

**O-747-19**

**TRADE MARKS ACT 1994  
IN THE MATTER OF  
TRADE MARK APPLICATION NO 3318253  
BY AGRIHAUL ENGINEERING LIMITED  
TO REGISTER**



**AS A TRADE MARK IN CLASSES 06, 37 & 40  
AND  
OPPOSITION THERETO (UNDER NO. 413887)  
BY  
TOTAL STEEL SOLUTIONS LTD**

## BACKGROUND

1) On 15 June 2018, Agrihaul Engineering Limited ('the applicant') applied to register the trade mark shown on the cover page of this decision in respect of the following goods and services:

Class 6: Steel; Steel beams; Steel buildings; Steel fabrications.

Class 37: Abrasive cleaning of surfaces; Application of protective coatings for buildings; Building construction; Building construction advisory services; Building construction and demolition services; Building construction and repair; Building of industrial properties.

Class 40: Steel cutting.

2) The application was published in the Trade Marks Journal on 29 June 2018 and notice of opposition was later filed by Total Steel Solutions Ltd ('the opponent'). The opponent claims that the trade mark application offends under sections 5(2)(b) and 5(4)(a) of the Trade Marks Act 1994 ('the Act').

3) In support of its grounds under section 5(2)(b) of the Act, the opponent relies upon the following two trade mark registrations:

- EU registration 837070 ('mark 1')

The image shows a handwritten trade mark consisting of the letters 'SC4'. The 'S' is a thick, cursive stroke that loops back under the 'C'. The 'C' is also thick and cursive, with a small loop at the top. The '4' is a simple, bold, sans-serif digit. The entire mark is written in black ink on a white background.

Filing date: 01 June 1998

Date of entry in register: 16 August 1999

- EU registration 836940 ('mark 2')

## STEEL CENTRE 4

Filing date: 01 June 1998

Date of entry in register: 25 November 1999

Both registrations are registered in respect of the following goods and services:

Class 6: Articles made principally from common metals or their alloys; profile sections; pipes, tubes, box section, flats, T-sections, girders, slabs, piles, and architectural metal work; all included in Class 6.

Class 7: Machines and machine tools; machines for cutting metals; machines for cutting elongate metal products longitudinally; band-saw splitting machines; saws, band-saws, saw benches, blades; conveyers; lifting apparatus; parts and fittings for all the aforesaid goods.

Class 40: Providing metal processing services including cutting, splitting, band-saw splitting, cold-saw splitting, straightening, cambering, forming, bending, bundling, drilling, and surface inspection.

4) The trade marks relied upon by the opponent under section 5(2)(b) are earlier marks, in accordance with section 6 of the Act. As both completed their registration procedure more than five years prior to the publication date of the contested mark, they are subject to the proof of use conditions, as per section 6A of the Act. The opponent made a statement of use in respect of all the goods and services relied upon.

5) Under section 5(4)(a) of the Act, the opponent relies upon the use of i) SC4 and ii) STEEL CENTRE 4. Both are said to have been used throughout the UK since 1984 in relation to 'Steel, architectural metal work, metal processing services'. It is claimed that use of the applicant's mark, in respect of the goods and services applied for, will

lead to misrepresentation and damage to the opponent's goodwill associated with its earlier signs.

6) The applicant filed a counterstatement in which it puts the opponent to proof of use of both earlier marks and of the claimed goodwill. It admits that there is some similarity between its goods and services in classes 06 and 40 with those relied upon by the opponent but denies that there is any similarity between its services in class 37 with the opponent's goods and services. It also denies all the other grounds of opposition.

7) Only the opponent filed evidence. A hearing took place before me on 18 September 2019 by telephone conference. The applicant was represented by Ms Rigel Moss McGrath of WP Thompson. The opponent was represented by Mr Dominic Elsworth of Hargeaves Elsworth.

8) Prior to the hearing, on 02 September 2019, the opponent made a request to file further evidence. The request was accompanied by the said evidence. The official letter of 10 September 2019 informed the parties that I would deal with the opponent's request to file further evidence as a preliminary point at the main hearing. The opponent's further evidence consisted of a witness statement accompanied by copies of emails which, the witness states, should have been sent to the applicant but were sent to the opponent in error by a supplier who supplies both parties. At the hearing, Mr Elsworth explained that the evidence had only recently come to light and is relevant because it shows that confusion has taken place between the marks at issue. Ms McGrath pointed out that the evidence emanates from August 2019 and therefore post-dates the filing date of the contested mark and does not, in any event, demonstrate that confusion has taken place such that it should not be admitted. In deciding whether to admit the evidence, I kept in mind the comments of the High Court in *Property Renaissance Ltd (t/a Titanic Spa) v Stanley Dock Hotel Ltd (t/a Titanic Hotel Liverpool) & Ors* [2016] EWHC 3103 (Ch). The relevant part of the judgment reads:

## **“2. Should the Hearing Officer have admitted the further evidence?”**

41. The fact that the Hearing Officer made the errors of law and principle identified above does not necessarily mean that her decision to refuse to admit the further evidence was wrong. In considering this question, I have regard to the following factors:

i) The evidence was highly material to the issues before the Hearing Officer. It shows trade mark use within the relevant period, of (at least) a number of services within the specification. Yet the 115 mark was revoked in respect of all services for which it was registered.

ii) There was some prejudice to Titanic Huddersfield if the further evidence was admitted. It had only been served a few days before the hearing, and Counsel would have had a limited time to consider it. On the other hand, the evidence is easy to follow and it consists of facts within the knowledge of TTL, to which Titanic Huddersfield did not intend to serve evidence in reply.

iii) The evidence could have been served earlier and there was no proper excuse for its lateness. The evidence could have been provided when TTL served its evidence in chief. Further, rather than merely writing in December 2015 to request an extension of time, TTL could have submitted the evidence with that letter. I am aware that CRS had just been instructed, and were busy with other aspects of the case, but it was necessary to prioritise.

iv) There was no question of an adjournment if the evidence was admitted, and therefore no question of any delay to the hearing.

v) There was very significant prejudice to TTL if the evidence was excluded, in that it stood to lose a valuable registered trade mark. This, in my judgment, outweighs any prejudice to Titanic Huddersfield if the evidence was admitted.

vi) Finally, I bear in mind the concern of the Hearing Officer that admission of the further evidence would undermine the decision of the IPO in December 2015 to refuse to admit such evidence. However, the decision in January 2016 was not the same. A mere indication that evidence might be filed is much less likely to carry weight than if the evidence is ready and the tribunal is asked to consider its contents.

42. Having regard to all the circumstances, in my judgment, the further evidence should have been admitted, and the Appeal on this issue is allowed.”

9) Having considered both parties’ submissions on the matter and the case law above, I allowed the opponent’s request and admitted the evidence. In reaching this view I bore in mind that i) the evidence, at least on the face of it, goes to a relevant matter before me (the likelihood of confusion between the marks), ii) the evidence had only recently come to light and appears to have been filed fairly promptly thereafter, iii) the potential prejudice to the opponent should it be excluded, and iv) Ms. McGrath was content to respond to the evidence by way of oral submission at the hearing such that an adjournment was not required.

#### **OPPONENT’S EVIDENCE IN CHIEF**

10) The opponent’s evidence comes from its director, Ms Karen Eddy. Ms Eddy explains that the earlier marks were first registered in 1999 by Edmet International Limited and subsequently assigned to the opponent in 2012. At the same time, the assets and goodwill of Steel Centre 4 Limited were also acquired by the opponent.

11) Ms. Eddy explains that the opponent and SC4 (UK) Limited (‘SC4 UK’) are in common ownership and she is co-owner of both companies. She states that the latter company uses the opponent’s marks with its consent.

12) Ms. Eddy states that SC4 UK provides steel fabrication services including sawing, drilling, milling and splitting of steel. It also supplies steel, for example in the form of girders, piles and profile sections. Total turnover for the financial years

ending 31 July 2014 – 31 July 2018 was £6.69 million, of which £591,000 related to the supply of steel products and the remainder to fabrication services. Ms. Eddy also provides the following information and documents which, she states, show use in relation to the aforementioned goods and services:

- A print from [www.sc4.co.uk](http://www.sc4.co.uk). Ms Eddy states that the SC4 (device) mark has been used on the website since approximately 2000. The print shows mark 1 on the top of the webpage. The words “SC4 – Your Partner in Steel’ are also present together with a photograph of a steel structure.<sup>1</sup>
- A screenshot of the Facebook page [www.facebook.com/sc4.uk.ltd](http://www.facebook.com/sc4.uk.ltd). Ms Eddy states that mark 1 has been used on that page since 2011. There is nothing on the page itself about any goods and services. However, there is a photograph of, what appears to be, metal construction articles.<sup>2</sup>
- A print from [www.linkedin.com/company/sc4](http://www.linkedin.com/company/sc4). Ms Eddy states that LinkedIn has been used for advertising since June 2017 and boosted promotions were paid for until May 2018. Mark 1 is present on the page. Under the ‘About Us’ section, it states “SC4 are an independent structural steel fabricator and steel processor supplying to fabricators and steel stockholders around the UK”.<sup>3</sup>
- Three invoices from 2018 (falling in April and May) and two invoices from 2017 (falling in May and December). They all show mark 1 positioned prominently in the top left-hand corner. The identity of the customers and the prices have been redacted. The descriptions of the goods and services provided include the supply of steel, fitting of steel, sawing, drilling, splitting, painting, straightening, painting and shotblasting of steel products. I understand the latter term to be a type of cleaning/polishing process for metals. <sup>4</sup>
- Screenshots from the website of SC4 UK said to show use of mark 1 in relation to i) a Tyne Tunnel project in Newcastle-upon-Tyne in 2006. The article states that “SC4 produced and supplied 2,200 tonnes of temporary steelwork consisting of props and wailing beams” for the project<sup>5</sup>, ii) a project

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<sup>1</sup> Exhibit A

<sup>2</sup> Exhibit B

<sup>3</sup> Exhibit C

<sup>4</sup> Exhibit D

<sup>5</sup> Exhibit E

for a customer in Gainsborough in 2016. The article states that 25 tonnes of fabricated steelwork were supplied, painted and delivered to the project site<sup>6</sup>,  
iii) a project for a customer in Portsmouth in 2016. The article states that 50 tonnes of steelwork were supplied, fabricated, galvanised and delivered to the project site.<sup>7</sup>

- A photograph of a delivery lorry bearing the mark SC4 in large letters on the side of the cab. Ms Eddy states the photograph was taken in May 2018.<sup>8</sup>
- A photograph of an employee wearing a uniform bearing mark 1 and the company name SC4 (UK) LTD. Ms Eddy states that staff uniforms have carried mark 1 since 2014.<sup>9</sup>
- A photograph of a boundary fence surrounding the company premises bearing the (faint) words 'STEEL CENTRE 4' which Ms Eddy states has been in use for at least twenty years by SC4 UK and prior to that by Steel Centre 4 Limited.<sup>10</sup>
- An excerpt from a promotional brochure showing use of marks 1 and 2. The brochure refers to the supply of steel products and processing services by Steel Centre 4. Ms Eddy states that the brochure has been in use for at least ten years and is still in use. No indication is given as to how many brochures have been distributed, to whom or when.<sup>11</sup>
- A photograph of a van bearing marks 1 and 2. Ms Eddy states that this van livery was used up until 2015. The side of the van lists various services such as beam splitting, cambering, forming, drilling, bending and cold sawing.<sup>12</sup>
- A photograph of signage at the company premises bearing earlier marks 1 and 2. Ms Eddy states that the signage has been in use for at least ten years.<sup>13</sup>
- Copies of various emails and a purchase order which are said to show that customers of SC4 UK refer to the company as 'Steel Centre 4'.<sup>14</sup> The email string appears to begin with an email sent by SC4 UK requesting delivery of

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<sup>6</sup> Exhibit F

<sup>7</sup> Exhibit G

<sup>8</sup> Exhibit H

<sup>9</sup> Exhibit I

<sup>10</sup> Exhibit J

<sup>11</sup> Exhibit K

<sup>12</sup> Exhibit L

<sup>13</sup> Exhibit M

<sup>14</sup> Exhibits N & O



various materials to it entitled “TBM STEEL CENTRE 4 LTD”. There follows a number of emails in reply and forwarded emails. The email dated 13 March 2014 refers to “the requested deliveries for Steel Centre 4”. The purchase order shows a ‘Supplier Address’ of ‘Steel Centre 4’.

## **OPPONENT’S FURTHER EVIDENCE**

13) This consists of a further witness statement from Ms Eddy, dated 02 September 2019.

14) Ms Eddy states that on 14 August 2019, the Technical Manager at SC4 UK, received an email from ArcelorMittal (AMDS UK Ltd), intended for Steel 4 Structures<sup>15</sup>. The email includes an attached delivery note for steel ordered from AMDS UK Ltd by Steel 4 Structures.<sup>16</sup>

15) On 23 August 2019, the Technical Manager of Total Steel Solutions Limited, received a further email from AMDS UK Ltd, intended for Steel 4 Structures Limited.<sup>17</sup> The email includes an attached delivery note for steel ordered from AMDS UK Ltd by Steel 4 Structures.<sup>18</sup>

16) Ms Eddy reiterates that SC4 UK and Total Steel Solutions Limited are in common ownership and that she is co-owner of both companies. She explains that AMDS UK Ltd is a large steel stockholder. SC4 UK is both a customer of, and supplier to, AMDS UK Ltd. She states that AMDS UK Ltd have confused Steel 4 Structures with SC4 UK, sending details of an order placed by Steel 4 Structures to SC4 UK in error.

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<sup>15</sup> Exhibit P

<sup>16</sup> Exhibit Q

<sup>17</sup> Exhibit R

<sup>18</sup> Exhibit S

## DECISION

### Proof of use

17) Section 6A of the Act states:

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

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

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

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

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

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

(3) The use conditions are met if -

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

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

(4) For these purposes -

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

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

(5) In relation to a European Union 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 Union.

(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.”

18) Section 100 is also relevant, which reads:

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

Consequently, the onus is upon the opponent to prove that genuine use of the registered trade marks was made in the relevant period.

19) In *Walton International Ltd & Anor v Verweij Fashion BV* [2018] EWHC 1608 (Ch) Arnold J summarised the law relating to genuine use as follows:

“114.....The CJEU has considered what amounts to “genuine use” of a trade mark in a series of cases: Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV*

[2003] ECR I-2439, *La Mer* (cited above), Case C-416/04 P *Sunrider Corp v Office for Harmonisation in the Internal Market (Trade Marks and Designs)*  
[2006] ECR I-4237, Case C-442/07 *Verein Radetsky-Order v Bunderversammlung Kameradschaft 'Feldmarschall Radetsky'* [2008] ECR I-9223, Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759, Case C-149/11 *Leno Marken BV v Hagelkruis Beheer BV* [EU:C:2012:816], [2013] ETMR 16, Case C-609/11 P *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR, Case C-141/13 P *Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [EU:C:2014:2089] and Case C-689/15 *W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse* [EU:C:2017:434], [2017] Bus LR 1795.

115. The principles established by these cases may be summarised as follows:

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

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Leno* at [29]; *Centrotherm* at [71]; *Reber* at [29].

(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 to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Leno* at [29]; *Centrotherm* at [71]. Accordingly, affixing of a trade mark on goods as a label of quality is not genuine use unless it guarantees, additionally and simultaneously, to consumers that those goods come from a single

undertaking under the control of which the goods are manufactured and which is responsible for their quality: *Gözze* at [43]-[51].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14] and [22]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71]; *Reber* at [29].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Leno* at [29]-[30], [56]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving 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. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72] and [76]-[77]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32].”

20) As both earlier marks are EUTMs, the comments of the Court of Justice of the European Union (‘CJEU’) in *Leno Merken BV v Hagelkruis Beheer BV*, Case C-149/11, are also relevant, where it noted that:

“36. It should, however, be observed that..... the territorial scope of the use is not a separate condition for genuine use but one of the factors determining genuine use, which must be included in the overall analysis and examined at the same time as other such factors. In that regard, the phrase ‘in the Community’ is intended to define the geographical market serving as the reference point for all consideration of whether a Community trade mark has been put to genuine use.”

And

“50. Whilst there is admittedly some justification for thinking that a Community trade mark should – because it enjoys more extensive territorial protection than a national trade mark – be used in a larger area than the territory of a single Member State in order for the use to be regarded as ‘genuine use’, it cannot be ruled out that, in certain circumstances, the market for the goods or

services for which a Community trade mark has been registered is in fact restricted to the territory of a single Member State. In such a case, use of the Community trade mark on that territory might satisfy the conditions both for genuine use of a Community trade mark and for genuine use of a national trade mark.”

And

“55. Since the assessment of whether the use of the trade mark is genuine is carried out by reference to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark serves to create or maintain market shares for the goods or services for which it was registered, it is impossible to determine a priori, and in the abstract, what territorial scope should be chosen in order to determine whether the use of the mark is genuine or not. A *de minimis* rule, which would not allow the national court to appraise all the circumstances of the dispute before it, cannot therefore be laid down (see, by analogy, the order in *La Mer Technology*, paragraphs 25 and 27, and the judgment in *Sunrider v OHIM*, paragraphs 72 and 77).”

The court held that:

“Article 15(1) of Regulation No 207/2009 of 26 February 2009 on the Community trade mark must be interpreted as meaning that the territorial borders of the Member States should be disregarded in the assessment of whether a trade mark has been put to ‘genuine use in the Community’ within the meaning of that provision.

A Community trade mark is put to ‘genuine use’ within the meaning of Article 15(1) of Regulation No 207/2009 when it is used in accordance with its essential function and for the purpose of maintaining or creating market share within the European Community for the goods or services covered by it. It is for the referring court to assess whether the conditions are met in the main proceedings, taking account of all the relevant facts and circumstances,

including the characteristics of the market concerned, the nature of the goods or services protected by the trade mark and the territorial extent and the scale of the use as well as its frequency and regularity.”

21) In *The London Taxi Corporation Limited v Frazer-Nash Research Limited & Ecotive Limited*, [2016] EWHC 52, Arnold J. reviewed the case law since the *Leno* case and concluded as follows:

“228. Since the decision of the gc in *Leno* there have been a number of decisions of OHIM Boards of Appeal, the General Court and national courts with respect to the question of the geographical extent of the use required for genuine use in the Community. It does not seem to me that a clear picture has yet emerged as to how the broad principles laid down in *Leno* are to be applied. It is sufficient for present purposes to refer by way of illustration to two cases which I am aware have attracted comment.

229. In Case T-278/13 *Now Wireless Ltd v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* the General Court upheld at [47] the finding of the Board of Appeal that there had been genuine use of the contested mark in relation to the services in issues in London and the Thames Valley. On that basis, the General Court dismissed the applicant's challenge to the Board of Appeal's conclusion that there had been genuine use of the mark in the Community. At first blush, this appears to be a decision to the effect that use in rather less than the whole of one Member State is sufficient to constitute genuine use in the Community. On closer examination, however, it appears that the applicant's argument was not that use within London and the Thames Valley was not sufficient to constitute genuine use in the Community, but rather that the Board of Appeal was wrong to find that the mark had been used in those areas, and that it should have found that the mark had only been used in parts of London: see [42] and [54]-[58]. This stance may have been due to the fact that the applicant was based in Guildford, and thus a finding which still left open the possibility of conversion of the Community trade mark to a national trade mark may not have sufficed for its purposes.



230. In *The Sofa Workshop Ltd v Sofaworks Ltd* [2015] EWHC 1773 (IPEC), [2015] ETMR 37 at [25] His Honour Judge Hacon interpreted *Leno* as establishing that "genuine use in the Community will in general require use in more than one Member State" but "an exception to that general requirement arises where the market for the relevant goods or services is restricted to the territory of a single Member State". On this basis, he went on to hold at [33]-[40] that extensive use of the trade mark in the UK, and one sale in Denmark, was not sufficient to amount to genuine use in the Community. As I understand it, this decision is presently under appeal and it would therefore be inappropriate for me to comment on the merits of the decision. All I will say is that, while I find the thrust of Judge Hacon's analysis of *Leno* persuasive, I would not myself express the applicable principles in terms of a general rule and an exception to that general rule. Rather, I would prefer to say that the assessment is a multi-factorial one which includes the geographical extent of the use."

22) The General Court restated its interpretation of *Leno Marken* in Case T-398/13, *TVR Automotive Ltd v OHIM* (see paragraph 57 of the judgment). This case concerned national (rather than local) use of what was then known as a Community trade mark (now a European Union trade mark). Consequently, in trade mark opposition and cancellation proceedings the registrar continues to entertain the possibility that use of an EUTM in an area of the Union corresponding to the territory of one Member State may be sufficient to constitute genuine use of an EUTM. This applies even where there are no special factors, such as the market for the goods/services being limited to that area of the Union.

23) Whether the use shown is sufficient for this purpose will depend on whether there has been real commercial exploitation of the EUTM, in the course of trade, sufficient to create or maintain a market for the goods/services at issue in the Union during the relevant five-year period. In making the required assessment I am required to consider all relevant factors, including:

- i) The scale and frequency of the use shown

- ii) The nature of the use shown
- iii) The goods and services for which use has been shown
- iv) The nature of those goods/services and the market(s) for them
- iv) The geographical extent of the use shown

24) In accordance with section 6A(3)(a) of the Act, the relevant period in which genuine use must be established is the five-year period ending on the date of publication of the contested mark. In the case before me, that period is 30 June 2013 to 29 June 2018.

25) At the hearing, Ms McGrath was critical of the opponent's evidence of use. In her submission, the evidence is insufficient to show genuine use of mark 1. She pointed out that a large number of the exhibits are undated and submitted that it is not entirely clear what goods and services are being offered in most of them. It is true that not all the exhibits are dated and that, when viewed in isolation, some exhibits do not clearly show the nature of the goods and services being provided. However, I must stand back and view the evidence in the round. Ms Eddy explains in her witness statement that the examples of use shown in the exhibits have taken place for the duration of the relevant period. All of the website prints bear mark 1. The invoices which also all bear mark 1, and all span the relevant period, clearly refer to various steel fabrication services. Ms Eddy also makes an unchallenged statement that the total turnover over the period 31 July 2014 – 31 July 2018 amounted to £6.69 million in relation to steel fabrication services and the sale of steel products. There are also numerous examples of projects for which the opponent has provided steel products and fabrication services during the relevant period under mark 1. Viewing the evidence, as a whole, I am satisfied that there has been genuine use of mark 1 in the UK in the relevant period and that the use is also sufficient to constitute genuine use within the European Union.

26) Turning to consider the use of mark 2, there is less use of this mark in the evidence than mark 1. The evidence shows that mark 2 was in use on the side of the opponent's vans and on signage and fencing around the opponent's premises. There is also the use on the brochure which Ms Eddy states has been used for the last ten years. However, she does not state how many of those brochures were distributed,

where they were distributed or to whom. Mark 2 is also not present on any of the invoices, on any of the website prints and there is no use shown in relation to the projects referred to above. I therefore cannot tell the extent to which mark 2 has been used in relation to any of the specific goods or services covered by the registration. The e-mails and purchase order also do not assist me in this regard. Bearing all of this in mind, I find that the evidence before me is insufficient to show that there has been real commercial exploitation of mark 2 in the EU market within the relevant period. The opponent has therefore failed to show genuine use of mark 2. However, in case I am wrong, I will go on to continue a fair specification and likelihood of confusion based on mark 2.

27) I now need to consider what constitutes a fair specification for marks 1 and 2, having regard for the goods and services upon which genuine use has been shown. In *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited*, BL O/345/10, Mr Geoffrey Hobbs Q.C. as the Appointed Person summed up the law as being:

“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.”

28) In *Property Renaissance Ltd (t/a Titanic Spa) v Stanley Dock Hotel Ltd (t/a Titanic Hotel Liverpool) & Ors* [2016] EWHC 3103 (Ch), Mr Justice Carr summed up the law relating to partial revocation as follows.

“iii) Where the trade mark proprietor has made genuine use of the mark in respect of some goods or services covered by the general wording of the specification, and not others, it is necessary for the court to arrive at a fair specification in the circumstance, which may require amendment; *Thomas Pink Ltd v Victoria's Secret UK Ltd* [2014] EWHC 2631 (Ch) (“Thomas Pink”) at [52].

iv) In cases of partial revocation, pursuant to section 46(5) of the Trade Marks Act 1994, the question is how would the average consumer fairly describe the services in relation to which the trade mark has been used; *Thomas Pink* at [53].

v) It is not the task of the court to describe the use made by the trade mark proprietor in the narrowest possible terms unless that is what the average consumer would do. For example, in *Pan World Brands v Tripp Ltd* (Extreme Trade Mark) [2008] RPC 2 it was held that use in relation to holdalls justified a registration for luggage generally; *Thomas Pink* at [53].

vi) A trade mark proprietor should not be allowed to monopolise the use of a trade mark in relation to a general category of goods or services simply because he has used it in relation to a few. Conversely, a proprietor cannot reasonably be expected to use a mark in relation to all possible variations of the particular goods or services covered by the registration. *Maier v Asos Plc* [2015] EWCA Civ 220 ("Asos") at [56] and [60].

vii) In some cases, it may be possible to identify subcategories of goods or services within a general term which are capable of being viewed independently. In such cases, use in relation to only one subcategory will not constitute use in relation to all other subcategories. On the other hand, protection must not be cut down to those precise goods or services in relation to which the mark has been used. This would be to strip the proprietor of protection for all goods or services which the average consumer would consider to belong to the same group or category as those for which the mark has been used and which are not in substance different from them; *Mundipharma AG v OHIM* (Case T-256/04) ECR II-449; EU:T:2007:46."

29) All of the use shown is in relation to steel products and steel fabrication and processing services. There is no evidence of use before me in relation to any of the goods listed in class 07 covered by marks 1 and 2. In the light of this, I consider that the opponent is entitled to rely upon the following specification (for both marks 1 and

2), since, in my view, it fairly encapsulates how the average consumer would describe the use that has been shown:

Class 06: Steel; Steel fabrications.

Class 40: Steel processing and fabrication services.

### **Section 5(2)(b)**

30) This section of the Act states:

“5. - (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.”

31) The leading authorities which guide me are from the CJEU: *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 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 and services**

32) All relevant factors relating to the goods should be taken into account when making the comparison. In *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* the Court of Justice of the European Union (“the CJEU”), Case C-39/97, stated at paragraph 23 of its judgment:

“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.”

33) Guidance on this issue has also come from Jacob J where, in *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281, the following factors were highlighted as being relevant:

(a) The respective uses of the respective goods or services;

(b) The respective users of the respective goods or services;

(c) The physical nature of the goods or acts of service;

(d) The respective trade channels through which the goods or services reach the market;

(e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;

(f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

34) In terms of being complementary (one of the factors referred to in *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer*), this relates to close connections or relationships that are important or indispensable for the use of the other. In *Boston Scientific Ltd v OHIM* Case T- 325/06, it was stated:

“It is true that goods are complementary if there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking..”

35) I also note the decision in *Gérard Meric v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM Case T-133/05) (*'Meric'*), where the GC held:

“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).”

36) The goods and services to be compared are:

Opponent’s goods and services	Applicant’s goods and services
<p><b>Class 06:</b> Steel; Steel fabrications.</p> <p><b>Class 40:</b> Steel processing and fabrication services.</p>	<p><b>Class 06:</b> Steel; Steel beams; Steel buildings; Steel fabrications.</p> <p><b>Class 37:</b> Abrasive cleaning of surfaces; Application of protective coatings for buildings; Building construction; Building construction advisory services; Building construction and demolition services; Building construction and repair; Building of industrial properties.</p> <p><b>Class 40:</b> Steel cutting.</p>

37) Ms McGrath conceded that there is similarity between the parties’ respective goods and services in classes 06 and 40. In my view they are more than similar. Some are self-evidently identical; others are identical on the *Meric* principle.

38) I now turn to class 37 of the application. Ms McGrath denied that there is any similarity between the applicant’s class 37 services and the opponent’s goods and services. I will deal first with the applicant’s ‘Building construction; Building construction advisory services; Building construction and demolition services; Building construction and repair; Building of industrial properties’. In relation to these, Mr Elsworth drew my attention to the parts of the opponent’s evidence which show that steel fabrications have been supplied by it to customers for the construction of buildings. In his submission it is common for companies to provide both steel

processing and the construction of steel buildings. Therefore, he submitted that the applicant's various construction services are similar to the opponent's goods and services. The respective nature of the applicant's construction-type services and the opponent's goods and services is not the same. However, the users are the same and the intended purpose is similar i.e. to provide structural components for buildings on the one hand and to construct buildings using those components on the other. It seems to me that an average consumer may perceive the opponent's goods and services to be complementary to the applicant's construction services in such a way that they may believe the responsibility lies with the same undertaking. I find the applicant's 'Building construction; Building construction advisory services; Building construction and demolition services; Building construction and repair; Building of industrial properties' to be similar to a low to medium degree to the opponent's goods and services.

39) In relation to the applicant's 'abrasive cleaning of surfaces', Mr Elsworth pointed to the invoices in the opponent's evidence showing that it provides shotblasting services. The latter is an abrasive process used to clean metal which falls within the opponent's specification in class 40. I find there to be overlap in purpose and user between those services and the applicant's 'abrasive cleaning of surfaces'. Their respective natures and method of use may also be similar. There is a low to medium degree of similarity between the applicant's 'abrasive cleaning of surfaces' and the opponent's class 40 services.

40) Finally, as regards the applicant's 'application of protective coatings', Mr Elsworth pointed out that the opponent's invoices show that it provides painting services. I accept this (although the evidence is thin). However, painting services, even for metal, are proper to class 37 and are therefore not covered by the opponent's services. Nevertheless, I understood Mr Elsworth to submit that, as the applicant's services would include painting of metal, which is a service often provided by the opponent in the steel fabrication industry, the respective services are similar because the average consumer would expect them to come from the same source. I accept that the opponent's evidence suggests that a provider of steel fabrication services may also provide the service of painting steel, in addition to, for

example, shotblasting. I find a low to medium degree of similarity between the applicant's 'application of protective coatings' and the opponent's class 40 services.

### **Average consumer and the purchasing process**

41) It is necessary to determine who the average consumer is for the respective goods and services and the manner, in which, they are likely to be selected. 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.”

42) Ms McGrath submitted that the goods and services at issue are not everyday purchases and that the average consumer would be a specialist who is likely to pay a degree of attention higher than the norm. Mr Elsworth, whilst acknowledging that certain of the goods and services at issue may be purchased by specialists, submitted that others may also be purchased by consumers without specialist training and with a lower degree of attention.

43) My own view is that the average consumer of the goods and services is likely to consist mainly of construction industry professionals. However, I accept that the general public may also be a relevant average consumer. The cost of the goods and services will, no doubt, vary depending on the precise nature of the good/services but I think it fair to conclude that these are, generally speaking, not inexpensive. Factors such as shape, size, strength and suitability for purpose will no doubt be taken account of by the consumer in relation to the respective goods at issue. Insofar as the respective services are concerned, the consumer is likely to spend some time

ensuring that steel is processed/fabricated to meet its specific needs (e.g. cut/split/bent/formed/cleaned/protected appropriately) and that a building is constructed in line with building plans and regulations etc. Generally speaking, I would expect the level of attention to range from above average to high depending on the precise nature of the goods or service being purchased (this applies to professionals and the general public). The purchase is likely to be made after perusing the internet or trade catalogues such that the visual aspect is important but I also bear in mind the potential for aural use since many of the goods and services may be purchased after discussions with sales representatives, for example.



### **Comparison of marks**

44) 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.”

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

45) The marks to be compared are:

Opponent's marks	Applicant's mark
<p data-bbox="188 416 300 450">Mark 1:</p>  <p data-bbox="188 779 300 813">Mark 2:</p> <p data-bbox="288 931 692 976">STEEL CENTRE 4</p>	

46) Mark 1 consists of the letters SC and the numeral 4 presented in a handwritten-type font. The stylised font makes some contribution to the overall impression of the mark, but it is the letters and numeral itself, i.e. SC4, which strongly dominate the overall impression. Mark 2 consists of the words 'STEEL CENTRE 4' presented in plain block capitals. The words STEEL CENTRE are, for obvious reasons, descriptive in relation to the opponent's goods and services. That said, they occupy a very substantial proportion of the mark as compared to the numeral 4. I find that the distinctiveness of the mark lies in the whole with no one element dominating the overall impression.

47) Turning to the applicant's mark, this consists of two elements. The first element is the letter and numeral combination 'S4S' presented in dark grey, light grey and red respectively. Each letter 'S' is stylised such that part of the top and bottom curve of the 'S' is partially missing (as if sliced through vertically). The numeral 4 is also slightly stylised. I would expect the stylisation of the letters and numeral to have some impact upon the consumer. However, it is the combination of the letters and

numeral itself, S4S, which has likely to have the greater impact. The second element of the mark is the words 'STEEL 4 STRUCTURES'. That element creates a phrase which does not lend itself to deconstruction. Given its subordinate positioning, relative distinctiveness and smaller size, that phrase has less weight in the overall impression than the 'S4S' element.

48) I will first consider first the similarity between earlier mark 1 and the applicant's mark. From a visual perspective, there is a point of difference due to the presence of 'STEEL 4 STRUCTURES' in the applicant's mark which is absent from the opponent's mark. In terms of the respective SC4 and S4S elements, these are the same length and both begin with the letter 'S' and contain the numeral 4. I bear in mind that it is usually the beginnings of marks which tend to have the greater impact on the perception. However, I also bear in mind that even small differences between marks which are relatively short in length can have a striking impact. I find that to be the case here. The fact that each mark consists of only three characters means that the different position of the numeral '4', the difference created by the 'C' and additional 'S' in the applicant's mark give rise to notable visual contrast. I find a low degree of visual similarity between them overall.

49) Aurally, both marks consist of well-known words and/or letters and numerals which will be pronounced in an entirely predictable fashion. Given the prominence of 'S4S' over the other element, it may be that only that element of the applicant's mark is verbalised by the average consumer. Indeed, I consider that to be the most likely scenario. In those circumstances, the aural comparison is between SC4 and S4S. Similar considerations apply here as to the visual comparison between those elements bearing in mind their short length. Although both begin with the letter S, the different position of the numeral '4' together with the difference created by the 'C' and additional 'S' in the applicant's mark create a notable aural difference. I find a low to medium degree of aural similarity between the marks if only the 'S4S' element of the applicant's mark were pronounced. If both elements of the applicant's mark are pronounced, the aural similarity would be very low overall.

50) Turning to the conceptual position, the opponent's mark has no clear concept beyond that of a string of two letters ('S' and 'C') and the numeral 4. As to the

applicant's mark, 'STEEL 4 STRUCTURES' is likely to be perceived as meaning 'steel for structures', which, for obvious reasons is not a distinctive concept. Although it could be argued that the S4S element in the applicant's mark takes on the meaning of 'steel 4 structures' (it could be seen as an abbreviation for the words that follow), in my view the average consumer will not break the mark down and analyse it in such a way. The S4S element is still distinctive in its own right and will be remembered for what it is; a combination of letters ('S' and 'S') and the numeral 4. Bearing all of this in mind, and that the 'steel for structures' concept does not create a distinctive difference between the marks, I find the conceptual position to be effectively neutral.

51) I now turn to consider the similarity between mark 2 and the applicant's mark. Visually, both marks contain the word 'STEEL' and the numeral '4' within the respective 'STEEL CENTRE 4' and 'STEEL 4 STRUCTURES' elements. However, there is a visual difference created by the words 'CENTRE' and 'STRUCTURES'. There is also the prominent 'S4S' element within the applicant's mark which is absent from the opponent's mark (notwithstanding the presence of the numeral '4' in the opponent's mark which is also present in the 'S4S' element). Viewed as a whole, I find that the respective marks are not visually similar or, if I am wrong, any visual similarity must be very low.

52) Aurally, I have already found that the most likely scenario will be that only the 'S4S' element of the applicant's mark is spoken by the average consumer. In those circumstances, I find no overall aural similarity between S4S and STEEL CENTRE 4. In the event both elements of the applicant's mark *are* spoken, i.e. as 'S4S STEEL 4 STRUCTURES' and 'STEEL CENTRE 4', I also find no overall aural similarity between the marks. If I am wrong on that, any aural similarity would be very low. (I should add that I consider it unlikely that only the 'STEEL 4 STRUCTURES' element of the applicant's mark will be spoken given its relative size and position within the mark as compared with the 'S4S' element.)

53) Conceptually, the 'STEEL CENTRE' part of the opponent's mark is entirely self-explanatory and '4', in the context of that mark, will be perceived as the numeral four. Bearing in mind my earlier conclusions as to how the applicant's mark is likely to be

perceived, I find there to be a low degree of conceptual similarity between the marks overall, stemming from the common 'STEEL' concept. However, the concept of steel is not a distinctive concept in the context of the goods and services at issue. There is no other conceptual coincidence between the marks.

### **Distinctive character of the earlier marks**

54) The distinctive character of the earlier marks must be considered. The more distinctive they are, either by inherent nature or by use, the greater the likelihood of confusion (*Sabel BV v Puma AG*). In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 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).”

55) Inherently, mark 1, being a combination of letters and a numeral, does not have any descriptive or allusive significance in the context of the opponent's goods and



services. I find it to be possessed of a normal degree of inherent distinctive character (the stylisation of the mark does not serve to elevate the inherent distinctiveness of that mark to any higher degree). Mark 2 consists of the words, and numeral, STEEL CENTRE 4. The words STEEL CENTRE are, for obvious reasons, descriptive in relation to the opponent's goods and services. Those words take up a substantial proportion of the mark. The numeral 4 does not add a great degree of distinctiveness. There is also no stylisation or other embellishments present to add any distinctiveness. Overall, mark 2 is possessed of a low degree of inherent distinctive character.

56) I now turn to consider whether the distinctiveness of the earlier marks has been enhanced through the use made of them. The sales figures, whilst far from insignificant, are not overwhelming and I have no information before me about the percentage of the market which is occupied by the opponent's sales. There is also no evidence of marketing or promotion, aside from a copy of a single brochure. Whilst I note that Ms Eddy states that that brochure has been in use for over ten years, she does not elaborate any further to give any indication of the number distributed or where or to whom they were distributed. There is also no evidence of expenditure in relation to marketing or promotional activities. I find that the evidence is insufficient to show that either earlier mark enjoys enhanced distinctiveness.

### **Likelihood of confusion**

57) I must now feed all of my earlier findings into the global assessment of the likelihood of confusion, keeping in mind the following factors: i) the interdependency principle, whereby a lesser degree of similarity between the goods and services may be offset by a greater similarity between the marks, and vice versa (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*); ii) the principle that the more distinctive the earlier marks are, the greater the likelihood of confusion (*Sabel BV v Puma AG*), and; iii) the factor of imperfect recollection i.e. that consumers rarely have the opportunity to compare marks side by side but must rather rely on the imperfect picture that they have kept in their mind (*Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V.*).

58) I will first consider the evidence purporting to show that confusion has taken place. I agree fully with Ms McGrath's criticisms of that evidence as set out in her skeleton argument and reiterated at the hearing. As stated by Ms McGrath, the emails may have been sent to the opponent due to a mere typographical error when entering the recipient's email address or for some other reason extraneous to the respective marks at issue. There is also no evidence from the consumer themselves attesting to the claim that they were indeed confused. I am not satisfied that the evidence establishes that confusion has taken place between the marks at issue on the part of the average consumer.

59) I will first consider the likelihood of confusion between the applicant's mark and mark 2. I have found no visual or sural similarity between those marks or, if I am wrong, any visual and aural similarity is very low. Further, there is only a low degree of conceptual similarity and the shared concept is not a distinctive one. My finding that mark 2 has only a low degree of inherent distinctiveness is a further factor weighing against the opponent, as is the above average to high degree of attention that is likely to be paid. I have no hesitation in finding that there is no likelihood of confusion (direct nor indirect) between the applicant's mark and mark 2, even in respect of the identical goods and services at issue. The ground under section 5(2)(b) based upon mark 2 fails.

60) I now turn to consider the likelihood of confusion between the applicant's mark and mark 1. That mark has a normal degree of distinctiveness and covers identical goods and services in classes 06 and 40 to those in the same classes covered by the applicant's mark. The conceptual position is, effectively, neutral. However, I have found that the respective marks share only a low degree of visual similarity and a low to medium degree (at best) of aural similarity. Having considered all these factors, together with the above average to high degree of attention that I would expect to be paid, which militates against the marks being imperfectly recalled, I find that there is no likelihood of direct confusion between the applicant's mark and mark 1 notwithstanding the identical goods and services at issue. The likelihood of confusion is even less in relation to the applicant's services in class 37 which I found to be similar to only a low to medium degree to the opponent's goods and services.

61) As to the possibility of indirect confusion between mark 1 and the applicant's mark, I find it improbable that the average consumer, once noticing the differences between the respective marks, would put the similarities between them down to the respective goods and services coming from the same or linked undertaking(s). The ground under section 5(2)(b) based upon mark 1 fails.

### **Section 5(4)(a)**

62) 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.”

63) In *Discount Outlet v Feel Good UK*, [2017] EWHC 1400 IPEC, Her Honour Judge Melissa Clarke, sitting as a deputy Judge of the High Court, conveniently summarised the essential requirements of the law of passing off as follows:

“55. The elements necessary to reach a finding of passing off are the ‘classical trinity’ of that tort as described by Lord Oliver in the *Jif Lemon* case (*Reckitt & Colman Product v Borden* [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

56. In relation to deception, the court must assess whether "*a substantial number*" of the Claimants' customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21)."

### **The relevant date**

64) In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC as the Appointed Person considered the relevant date for the purposes of s.5(4)(a) of the Act and concluded as follows:

"42...it is well-established in English law in cases going back 30 years that the date for assessing whether a claimant has sufficient goodwill to maintain an action for passing off is the time of the first actual or threatened act of passing off: *J.C. Penney Inc. v. Penneys Ltd.* [1975] FSR 367; *Cadbury-Schweppes Pty Ltd v. The Pub Squash Co. Ltd* [1981] RPC 429 (PC); *Barnsley Brewery Company Ltd. v. RBNB* [1997] FSR 462; *Inter Lotto (UK) Ltd. v. Camelot Group plc* [2003] EWCA Civ 1132 [2004] 1 WLR 955: "date of commencement of the conduct complained of". If there was no right to prevent passing off at that date, ordinarily there will be no right to do so at the later date of application.

43. In *SWORDERS TM* O-212-06 Mr Alan James acting for the Registrar well summarised the position in s.5(4)(a) proceedings as follows:

'Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made.'

65) The filing date of the contested mark is 15 June 2018, As there is no evidence of any use by the applicant before the filing date that is the only date I need to consider.

## **Goodwill**

66) The concept of goodwill was considered by the House of Lords in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217:

“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.”

67) I accept that the opponent had the requisite goodwill in the UK at the relevant date in a business providing steel, architectural metal work and metal processing services and that the earlier sign, SC4, (in plain letters) is associated with that goodwill. I have already commented on the use shown of the sign STEEL CENTRE 4. I find that the evidence is insufficient to establish goodwill in relation to the latter. Even if such goodwill had been established, the sign STEEL CENTRE 4 is simply not similar enough to the contested mark, and bearing in mind all factors, to result in misrepresentation.

## **Misrepresentation**

68) I now turn to consider whether there is a likelihood of misrepresentation based upon the sign SC4, in plain letters. In *Neutrogena Corporation and Another v Golden Limited and Another* [1996] RPC 473, Morritt L.J. stated that:

“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.”

69) Halsbury's Laws of England Vol. 97A (2012 reissue) provides further guidance with regard to establishing the likelihood of deception. In paragraph 309 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.”

70) I do not consider that the plain letters SC4 are visually any more similar to the contested mark than mark 1 (relied upon under section 5(2)(b)). I find that there is a low degree of visual similarity between the plain letters SC4 and the applicant’s mark for similar reasons to those in paragraph 48. I find that there is (at best) a low to medium degree of aural similarity and that the conceptual position is effectively neutral, for the same reasons given in paragraphs 49 and 50. Despite the obvious shared fields of activity of the parties and the goodwill vested in the opponent’s business, I find that the similarities between the opponent’s earlier sign, SC4, and the applicant’s mark, are not strong enough to cause a substantial number of the opponent’s customers or potential customers to believe that the applicant’s goods are, in any way, connected with the opponent. There is no misrepresentation and consequently, no damage. **The claim under section 5(4)(a) of the Act fails.**

## OVERALL OUTCOME

71) **The opposition fails in its entirety.**

## COSTS

72) As the applicant has been successful, it is entitled to a contribution towards its costs. Using the guidance in Tribunal Practice Notice 2/2016, I award the applicant costs on the following basis:

Preparing a statement and considering the opponent's statement	£300
Written Submissions	£300
Preparing for, and attending, the telephone hearing	£300
<b>Total:</b>	<b>£900</b>

73) I order Total Steel Solutions Ltd to pay Agrihaul Engineering Limited of **£900**. This sum is to be paid within 21 days of the expiry of the appeal period or within 21 days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 5<sup>th</sup> day of December 2019**

**Beverley Hedley  
For the Registrar,  
the Comptroller-General**