the date of publication of the contested trade mark. The evidence was also intended to support the opponent's claim that its earlier mark had a

reputation in the Community and had acquired a protectable goodwill in the UK. However, as the grounds of opposition under s.5(3) and s.5(4)(a) are no longer pursued, the evidence is no longer required for these purposes. I note the following points from Mr Bak's first statement:

- The opponent was established solely to market and sell goods and services under the IR.
- The goods sold under the trade mark are biological wastewater treatment plants and its components. They are the sort of products bought by companies, utilities or municipalities rather than by domestic users.
- The opponent had 10 customers in the EU by 2014, mostly in Sweden and Denmark.
- The value of these 10 sales varied between £30k and £7m.
- By the time of Mr Bak's first statement in April 2015, the opponent had contacted 195 people in the UK by way of meetings, presentations, initial advice or quotations, but it had not made any sales to UK customers.

12. Mr Bak's second statement includes copies of 7 emails dated between 2006 and 2015 in which third parties based in Denmark, Sweden, China and Mexico had mistakenly referred to the opponent's mark as BIOBUSTER. The applicant does not appear to have used its mark before 2014, so most of these mistakes cannot be instances of actual confusion between the marks of these parties (as Mr Bak claimed). At the hearing described below, counsel for the opponent relied on this evidence only to show that there is a propensity to confuse BIOBOOSTER with BIOBUSTER.

13. Mr Coulton's evidence is that the applicant adopted BIOBUSTER in 2014 as an extension to its existing range of marks, which include SILTBUSTER, OILBUSTER and GRITBUSTER. He says that he first became aware of the opponent's mark when he received an email in July 2014 informing him that the opponent had filed a Notice of Threatened Opposition to the contested trade mark application.

14. Mr Coulton states that although the parties' products are aimed at broadly the same market sector, his company's products utilise different technology. The applicant's product sells for between £50k and £100k per unit. The products are bought by specialists within industrial undertakings. According to Mr Coulton, such purchasers will see the products on his company's website and/or in a brochure, and will receive a written offer of sale before committing to a purchase.

15. Mr Bardo's evidence includes the results of searches of trade mark registers for marks with the prefix BIO¹. However, he provides no evidence that any of the marks he found are in use. Consequently, this evidence is irrelevant.

16. Mr Bardo also provides some evidence about searches of the internet he conducted on 27th May 2015 using the search terms "*waste water treatment*" and *bio*'. The searches produced over 500k results. However, just the first two pages of search results are exhibited². The first page shows use of 'Bio Pure Sewage Treatment' at bio-pure.com in 2015 (which judging from the text beneath the headline, appears to be use in the UK) and 'BIOROCK Septic System' at biorock.co.uk. These are alongside other obviously irrelevant hits, such as the definition of 'Sewage Treatment' from Wikipedia and a 'hit' showing use of 'Bluewater Bio' in India. There are also some 'hits' of ambiguous relevance, such as the use of BioAmp on the website ncheurope.com. Mr Bardo does not explain the significance of any particular 'hits'. Nor does he provide the pages from any of the websites identified in the search results pages, which might have shed some light on their potential relevance. Given that the search was conducted in 2015, it is clear that none of the 'hits' show use of BIO as a prefix of any trade marks in use at the relevant date in 2014. None of Mr Bardo's evidence is therefore directly relevant.

The hearing

17. A Hearing took place on 13th November 2015 at which Mr Simon Malynicz appeared as counsel for the opponent, instructed by Gill, Jennings and Every. Ms Caroline Brooks of Abel and Imray appeared for the applicant. Following my decision that the proof of use provisions do not apply to the opponent's earlier mark (see below) the applicant asked to be permitted to make further submissions on the similarity of the goods/services and on costs. Consequently, a further hearing took place on 7th January 2016 via teleconference. At this hearing the applicant was represented by Mr Julian Bardo of Abel & Imray. The opponent was represented by Ms Rowena Price of Gill, Jennings & Every.

Proof of use

18. Section 6A of the Act 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,

² As JEB4 and JEB5.

(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.”

19. The earlier IR was entered in the international register with effect from 7th May 2008, which is more than 5 years before the date of publication of the applicant’s mark. However, the IR was not protected in the EU until 21st July 2009, which is less than 5 years before the date of publication of the applicant’s mark. The start of the 5 year period referred to in s.6A(1)(c) is *“the completion of the registration procedure”*. In the case of a national or Community Trade Mark, this is the date when it is entered in the register following the completion of the examination and opposition procedures. By contrast, an international trade mark is normally entered in the

international register as soon as the International Bureau at WIPO receives it. The IR is registered with effect from the date it was filed at the Office of origin³. In this case that means the date that the application for the IR was received by the Danish Trade Mark Office.

20. Once the IR is registered and any formal requirements have been met, the International Bureau sends requests for protection of the IR to the member states and/or the international organisations designated by the IR holder. Such designations may be specified at the time of filing the IR, or may be the subject of a follow-on procedure known as ‘subsequent designation’. The members concerned normally have 12 months within which to refuse to protect the IR. Otherwise it is protected by default. If the members agree to protect the IR, they must send the International Bureau a notice stating the date of protection in their territory. This date is entered in the international register⁴.

21. It can be seen from this description of the process that the date of an international registration marks the start of the registration process at WIPO, not the completion of that process, let alone the date of completion of the protection process for an IR at OHIM. One would have thought that the latter should, as a matter of logic, be the start of the 5 year period for the IR holder to commence genuine use of the IR in the EU. That is the policy for national and Community Trade Marks. It is also the policy for IRs protected in the UK⁵ and the EU’s policy for IRs protected at EU level for the purposes of the Community Trade Mark Regulation EC 207/2009 (“CTMR”)⁶. However, s.6A of the Act is based on article 10 of the Trade Mark Directive⁷ rather than on the CTMR. The CJEU has held that the calculation of the date of the “*the completion of the registration procedure*” is a matter of national law⁸. Unfortunately, there is nothing in the Community Trade Mark Regulations 2006⁹ made under the Act which clarifies what is “*the completion of the registration procedure*” for IRs protected at EU level specifically in the context of s.6A¹⁰.

22. Up until and during the hearing, the parties assumed that the earlier IR was subject to proof of use. The apparent lacuna in the domestic legislation only became apparent to me when I started to write down my reasons for this decision. I therefore invited the parties to make written submissions as to how the first date should be calculated.

³ See article 3(4) of the Protocol to the Madrid Agreement

⁴ See article 18ter of the Common Regulations made under the Madrid Agreement

⁵ See article 3(3)(e) of the Trade Marks (International Registration) Order 2008

⁶ See articles 152(2) and 160

⁷ See article 11(2)

⁸ See *Armin Haupl v Lidl Stiftung & Co* Case C-246/05

⁹ SI 1027/2006

¹⁰ Article 2(2) of the Regulations indicates that registration of an IR in the EU should be understood to mean protection of the IR in the EU, but this is for other purposes.

23. The opponent's representative submitted that the date of the completion of the registration procedure for an IR protected in the EU should be taken to be the date of the completion of the process for protecting the IR in the EU. This was essentially because article 160 of the CTMR (see below) required that approach in the context of the equivalent use requirements in the CTMR.

“Art 160 - Use of a mark subject of an international registration
For the purposes of applying Article 15(1), Article 42(2), Article 51(1)(a) and Article 57(2), the date of publication pursuant to Article 152(2) shall take the place of the date of registration for the purpose of establishing the date as from which the mark which is the subject of an international registration designating the European Community must be put to genuine use in the Community.”

24. Although, strictly speaking, this requirement only governs proceedings at OHIM, the opponent submits that it is logical to apply the same approach to determine the date on which the registration procedure for an IR (EU) was completed for the purposes of analogous proceedings before an Office of a Member State. On that footing, the IR is not subject to the proof of use requirements.

25. The applicant's representative accepted that the law was not clear, but submitted that *“because of the differences in procedure between the UK IPO and OHIM when processing designations of an International Registration, the UK IPO cannot simply apply one of those rules analogously to the present situation”*. The applicant submitted that the date of completion of the registration procedure of the IR should, for the purpose of s.6A of the Act, be treated as the date of the international registration. Alternatively, it should be treated as the date on which the certificate of international registration is issued to the holder and the Office's of the designated territories are asked to protect the IR. This is said to be because the IR was treated as a registration at this point in time, albeit that one that could still have been refused protection in the EU. In any event, the applicant submits that as the parties treated the IR as being subject to proof of use throughout the procedure, it would be inequitable for me to come to any other conclusion.

26. As to the last point, whilst I sympathise with the applicant's submission, I cannot avoid stating the legal basis on which s.6A applies to this opposition. If I cannot identify a tenable legal basis for such a finding, I necessarily have to find that s.6A does not apply.

27. I do not think it is tenable to regard the date of the IR as the date of *“the completion of the registration procedure”* for two reasons. Firstly, as I explained above, this is actually the date of the beginning of the procedure for registering the IR at WIPO. Secondly, the requirement for genuine use of the earlier trade mark must relate to the specific territory in which protection of the IR is relied on for the purpose of these proceedings. This means protection of the IR in the EU.

28. This much is clear from the wording of s.6(1)(a) and s.53 of the Act which are as follows:

“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.....”

“53. In this Act-

“international trade mark (EC)” is a trade mark which is entitled to protection in the European Community under [the Madrid] Protocol”.

29. As I explained above, although they coincide in this case there is no automatic connection between the date of an international registration and any part of the process for protecting the IR in a particular territory. Consequently, to regard the date of the IR as the beginning of the five year period for the purposes of s.6A would be to substitute the procedure for registering the IR for the procedure which qualified the IR as an “earlier trade mark” for the purpose of these opposition proceedings.

30. I accept that the applicant’s alternative proposal - the date on which OHIM was asked to protect the IR at EU level - at least links the basis on which the IR qualifies as an earlier trade mark to the process for protecting it as such. However, that date represents the beginning of the procedure for protecting the mark in the EU, not the completion of the procedure. It is true that as a matter of pure terminology the IR was a ‘registered’ mark throughout the course of the protection procedure at OHIM. However, it is evident from the wording of s.6(1)(a), particularly the words “....*which has a date of application for registration earlier than that of the trade mark in question.....*”, that s.6 of the Act:

- i) Uses wording in relation to IRs which is strictly only applicable to UK and Community registered trade marks, and
- ii) Distinguishes, including in the context of IRs, between the fact of registration and the earlier date of the application for registration.

31. Having regard to the definition of international trade mark (EC) in s.53, it is tolerably clear that the reference to “*a date of application for registration*” in s.6(1)(a), as it applies to international trade marks (EC), must be a reference to the date of designation of the EU (as opposed to a reference to the date of the application to register the international mark as such). If that is right, the corresponding reference to “*the completion of the registration procedure*” in s.6A of the Act, in the context of an international trade mark (EC), must be understood as a reference to the completion of the protection procedure at OHIM.

32. This conclusion fits with the general policy underlying s.6A of the Act, and the specific policy underlying article 160 of the CTMR, which is that the sanctions for non-use of international trade marks only apply 5 years after the procedure for obtaining protection in the relevant territory is complete. By contrast, if I were to accept either of the applicant's proposed interpretations of s.6A, it would be possible for an international trade mark (EC) to be subject to proof of use in UK opposition proceedings even before it has been protected at EU level, e.g. in the (relatively common) case of protracted opposition proceedings at OHIM. Such an irrational result should not be accepted if there is an alternative and rational interpretation of the words of the statute.

33. For the reasons I have given above, I find that there is. I therefore reject the applicant's submissions on this point and accept those of the opponent. This means that the earlier IR is not subject to proof of use. However, in case I am wrong about this, I will examine the opponent's evidence of use and make findings as to whether, and to what extent, the earlier mark satisfies the proof of use requirements. For the purposes of this enquiry the relevant period is 24th May 2009 to 23rd May 2014.

Evidence of genuine use of BIOBOOSTER?

34. In *Stichting BDO v BDO Unibank, Inc.*¹¹, 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].

¹¹ [2013] EWHC 418 (Ch)

(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]".

35. Although minimal use may qualify as genuine use, the CJEU stated in *Reber Holding GmbH & Co. KG v OHIM*¹² 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.

36. Mr Bak's evidence is that Grundfos Biobooster A/S provides "*biological wastewater treatment plants which include mechanical, chemical, and biological pre-treatment, full biological treatment and post treatment equipment as well as all necessary ancillary components*". According to Mr Bak, his company also provides "*information, advice and consultancy services.....in relation to these goods and services*".

¹² Case C-141/13P at paragraph 32 of the judgment

37. The applicant does not dispute that there has been “*use of the company name Grundfos Biobooster in the EU in the field of wastewater treatment (and possibly in connection with the installation of wastewater treatment installations)*”¹³. The applicant’s case is that the evidence of use all suffers from one or more of the following defects:

- BIOBOOSTER is used as part of a company or trading name rather than as a trade mark in relation to goods/services.
- The use of the mark is not shown to have occurred within the relevant period.
- The use of the mark is in documents internal to the opponent’s business.
- To the extent that there is any external use of the mark shown, there is no clear indication as to the extent of such use, or the extent to which it has come to the attention of the relevant public.

38. The applicant therefore says that there has been no use of the earlier mark. If that is wrong, the applicant’s representative at the hearing submitted that “*at most*” the opponent’s evidence established use of the IR only for ‘biological machines and installations for treatment and purification of slurry etc.’ and ‘biological water purifying installations’.

39. The opponent relies on the contents of various exhibits to Mr Bak’s first statement to show that there has been use of the BIOBOOSTER mark within the relevant period in relation to the registered goods/services. In this connection, my attention has been drawn to:

Exhibit SNB2

This shows numerous uses of Grundfos Biobooster in relation to a wastewater treatment plant and key components of that plant. For example, “*Grundfos BioBooster is the world’s most compact wastewater treatment plant*” and “*The Grundfos BioBooster PBR (Pressurised Biofilm Reactor) is used for reducing high levels of COD concentrations*”. I also note that the document says that the plant can be provided with a service and maintenance agreement as well as online remote monitoring of plant operations from Grundfos BioBooster’s headquarters. Also that the company can provide local based service personnel (although the same document indicates that the plant requires minimal manual supervision).

¹³ Applicant’s skeleton argument

However, none of this use is dated. Mr Bak does not even explain what the document in exhibit SNB2 is. He put it forward merely to show which goods and services the opponent provides. I note that none of the use shown in this document (or at least use which the opponent claims to be trade mark use) relates to services for the treatment of slurry, water and sewage, or to consultancy regarding these services, i.e. to the registered services in class 40.

Exhibit SNB4

This consists of extracts from the Grundfos.com website. The first is dated 23 June 2011. It is an article reporting that *“The first BioBooster system has been installed in Poland”*. Another article dated 10th June 2013 records that the sustainability guide ‘Sustainia 100’ selected Grundfos BioBooster as one of the world’s most impactful and innovative solutions. There is also an undated article stating that the opponent signed a contract in 2012 to deliver a *“Grundfos BioBooster solution”* to Arla Foods in Sweden, which was delivered in 2013.

Exhibit SNB6

This consists of examples of the opponent’s promotional and marketing materials. Mr Bak states that over 5000 such brochures have been circulated in Europe and many more by email. However, he does not say when. The exhibit contains many instances of the use of Grundfos. The only example which I can see of BIOBOOSTER being used directly in relation to goods is on page 33. The relevant text states *“The BioBooster ultrafiltration filter unit is....”*. The brochure includes references to dates in 2013, but it is not clear when it was produced.

Exhibit SNB7

This consists of a screenshot from a third party website showing use of Grundfos BioBooster in October 2014. This is after the end of the relevant five year period. This is also a copy a similar article from the Guardian Online, but this is not dated and Mr Bak does not say when it appeared.

Exhibit SNB8

This consists of a page from the Grundfos website dated 9th January 2009. i.e. before the beginning of the relevant 5 year period. It refers to a *“Grundfos BioBooster MBR”*.

Exhibit SNB9

This consists of an article from the third party Danish website 'stateofgreen.com' which includes a number of instances where BioBooster is used to designate the opponent's water treatment system. However, the article is not dated and it is not clear whether the use of the mark BioBooster was made with the opponent's consent. Mr Bak gives no evidence on either point.

Exhibit SNB11

This consists of pages from Amazon showing that an author called Simon Judd published a book in 2010 which featured the Grundfos BioBooster technology. The relevant page from the book is included. This shows use of the mark BioBooster in relation to the product. The page also includes a picture of a filter unit bearing the mark GRUNDFOS **BIOBOOSTER** (emphasis original).

40. Mr Bak states that his company spent over £100k per annum between 2006 and 2009 promoting the Grundfos Biobooster. In 2009, the amount spent was £117k. 50% of this was spent in the UK, 30% in Scandinavia and 20% in the rest of Europe. However, promotion of the mark prior to May 2009 is irrelevant for present purposes. Mr Bak also provides details of marketing expenditure between 2005 and 2014¹⁴. Unfortunately, I cannot make sense of the 10 page breakdown in evidence. Mr Bak says that the marketing consisted of attending trade shows, face to face meetings with potential clients across Europe, and personal contact via mail and email.

41. Mr Bak also provides a list of 627 companies in the EU that had been contacted by 2010 and showed some interest in purchasing goods/services under the opponent's trade mark. Between 2009 and 2014, at least 195 potential customers "*across Europe*" had been offered feasibility studies, quotes or initial advice. I note that 107 of these instances occurred in 2009, indicating that the level of initial customer contacts dropped off significantly from around the start of the relevant 5 year period.

42. It is clear from this analysis of the evidence that there is some force to the applicant's criticisms of the opponent's evidence of use of its IR in the EU. Counsel for the opponent accepted that criticisms could be made of the parts of the opponent's evidence, but urged me to consider what it showed as a whole. In Mr Malynicz's submission, considered as a whole, the evidence showed genuine use of BIOBOOSTER during the relevant 5 year period.

¹⁴ See exhibit SNB5

43. The applicant's representative reminded me that the burden of proof is on the opponent¹⁵ and that adverse inferences can properly be drawn from the absence of evidence that one would expect to be available showing use of the mark. As Mr Daniel Alexander Q.C. as the Appointed Person stated in *Awareness Limited v Plymouth City Council*¹⁶:

"22. 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."

44. There is almost no evidence of BIOBOOSTER being used, by itself, directly on any of the goods for which it is registered. On the other hand it is clear that Grundfos Biobooster has been used in the EU during the relevant 5 year period, at least as a trading name, in relation to a trade in water treatment installations.

45. In *Aegon UK Property Fund Limited v The Light Aparthotel LLP*¹⁷, Mr Daniel Alexander Q.C. as the Appointed Person stated that:

"17. unless it is obvious, the proprietor must prove that the use was in relation to the particular goods or services for which the registration is sought to be maintained.

18. In *Céline SARL v. Céline SA*, Case C-17/06 (*Céline*), the Court of Justice gave guidance as to the meaning of "use in relation to" goods for the purpose of the infringement provisions in Article 5(1) of the Directive. Considering a situation where the mark is not physically affixed to the goods, the court said at [23]:

"...even where the sign is not affixed, there is use "in relation to goods or services" within the meaning of that provision where the third party uses that sign in such a way that a link is established between the sign which constitutes the company, trade or shop name of the third party and the goods marketed or the services provided by the third party."

¹⁵ Per s.100 of the Act

¹⁶ Case BL O/230/13

¹⁷ BL O/472/11

19. The General Court has, on more than one occasion, proceeded on the basis that a similar approach applies to the non-use provisions in Article 43 of the Community Trade Mark Regulation. For example, in *Strategi Group*, Case T-92/091, the General Court said:

“23. In that regard, the Court of Justice has stated, with regard to Article 5(1) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989, L 40, p. 1), that the purpose of a company, trade or shop name is not, of itself, to distinguish goods or services. The purpose of a company name is to identify a company, whereas the purpose of a trade name or a shop name is to designate a business which is being carried on. Accordingly, where the use of a company name, trade name or shop name is limited to identifying a company or designating a business which is being carried on, such use cannot be considered as being ‘in relation to goods or services’ (*Céline*, paragraph 21).

24. Conversely, there is use ‘in relation to goods’ where a third party affixes the sign constituting his company name, trade name or shop name to the goods which he markets. In addition, even where the sign is not affixed, there is use ‘in relation to goods or services’ within the meaning of that provision where the third party uses that sign in such a way that a link is established between the sign which constitutes the company, trade or shop name of the third party and the goods marketed or the services provided by the third party (see *Céline*, paragraphs 22 and 23).

20. Those passages must be read together with the general requirements of proof of use in *Ansul* at [43] that there is genuine use of a trade mark where the mark is used in accordance with its essential function namely to guarantee the identity of the origin of the goods or services for which it is registered, in order to create or preserve an outlet for those goods or services.”

46. The opponent’s evidence is that the company was created with the sole purpose of trading in water treatment installations. The purchasing public in the EU are highly likely to hold the opponent, as the company which markets the bespoke product under consideration, wholly responsible for its quality. In these circumstances, I am prepared to accept that the uses of Grundfos BioBooster on which the opponent relies, are uses of that sign as a trade mark, as well as a trade name.

47. The established use of even the composite name Grundfos BioBooster is thin, but I am prepared to accept that it is sufficient to show that the opponent sought to create an EU market for water treatment installations under that name during the relevant period. In particular, the use of the mark shown on the Grundfos website was clearly aimed, at least in part, at the EU market¹⁸. This website therefore shows

¹⁸ See joined Cases C-585/08 and C-144/09, *Pammer v Reederei Karl Schlüter GmbH & Co. KG and Hotel Alpenhof GesmbH v Heller*

use of the composite name in relation to water treatment installations, in the EU, and within the relevant period.

48. There is also one instance of established use of BIOBOOSTER by the opponent during the relevant period on the Grundfos website¹⁹. I doubt that this would be sufficient, by itself, to show genuine use of that mark. However, in *Colloseum Holdings AG v Levi Strauss & Co.*²⁰, the CJEU found that:

“31. It is true that the ‘use’ through which a sign acquires a distinctive character under Article 7(3) of Regulation No 40/94 relates to the period before its registration as a trade mark, whereas ‘genuine use’, within the meaning of Article 15(1) of that regulation, relates to a five-year period following registration and, accordingly, ‘use’ within the meaning of Article 7(3) for the purpose of registration may not be relied on as such to establish ‘use’ within the meaning of Article 15(1) for the purpose of preserving the rights of the proprietor of the registered trade mark.

32. Nevertheless, as is apparent from paragraphs 27 to 30 of the judgment in *Nestlé*, the ‘use’ of a mark, in its literal sense, generally encompasses both its independent use and its use as part of another mark taken as a whole or in conjunction with that other mark.

33. As the German and United Kingdom Governments pointed out at the hearing before the Court, the criterion of use, which continues to be fundamental, cannot be assessed in the light of different considerations according to whether the issue to be decided is whether use is capable of giving rise to rights relating to a mark or of ensuring that such rights are preserved. If it is possible to acquire trade mark protection for a sign through a specific use made of the sign, that same form of use must also be capable of ensuring that such protection is preserved.

34. Therefore, the requirements that apply to verification of the genuine use of a mark, within the meaning of Article 15(1) of Regulation No 40/94, are analogous to those concerning the acquisition by a sign of distinctive character through use for the purpose of its registration, within the meaning of Article 7(3) of the regulation.

35. Nevertheless, as pointed out by the German Government, the United Kingdom Government and the European Commission, a registered trade mark that is used only as part of a composite mark or in conjunction with another mark must continue to be perceived as indicative of the origin of the product at issue for that use to be covered by the term ‘genuine use’ within the meaning of Article 15(1). (emphasis added)

49. I find that the opponent’s EU customers were likely to have regarded BIOBOOSTER, by itself, as indicating the trade origin of the opponent’s water

¹⁹ See exhibit SNB4

²⁰ Case C-12/12

treatment installations. This is borne out by some of the emails in evidence from the opponent's customers²¹, albeit that these date from before the beginning of the relevant period. I also note that the journalist who wrote the book referenced in exhibit SNB11 referred to the product as BioBooster. This is also consistent with the opponent's use of the composite mark which sometimes shows the word BIOBOOSTER in a different font to the one used for Grundfos (BIOBOOSTER usually in a bold font). This suggests that Grundfos is the name of the company and BIOBOOSTER is (also) the name of the product.

50. I therefore find that the opponent has shown genuine use of BIOBOOSTER. I do not think it makes any difference that the mark is usually used as BioBooster. This is because such use would clearly fall within the scope of s.6A(4)(a).

51. In case my finding that s.6A is inapplicable is wrong, I must determine a fair specification reflecting the use shown. In *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited*²², Mr Geoffrey Hobbs Q.C. as the Appointed Person stated that:

“In the present state of the law, fair protection is to be achieved by identifying and defining not the particular examples of goods or services for which there has been genuine use but the particular categories of goods or services they should realistically be taken to exemplify. For that purpose the terminology of the resulting specification should accord with the perceptions of the average consumer of the goods or services concerned.”

52. Following this approach, I find that the evidence shows that the BIOBOOSTER mark has been used in relation to:

Class 11

Machines and installations for treatment and purification of slurry, water and sewage; water purifying installations, apparatus and machines.

53. Counsel for the opponent submitted that the evidence also showed use of the mark in relation to certain other parts, particularly 'pumps for fresh and polluted water', 'control devices for use in connection with pumps and pumping plants', 'electric motors (not for land vehicles)' and 'filters (being parts of machines or motors)'.

54. I do not rule out that the opponent's water treatment installations include all these parts. However, there is no evidence of any sales of parts under the BIOBOOSTER mark. I do not consider that the relevant public would regard the manner in which the BIOBOOSTER mark has been used by the opponent within the relevant period, in relation to complete waste water installations, as also being use of the mark in relation to every component of the installations. On the other hand, the filtration units

²¹ See exhibit SNB18

²² BL O/345/10

are clearly a key component of the installations and there is a picture of the mark on such a filter²³. I would therefore have found that a fair specification reflecting the actual use of the mark shown in the evidence would include filters being parts of water treatment machines in class 7, and filters being parts of the goods listed in class 11 above.

55. There is no satisfactory evidence of any use of the mark in relation to services in class 40. Mr Bak’s vague reference to the provision of unnamed services is not good enough. The services briefly mentioned in some of the opponent’s undated material (service, maintenance and online remote monitoring of wastewater treatment plant) are not shown to have been offered under the mark within the relevant period. In any event, they are not the services for which the mark is registered in class 40.

Section 5(2)(b)

56. Sections 5(2)(b) of the Act is as follows:

“5(2) A trade mark shall not be registered if because-

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

Comparison of goods and services

57. I base this on my primary finding that the opponent’s earlier trade mark is not subject to proof of use and is therefore entitled to protection for all the goods/services on which the opponent relies. The respective goods and services are therefore as shown below.

Class	Applicant’s goods/services	Opponent’s goods/services
6	Articles of metal for use in the water treatment industry, tanks of metal, all of the aforementioned goods being for use in biological treatment and being for use in industrial or municipal applications.	
7	Effluent treatment installations to separate water from contaminants including Moving Bed Bio-Film Reactors (MBBRs), effluent treatment machines to separate water from contaminants, all of the	Pumps for fresh and polluted water; regulation and control devices for use in connection with pumps and pumping plants, such as valves, cocks, packings and automatic regulating valves; electric motors (not for land vehicles); filters (being parts of machines or

²³ See SNB11

	aforementioned goods being for use in biological treatment and being for use in industrial or municipal applications.	motors); cleaning machines.
11	Water treatment units, water treatment apparatus, installations for the treatment of water including Moving Bed Bio-Film Reactors (MBBRs), waste water treatment apparatus, devices for the separation of impurities from water, installations for the separation of liquids; water purifying apparatus and machines; water purification installations; all of the aforementioned goods being for use in biological treatment and being for use in industrial or municipal applications.	Machines and installations for treatment and purification of slurry, water and sewage; disinfection apparatus, water purifying installations, apparatus and machines; and parts and accessories (not included in other classes) for these goods.
40	Rental of water treatment equipment, treatment of water, waste water treatment, all of the aforementioned services being offered in connection with biological treatment and being offered in connection with industrial or municipal applications.	Treatment of slurry, water and sewage, including water purification and consultancy regarding these services

58. It appeared to be common ground at the first hearing that the limitation to the applicant’s specification does not affect the identity or similarity of the respective goods/services. This is because the opponent’s goods/services are unrestricted and therefore also cover goods/services “*offered in connection with biological treatment and being offered in connection with industrial or municipal applications*”. In my view, the applicant’s goods in class 11 are specific examples of the descriptions of goods listed in the opponent’s class 11 specification. They are therefore identical goods.

59. In the judgment of the CJEU in *Canon*²⁴, the court stated that:

“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”.

²⁴ Case C-39/97 at paragraph 23 of the judgment

60. The applicant's class 7 goods are self evidently highly similar to 'cleaning machines' covered by class 7 of the IR. Additionally, the applicant's goods in class 7 appear to be for the same purpose as the opponent's goods in class 11. They are also the same in nature, both covering industrial equipment. Although the specific products that the parties currently sell, or intend to sell, under the marks may not work in quite the same way, the products as listed in the respective specifications are capable of being used in the same way and have the same purpose. They are therefore competitive products. It is obvious that the respective class 7 and 11 goods are highly similar.

61. The applicant's 'rental of water treatment equipment' services appear to be similar to the opponent's class 11 goods. This is because it is likely that such specialist goods could be bought or hired from the same undertaking. At the second hearing, Mr Bardo submitted that it would not be usual for the same company to both sell and hire water treatment apparatus. Therefore the goods/services were not similar, or were similar to only a low degree. However, the applicant appears to provide hire and sales options for at least one version of its water treatment products²⁵. It is not therefore tenable for the applicant to contend that this is not something that the relevant public would expect to happen. I find that the respective goods and services are for similar purposes and are competitive to some extent. I therefore find that these services/goods are highly similar.

62. The applicant accepts that the remainder of the applicant's specification in class 40 covers services which are the same as the services listed in class 40 of the opponent's specification.

63. The applicant's goods in class 6 could be parts of the opponent's goods in class 11. At the second hearing, Mr Bardo submitted that the relevant public would not expect fairly basic goods, such as articles and tanks of metal, to be made by the same undertaking that markets complete water treatment installations and apparatus. However, the relevant question is not whether the public would expect these goods to be manufactured by the same party, but whether the public would expect them to be marketed under the control of the same undertaking. Ms Price pointed out that the opponent's goods are offered as complete installations or as modules²⁶. Further, one of the modules offered is a 'bio-tank'²⁷. Mr Bardo suggested that this was a more technical product than the sorts of tanks covered by class 6 of the application. This may be so, but I note that the applicant's specification covers tanks "*...being for use in biological treatment and being for use in industrial or municipal applications*". This suggests that the applicant's tanks are more than basic metal structures. In my view, the applicant's class 6 goods are similar in nature to the

²⁵ See exhibit RC5

²⁶ Although the evidence does not establish that this was the case prior to the relevant date.

²⁷ See exhibit SNB6, pages 65 and 76

goods covered by class 11 of the IR. This is because they are industrial plant. I accept that the respective goods have a different specific purpose, but they are both for use in providing biological treatments. They are therefore similar in purpose to this extent. The respective goods are not in competition. However, they are likely to be complementary and bought and sold through the same trade channels. Overall, I find that the respective goods are similar to a medium degree.

64. If I had compared the applicant's goods with the goods for which the opponent has established use of its mark, my findings would have been similar. However, as the opponent has not shown use of its mark in relation to services, I would have held that the applicant's services in class 40 comprising 'treatment of water, waste water treatment' are similar to no more than a medium degree to the applicant's goods in class 11. This is because although the respective services and goods are different in nature, they are similar in purpose and, in some situations, likely to be in competition with the applicant's goods. i.e. a business may purchase its own water treatment apparatus or pay a third party to treat its waste water.

Global assessment - the case law

65. 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.

The principles

(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 might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

Comparison of marks

66. 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 *Bimbo SA v OHIM*²⁸ 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

²⁸ Case C-591/12P

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.”

67. It would be wrong, therefore, to artificially dissect the trade 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.

The respective trade marks are shown below:

BIOBOOSTER	BIOBUSTER
Earlier trade mark	Contested trade mark

68. The applicant submits that the average consumer would see the marks as consisting of the words BIO and BOOSTER/BUSTER, that BIO would be given little weight because it is short for ‘biological’ (and therefore descriptive of a characteristic of the goods/services), and that BOOSTER/BUSTER look and sound quite different and have different meanings. This is because ‘boost’ means to increase a substance or quality, whereas ‘bust’ means to destroy or get rid of something. On this basis the applicant submits that there is only a low degree of visual and aural similarity between the marks, and no conceptual similarity.

69. The opponent submits that the marks are visually and aurally highly similar because they start and end the same way, and the difference in the middle of the marks is easily missed, both to the eye and to the ear. The opponent accepts that BOOST and BUST have different meanings, but it argues that this is of little significance in this case because the goods and services are for water treatment and neither BIOBOOSTER nor BIOBUSTER has a specific meaning for such goods that would be readily apparent to average consumers. According to the opponent, both marks are vaguely laudatory and this creates some conceptual similarity.

70. I agree with the opponent that, when compared as wholes, the marks are highly similar to the eye. Even if BIO is recognised as sometimes used to mean ‘biological’, and the average consumer would therefore be more likely to recognise that the marks are formed from the prefix BIO and the words BOOSTER/BUSTER, this does not mean that consumers would dissect the marks and base their comparison mainly on just the BOOSTER/BUSTER elements. On the contrary, the case law reminds us that consumers usually see trade marks as wholes. In my view, neither the OO in the middle of BIOBOOSTER, nor the corresponding letter U in the middle of BIOBUSTER, has a strong impact on the overall visual impressions created by the marks. It is true that BIOBOOSTER is one letter longer than BIOBUSTER, but in relatively long words such as these this difference has quite a small impact. As

regards aural similarity, both marks consist of four syllables, BI-OH-BOOS-TER v BI-OH-BUS-TER. The marks are easily capable of being misheard for each other. There is therefore a very high level of aural similarity between the marks.

71. I accept that there is a conceptual difference between the elements BOOST and BUST and that some weight should be given to this. However, the weight that should be given to this difference must take into account that these words form only a part of the marks. The applicant's representative at the hearing did not dispute that BIOBOOSTER as a whole has no obvious meaning. Neither does BIOBUSTER. The marks are therefore conceptually neutral when viewed as wholes. I therefore find that although there is some conceptual difference between parts of the marks, this will have only a modest impact on the average consumer's perception of the marks as wholes.

72. Overall, I find that the marks are similar to a relatively high degree.

Average consumer and the purchasing act

73. 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*²⁹.

74. The applicant says that the relevant average consumer is a professional person in the water treatment industry. Given the cost and the sophistication of the goods/services, he or she will pay a high degree of attention when selecting them. The applicant accepts that aural considerations will play a part in the selection process. However, as the potential purchaser will see written material about the goods at some point in the process, visual and conceptual considerations are said to be more important.

75. The opponent says that the relevant consumer is a person working at a facility which produces waste water requiring treatment. The opponent accepts that such a person will pay a higher degree of attention than ordinary members of the public. Counsel for the opponent pointed out at the hearing that not all of the applicant's goods are necessarily expensive, For example, the goods in class 6 could be basic components of a water treatment system. Therefore it should not be assumed that the average consumer's level of attention will be universally high.

²⁹ Case C-342/97

76. I see no significant dispute between the parties as to the identity of the relevant average consumer. I therefore accept that it is a person working in the water treatment industry or at a facility which produces waste water requiring treatment.

77. I accept that such an average consumer will pay a higher than normal degree of attention when selecting the goods and services covered by the application. Even where the cost of the goods is likely to be modest, such as a tank for a water treatment system, the special purpose of the goods will ensure that the goods are selected with a fairly high level of attention so as to ensure that they are suitable for that purpose. Further, even where the description of goods does not limit them to the sort of specialist products that the applicant currently offers, such as the description 'water purifying apparatus' in class 11, which could be a water filter for use in a municipal installation, such as a public bathroom, the relevant average consumer is still likely to pay a higher level of attention than an ordinary member of the general public.

78. I also accept that the goods and services at issue will be selected only after the mark has been seen. However, as face to face meetings and word of mouth recommendations are liable to play a significant part in the selection process, the degree of aural similarity between the marks must also be taken into account.

Distinctive character of the earlier trade mark

79. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*³⁰, the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

³⁰ Case C-342/97

80. BIO is likely to be seen as signifying 'biological' when BIOBOOSTER is used in relation to the goods/services for which it is protected. BOOST has a vaguely laudatory meaning. The combination BIOBOOSTER does not appear to convey any specific and easily grasped meaning to the average consumer in relation to the goods/services at issue. I therefore find that the mark has an average level of inherent distinctive character.

81. Although the opponent has used the earlier mark in the EU, the level of sales and promotion are relatively modest, even taking account of the specialist nature of the market. Further, the opponent does not yet have any customers in the UK. I therefore find that the distinctive character of the opponent's mark has not been enhanced to the UK public as a result of the use made of it.

Likelihood of Confusion

82. It is necessary to consider the earlier mark to have been used in relation to all the goods/services covered by the registered specification or, if a new specification has been arrived at as a result of a challenge to the use of the earlier mark, that specification. In *Roger Maier and Another v ASOS*³¹, Kitchen L.J. stated that:

"78.the court must.... consider a notional and fair use of that mark in relation to all of the goods or services in respect of which it is registered. Of course it may have become more distinctive as a result of the use which has been made of it. If so, that is a matter to be taken into account for, as the Court of Justice reiterated in *Canon* at paragraph [18], the more distinctive the earlier mark, the greater the risk of confusion. But it may not have been used at all, or it may only have been used in relation to some of the goods or services falling within the specification, and such use may have been on a small scale. In such a case the proprietor is still entitled to protection against the use of a similar sign in relation to similar goods if the use is such as to give rise to a likelihood of confusion."

83. It is also necessary to consider the effect of normal and fair use of the applicant's mark for all the goods/services covered by the specification of the application. As the CJEU stated in *Devinlec Développement Innovation Leclerc SA v OHIM*³²:

"59. As regards the fact that the particular circumstances in which the goods in question were marketed were not taken into account, the Court of First Instance was fully entitled to hold that, since these may vary in time and depending on the wishes of the proprietors of the opposing marks, it is

³¹ [2015] EWCA Civ 220

³² Case C-171/06P

inappropriate to take those circumstances into account in the prospective analysis of the likelihood of confusion between those marks.”

84. The assessment of the likelihood of confusion cannot therefore be limited to the applicant’s existing trade in goods costing between £30k and £7m.

85. The applicant’s goods in class 11 and water treatment services in class 40 are identical to the opponent’s goods in class 11 and corresponding services in class 40. Further, the applicant’s goods in class 7, and services for the rental of water treatment equipment in class 40, are highly similar to the opponent’s goods in classes 7 and 11.

86. The marks are also similar to a relatively high degree. It is true that the common prefix of the marks is not sufficient, of itself, to create a likelihood of confusion. Although consumers generally pay more attention to the beginnings of marks than the ends³³, the common beginning of the respective marks is not necessarily important or decisive where the beginning of the marks is descriptive or highly allusive of a characteristic of the goods/services³⁴ (as is the case with the element BIO). However, the relatively high level of similarity between the marks at issue is not solely the result of the use of the common prefix BIO. The marks are relatively highly similar overall.

87. These finding would normally point towards a likelihood of confusion. However, the applicant relies, particularly, on two factors which it claims will avoid confusion.

88. Firstly, it is said that the conceptual difference between the marks will counteract the visual and aural similarities. The principal authority for the counteraction theory is *The Picasso Estate v OHIM*³⁵ where the CJEU found that:

“20. By stating in paragraph 56 of the judgment under appeal that, where the meaning of at least one of the two signs at issue is clear and specific so that it can be grasped immediately by the relevant public, the conceptual differences observed between those signs may counteract the visual and phonetic similarities between them, and by subsequently holding that that applies in the present case, the Court of First Instance did not in any way err in law.”

89. As counsel for the opponent pointed out at the hearing, this does not mean that a conceptual difference between the marks is necessarily sufficient to counteract the visual and aural similarities. Whether a conceptual difference between the marks is sufficient is liable to depend on the strength of that difference and the degree of

³³ See, for example, the decision of the General Court in *El Corte Inglés, SA v OHIM*, Cases T-183/02 and T-184/02

³⁴ See, for example, the decision of the General Court in *CureVac GmbH v OHIM*, Case T-80/08

³⁵ Case C-361/04 P

visual and aural similarity between the marks³⁶. In this case the level of visual and aural similarity is high and the conceptual difference only counteracts these similarities to a modest degree. The applicant's argument for a higher level of conceptual counteraction is flawed, in my view, because it assumes an artificially high degree of mental analysis, involving some dissection of the marks. The relevant average consumer is unlikely to analyse the marks to this extent. For this reason, the conceptual counteraction point does not trump the factors pointing towards a likelihood of confusion.

90. The second factor on which the applicant relies is the higher than usual level of attention paid by the relevant average consumer in this case. I accept that this is a relevant factor which reduces the likelihood of confusion.

91. In this connection, counsel for the opponent drew my attention to the judgment of the General Court in *Honda v OHIM*³⁷ in which the court held that there was a likelihood of indirect confusion between the Community trade mark SEAT and an earlier Spanish trade mark registration for MAGIC SEAT (for vehicle seats). This was despite the fact that the relevant public was mostly composed of specialists who paid a high level of attention when selecting the goods. Counsel for the opponent submitted that, even if the relevant average consumer notices the difference between the marks at issue in this case, he or she might think that BIOBUSTER is a variant of BIOBOOSTER and therefore used by the same commercial undertaking. I do not rule out such a possibility, but I do not find it likely. This is because, like the applicant's argument based on conceptual counteraction, it assumes an artificially high degree of mental analysis involving some dissection of the marks. The relevant average consumer is not likely to analyse the marks that closely.

92. Nevertheless, I accept the opponent's underlying submission, that even professional or specialist consumers paying an above average level of attention are not immune to confusion. In my view, it is very easy to visually and aurally confuse BIOBUSTER with BIOBOOSTER. When one also takes into account the possibility of imperfect recollection, the likelihood of visual and aural confusion is sufficiently high that neither the nature of the average consumer, nor the higher than average level of attention such a consumer pays when selecting the goods/services at issue, will avoid a likelihood of confusion. I do not mean that all relevant average consumers will be confused. This does not appear to be necessary. As Floyd L.J. stated in *J.W. Spear & Sons Ltd and Others v Zynga Inc.*³⁸ when summing up the

³⁶ The decisions of the General Court in *Nokia Oyj v OHIM*, Case T-460/07 and Professor Ruth Annand as the Appointed Person in *Adelphoi Limited (BATSMAN)* BL O-440-13 are examples of cases where the conceptual distinction was not strong enough to counteract the level of visual and aural similarity between the marks.

³⁷ Case T-363/06

³⁸ [2015] EWCA Civ 290

Court of Appeal's earlier judgment in *Interflora Inc. and another v Marks and Spencer plc*³⁹:

"37. In relation to what the court described as the crucial question, namely whether the average consumer, as a hypothetical person, necessarily has a single reaction and so precludes a consideration of the perceptions of a proportion of the relevant public the court in *Interflora* identified the following propositions:

i) the average consumer test provides the court with a perspective from which to assess the particular question it has to decide, for example whether a statement is liable to mislead purchasers.

ii) a national court may be able to assess this question without the benefit of a survey or expert evidence.

iii) a national court may nevertheless decide, in accordance with its own national law, that it is necessary to have recourse to an expert's opinion or a survey for the purpose of assisting it to decide whether the statement is misleading or not.

iv) absent any provision of EU law dealing with the issue, it is then for the national court to determine, in accordance with its own national law, the percentage of consumers misled by the statement that, in its view, is sufficiently significant in order to justify banning its use."

93. I find that a significant proportion of average consumers of the goods and services at issue will be confused by the concurrent use by different parties of the marks BIOBOOSTER and BIOBUSTER. This is sufficient to justify a finding that there is a likelihood of confusion within the meaning of the section. I therefore uphold the opposition under s.5(2)(b) in relation to the goods in classes 7 and 11 of the application, and the services in class 40.

94. I find that the position is more finely balanced when it comes to the applicant's goods in class 6, which are only similar to a medium degree to the opponent's goods in class 11. However, on balance, I find that there is still a likelihood of confusion.

95. If the opponent cannot rely on the protection of its IR in class 40 (because no use is shown for these services), then I would still have held that, on balance, there is a likelihood of confusion if the applicant's mark is used in respect of the services covered by class 40 of the application. This is because of, inter alia, the relatively high degree of similarity between the marks and the medium (or high in the case of rental services) degree of similarity between the applicant's services in class 40 and the opponent's goods in class 11 for which use has been shown.

³⁹ [2014] EWCA Civ 1403

Outcome

96. The opposition succeeds. Subject to appeal, the application will be refused.

Costs

97. The opponent has been successful and would normally be entitled to a contribution towards its costs. The applicant's representative submitted at the hearings that the applicant should receive off-scale compensatory costs. This was because:

(i) The opponent abandoned its s.5(3) and s.5(4)(a) grounds so late. This wasted the applicant's costs, including the cost of dealing with these grounds in its skeleton argument. The applicant submitted that the late abandonment of the grounds indicated that the opponent had no genuine belief in them from the outset.

(ii) The opponent made a statement of use in its notice of opposition and was therefore responsible for any time and money wasted dealing with the proof of use issue.

(iii) The opponent's evidence was poorly focussed and caused the applicant to spend a great deal of time working out the goods/services for which it was supposed to show proof of use of the IR.

98. I have sympathy with the applicant's first point. However, parties are encouraged to abandon grounds that do not add to their case. Dropping grounds does not therefore mean that they were frivolous. I am also mindful that awarding off-scale costs against a party who drops grounds late in the day will only encourage others to pursue all their grounds to the bitter end. That is not in the public interest. Therefore, I will not go off-scale because of the opponent's late dropping of two of the three grounds of opposition. However, I will take into account that the s.5(3) and s.5(4) grounds were dropped so late that the applicant had to deal with these grounds in its skeleton argument. This is a clear case of wasted costs. Having said that, the grounds in question accounted for only just over a page of an 8 page skeleton. The wasted costs should therefore have been limited.

99. As regards the applicant's second point, both sides assumed that the proof of use requirements applied. If that is right, there does not appear to me to be a strong case for finding that either side should bear a larger or smaller share of the costs on account of the time and money they spent on this [non] issue. It might be said that the second hearing was only necessary because the opponent made the pleading error of including a statement of use of its IR in its notice of opposition. This caused the applicant to focus on that issue. Otherwise the similarity between the respective

registered goods/services might have been examined more fully at the first hearing. There is some truth in this. However, the applicant appeared to accept that it was arguable that the IR had been used in relation to the goods for which it is registered in class 11. It was therefore always necessary for the applicant to address the identity or similarity of the respective goods/services to the extent that the opponent succeeded in showing proof of use of its IR in relation to the goods in class 11. Further, the second hearing (by teleconference) only lasted an hour and no skeletons were required or provided. Consequently, the costs for the second hearing should not have been high.

100. I think there is some force in the applicant's third point. The opponent's evidence of use was very poorly focussed and explained. This was compounded by the fact that the opponent had not retained a paginated copy of its own evidence, which made identification of the relevant pages more difficult. So much so that I had to ask counsel for the opponent to provide a schedule, after the first hearing, showing the pages of the evidence claimed to show use of the mark in relation to the particular goods/services relied on by the opponent. The applicant had to examine this material as well as the originally filed evidence.

101. I conclude that the opponent's prosecution of its case was unsatisfactory in several respects, which put the applicant to unnecessary expense. In the circumstances, I have decided that each side should bear its own costs.

Dated this 8th day of January 2016

**Allan James
For the Registrar**