IN THE MATTER OF THE TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATIONS NUMBERS 3,261,881 AND 3,270,234 MADE BY SPIRIT ENERGY LIMITED

AND IN THE MATTER OF AN APPLICATION TO REVOKE FOR NON-USE TRADE MARK NUMBER 2,587,629

AND IN THE MATTER OF AN APPEAL FROM THE DECISION OF JUDI PIKE (O/452/19) DATED 2 AUGUST 2019.

DECISION

Introduction

1. This is an appeal from the decision of Ms Judi Pike, for the Registrar, dated 2 August 2019 (O/452/19) where she upheld the opposition of Spirit Solar Ltd to the trade mark applications of Spirit Energy Ltd.

2. The opposition was successful under sections 5(3) and 5(4)(a) of the Trade Marks Act 1994 and unsuccessful under sections 5(2)(b) and 3(6). She also partially revoked Spirit Solar's earlier trade mark on the grounds of non-use. Spirit Energy appeals the decision in relation to section 5(3) and 5(4)(a) and Spirit Solar cross-appeals the decision in relation to section 5(2)(b). There is no appeal in relation to section 3(6) or the partial revocation for non-use.

3. The applications were for the word mark SPIRIT ENERGY (Number 3,261,881) and the following word and device marks (No 3,270,234) in a series of five different colours:

4. Both applications were for goods and services in Classes 4, 37, 39, 40 and 42. The first application had a date of filing of 6 October 2017 and the second had one of 13 November 2017.

5. The Opposition was based on the earlier series mark SPIRIT SOLAR and SPIRITSOLAR (No 2,587,629) which (after partial revocation) was registered for goods and services in Classes 9, 11, 37 and 42.

6. I should add that Spirit Solar changed its trading name to Spirit Energy in September 2017. Its legal name remains Spirt Solar Ltd and so I will use Spirt Solar throughout.

Standard of review

7. The standard of appeal is by way of review. Neither surprise at a Hearing Officer's conclusion nor a belief that he or she has reached the wrong decision will suffice to justify interference in this sort of appeal. Before that is warranted, it is necessary for me to be satisfied that there was a distinct and material error of principle in the decision in question or that the Hearing Officer was wrong. The relevant principles were set out in *TT Education Ltd v Pie Corbett Consultancy* [2017] RPC 17 by Daniel Alexander QC and more recently by the Supreme Court in *Actavis Group PTC EHF v ICOS Corporation* [2019] UKSC 15.

8. I will take these principles into account.

Appeal and cross-appeal

9. Spirit Energy appeals the Hearing Officer's decision to uphold the opposition under section 5(3). It submits that the Hearing Officer's findings on reputation, link and unfair advantage were all wrong. It also appeals the Hearing Officer's finding that section 5(4)(a) obtains and its use of the mark could be prevented by the law of passing off.

10. The cross-appeal has three limbs. First, there is a challenge to the Hearing Officer's decision to confine Spirit Solar's opposition under section 5(3) to blurring and unfair advantage (and precluding it being run on the grounds of tarnishment). Secondly, Spirit Solar appeals the Hearing Officer's decision to dismiss the opposition based on dilution. Finally, it appeals the dismissal of its opposition under section 5(2)(b).

Section 5(3) – Reputation

11. An earlier trade mark can rely on section 5(3) only if it has a reputation. The basic test for determining whether a mark has a reputation was set out by the Court of Justice in C-375/97 *General Motors* (*'Chevy')* [1999] ECR I-5421. It held there is a "knowledge threshold" which is reached when the earlier mark is known by a "significant part" of the relevant public albeit there is no required percentage (*Chevy*, paragraphs 22, 25 and 26). When making the assessment of whether the threshold has been reached certain factors were identified in paragraph 27 of the Court of Justice's judgment:

> all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.

12. In *Och-Ziff Management Europe Ltd & Anor v Och Capital LLP & Anor* [2010] EWHC 2599 (Ch), [2011] FSR 11, paragraph 126, Arnold J described the need to establish reputation as "not a particularly onerous requirement". This phrase has been reiterated by Arnold J on further occasions and adopted by other judges of the High Court and Appointed Persons. Nevertheless, in neither *Och-Ziff* nor in those subsequent cases was the phrase given any further elucidation. Likewise, the Court of Justice has done little to assist in clarifying when a reputation becomes "significant".

13. In terms of setting a threshold, Mr Hollingworth made much of the fact THE GLEE CLUB mark was found to have had a reputation in *Comic Enterprises Ltd v Twentieth Century Fox Film Corp* [2014] EWHC 185 (Ch) and this finding was not overturned on appeal [2016] EWCA Civ 41. Mr Campbell, on the other hand, submitted that the issue of reputation was not in dispute in *Comic Enterprises* and so little can be taken from the court concluding it existed. He pointed out that there was no discussion of the issue of reputation and the judge simply concluded it existed ([2014] EWHC 185 (Ch), paragraph 129) and this was not challenged on appeal ([2016] EWCA Civ 41, paragraph 133). I agree with Mr Campbell that, in the absence of any reasoning and without knowing whether the issue was live in *Comic Enterprises*, it is difficult to conclude much from the decision. I should add that Mr Campbell had appeared in the case, but he could not recall whether the issue was admitted or why it was not dealt with. In the circumstances, I am not sure the case assists in addressing any threshold questions.

14. While there have been other cases where the reputation of a mark has been assessed, neither party referred me to any which they considered relevant for the purposes of this case.

15. Nevertheless, I should add that what amounts to a "significant part" of the general public was discussed (albeit tentatively) by Hacon HHJ in *Burgerista Operations GmbH v Burgista Bros Ltd & Ors* [2018] EWHC 35 (IPEC), paragraph 73 and 74 (which in turn came from what he said was implicit in C-301/07 *PAGO International* [2009] ECR I-9429):

> It can be concluded that if the market for the goods or services for which a trade mark is registered is similarly broad and the mark is known throughout a Member State the size of Austria, this will constitute knowledge of the mark among a significant part of the public of the EU. The mark will qualify for the status of having a reputation in the Union.
>
> That said, it is very hard to be sure about where the knowledge threshold lies in such a case (or any case). One clue is that the Court and the Advocate General did not imply that knowledge throughout Austria was so self-evidently sufficient that the adequacy of the mark's reputation barely merited discussion. My impression is that if knowledge had been confined to limited parts of Austria, that might not have been enough.

Relevant public – the market

16. As I have said, it is necessary to determine the relevant public within which the reputation is claimed. Advocate General Wahl noted in C-125/14 *Iron & Smith*, EU:C:2015:195, paragraph 17 that "The significance of the relevant market for given goods or services therefore ought to assume a paramount role in the analysis.". Thus, only once the relevant market has been established can the rest of the multi-faceted analysis take place.

17. Identifying the market requires an economic and geographic assessment. At one extreme, the relevant market might be every economically active person living in the United Kingdom (that is, the general public); at the other extreme, it might be a very specialist and narrow group of people indeed (maybe only a few hundred people: see by analogy the Australian case of *Argenta Limited v Argenta Discovery 2009 Limited* [2014] ATMO 80, paragraph 20).

18. Clearly, if the relevant public comprises a few hundred people then knowledge need only be proved in a very small group, but where it comprises the general public then the knowledge requirement is much higher. While I am not suggesting a bright-line threshold, it is apparent that a million people with knowledge of a mark would be enough to establish reputation (using the comparative population size of Austria to the EU scaled to the United Kingdom). I should add, following Hacon HHJ's comments, one million people would be well-over the line and not the line itself.

19. In this case, unfortunately, there was no clear explanation of what the Hearing Officer considered to be the market or how she defined the relevant public for the purposes of assessing reputation. She discussed the average consumer at paragraph 83 of her Decision in terms of the section 5(2) opposition:

> With the exception of gas and oil fuels, the selection of the parties' goods and servies [sic] is likely to be a relatively important decision, either for an individual for personal/domestic use or a business. I find that the average consumer is likely to pay an above average level of attention when selecting these services. In respect of the applicant's services, in particular, these are specialist and will involve a high level of attention. Gas and oil will be subject to a normal level of attention during the purchasing process. Whilst the predominant mode of selection will involve visual perception of the marks, the services are also likely to involve aural discussion during the purchasing process, so aural perception of the trade marks also has some significance.

20. In paragraph 122 of her Decision, she drew a distinction between "gas and oil fuels" and the other goods and services covered by Spirit Energy's mark which "are specialised and used by a specialist public" (similar comments about these services being specialised are also in paragraphs 79, 80 and 107).

21. Therefore, even though the Hearing Officer never said it expressly, it appears that she treated the relevant public for Spirit Solar's goods and services to be the general public. Mr Campbell, for Spirit Energy, submitted that the market should be taken to be all households in the United Kingdom which is probably much the same as the general public. Mr Hollingworth, for Spirit Solar, would not be drawn on defining the market but suggested that it is a relatively small but growing area of business. He added that defining the relevant public as every household is clearly not right.

22. As I said during the hearing, not every household can install solar panels as many will be flats or otherwise have geographical or physical constraints. Indeed, Mr Campbell ignores the commercial market where Spirit Solar also operates. This might represent a different market (or relevant public). Nevertheless, there was nothing before me or the Hearing Officer identifying how the relevant public could be determined.

23. When considering the relevant public and thereby defining the market, it does not require the great precision applied in competition law, but enough clarity is needed to provide context so that the evidence led to establish reputation can be assessed adequately. For instance, a trader selling 1,000 units a year might be sufficient to establish reputation if a total of 5,000 units are sold each year in the United Kingdom, but wholly inadequate if sales total 50million units. Likewise, a turnover of £100,000

might be enough in a very small market but insignificant in a larger one. Context is everything.

24. It was for Spirit Solar to establish that it had a reputation among the relevant public. In the absence of evidence of a market smaller than the general public, it appears to me that the Hearing Officer was at liberty to find that the reputation needed to be established in the public at large. There was little else she could do.

25. Accordingly, I turn to whether the Hearing Officer's assessment of the evidence establishes a reputation for the mark with the general public. She began by noting the absence of market share and then continued by highlighting the evidence she did have in paragraph 105 of her Decision:

> The opponent has adduced a considerable amount of material showing that it has won awards and recognition in the renewable energy industry, and has attended shows such as the Ideal Home Show. Its customer base extends right across southern England, and into the Midlands. The opponent's business has been constant since its inception in 2010, with domestic and commercial customers (including a hospital and a zoo), and it installed the UK's largest solar panel system at an educational establishment. Its turnover since 2012 (until 2017) amounted to approximately £12.8 million. I find that, at the dates on which the contested applications were filed, the opponent had a sufficient reputation upon which to base its section 5(3) ground, in the goods and services for which I found there had been genuine use.

26. Mr Campbell submitted that this paragraph was not an adequate assessment of the evidence and that the finding of reputation based upon it was wrong. He submitted that upon proper consideration of the factors set out in *General Motors* the reputation was inadequate. Mr Hollingworth submitted that the factors in *General Motors* had to be looked at together to assess reputation and the absence of one type of evidence cannot be fatal. While Mr Campbell accepted that the finding of reputation should be based on the overall evidential picture, he reiterated that having examined that picture the Hearing Officer was wrong to find the earlier mark had a reputation.

Evidence of Reputation

Market Share

27. The Hearing Officer accepted that there was no evidence on market share, but held this was not fatal to a finding of reputation. As the Court of First Instance (now the General Court) found in T-47/06 *Antarctica v OHIM* [2007] ECR II-42 at paragraph 52 (the point was not addressed on appeal):

> The fact that the intervener has not produced any figures regarding the market share held by the trade mark NASDAQ in the Community, for the services in classes 35 and 36 for which it was registered is not in itself capable of calling that finding into question. First, the list of factors to be taken into consideration in order to ascertain the reputation of an earlier mark only serve as examples, as all the relevant evidence in the case must be taken into consideration and, second, the other detailed and verifiable evidence produced by the intervener is already sufficient in itself to conclusively prove the reputation of its mark NASDAQ within the meaning of Article 8(5) of Regulation No 40/94.

28. Accordingly, a finding of reputation can be made in the absence of evidence of market share, provided there is enough other evidence. Despite the absence of evidence, Mr Campbell suggested that Spirit Solar's market share was "vanishingly small" which he

based on the number of households in the United Kingdom. I do not accept this submission. It is conventional for market share to be based on sales and not potential sales. Thus, it is necessary to know how many sales have been made in the relevant market not how many could be made. The absence of any market share data therefore proves nothing either way and it would be wrong to conclude Spirit Solar had a vanishingly small market share.

Intensity and duration of use

29. The Hearing Officer found that by the end of 2017 Spirit Solar had installed in excess of 1,000 residential solar systems and 700 for commercial customers (Decision, paragraph 17). There was no evidence as to the total number of solar systems that have been installed in the United Kingdom. It is impossible to say whether Spirit Solar has undertaken a lot of installations or a few compared to its competitors. In the absence of any context (such as to the overall number of domestic and commercial installations), the number of customers Spirit Solar has in the United Kingdom is not particularly helpful. In the abstract, however, it appears to me that it is a very small number of customers upon which to find the mark has a reputation in the general public.

30. Furthermore, I do not agree that the high value of each installation (each typically being between £7,500 and £24,000, Decision paragraph 15) makes the number of customers any more significant. Mr Hollingworth's suggestion that "everyone with a driving licence is theoretically a customer for a Ferrari; but very few own one" is right, but the comparison is a false one. Luxury goods are often known by many but bought by few. This wider knowledge exists because of media coverage and their branding activities. There is no evidence whatsoever that Spirit Solar's situation is similar.

31. The Hearing Officer found that the turnover of Spirit Solar in the period 2012 to 2017 was as follows: £4.1 million; £1.3 million; £1.6 million; £2.2 million; £2.3 million and £1.3 million (Decision, paragraph 19). Mr Hollingworth accepts that his client was a small or medium sized enterprise; indeed, it is arguable that one might go further and suggest its turnover is closer to that of a micro-enterprise (although its workforce might mean it does not technically qualify), a micro-enterprise being one with a turnover not exceeding €2million (see the Commission Recommendation concerning the definition of micro, small and medium sized enterprises" (2003/361/EC)).

32. I am not suggesting a small or medium sized business cannot ever have a trade mark with a reputation. However, Spirit Solar's turnover, particularly where the goods and services are highly priced, suggests against such a reputation having developed; rather, as Mr Campbell submits, the mark is well-known to its customers but not more widely.

Geographical extent of use

33. The Hearing Officer's description of Spirit Solar's geographical market (Decision, paragraph 105) was as follows: "Its customer base extends right across southern England, and into the Midlands.". While this was criticised by Mr Campbell as not supported by the evidence, his submission was based largely upon a statement on Spirit Solar's website that "We operate within a 60 mile radius of Reading, Berkshire". There

was other evidence before the Hearing Officer that the customer base extended beyond that 60mile radius. The Hearing Officer was therefore fully entitled to find the extent of use she did. Further, I think use across Southern England and the Midlands would – geographically at least – cover a sufficiently significant part of the population to satisfy section 5(3).

Awards and promotion

34. The Hearing Officer noted that Spirit Solar won in two categories of the Solar Power Portal Awards in 2014 and was further shortlisted in 2016 and 2017, that the award ceremony was attended by 200 people within the sector, and that the winners are "showcased" at a trade show attended by about 4,000 people (Decision, paragraph 20).

35. An award can be used as evidence that a brand has a reputation (see for instance, R 1265/2010-2 *MATTONI* (4 August 2011). However, winning awards is relevant only to the extent that the public is aware of the fact. The evidence clearly suggests that those in trade would be aware of the award. Furthermore, the correspondence sent out by Spirit Solar appears to have included reference to the prizes it had won. However, such correspondence would have been sent only to those to whom other promotional material was sent. It might therefore increase the effectiveness of the promotional material but not its reach.

36. The Hearing Officer also accepted the evidence that Spirit Solar had attended various trade shows, probably the most well know being the Ideal Home Show which it attended in 2011 (see Decision, paragraph 21).

37. In relation to promotional spending, Spirit Solar spent mostly on Google Ads. The business started in 2010 and the spending on Google Ads from that time until 31 August 2012 was £511,968. It declined each year thereafter: 2012-3, £73,932; 2013-4, £43,030 (10 months); 2014-5, £10,733; 2015-6, £3,931; 2016-7, £7,912 (and in the period between the end of June 2017 and the first relevant date, a further £4,403 was spent): see Exhibit EC1, page 119.

38. The Hearing Officer described this spend as over £660,000 since 2010 (Decision, paragraph 19). While the Hearing Officer's description of the advertising spend is entirely accurate, Mr Campbell argued that most of the spend was too long ago and the Hearing Officer should have concentrated on the spending in the years immediately preceding the relevant date (where the spending was more modest). Mr Hollingworth says that one would expect the spend to be higher when a business is launched and it is establishing market awareness, rather than later when maintaining it.

39. I agree with Mr Hollingworth that promotional spending dropping off is not unusual for a business as it costs more to build a reputation than maintain it. Nevertheless, it is also true that the effect of promotion diminishes over time and so I agree with Mr Campbell that spending closer to the relevant date is more important than older spending.

40. The Hearing Officer also refers to emails using the mark SPIRIT SOLAR being sent to over 3,000 individuals and companies since 2011 (Decision, paragraph 22). The precise number of emails sent is not clarified, but in little over a month after Spirit Solar changed its trading name to SPIRIT ENERGY it sent 14,000 emails. It can be reasonably inferred that up to 3,000 people would regularly get email correspondence (the mailing list was at 3,811 by early September 2017: Statement of Ms Erica Charles, paragraph 49). However, it is difficult to infer that such promotion would create a reputation in more people or organisations than those included on the mailing list.

41. In addition to these emails, the evidence was that brochures had been printed and distributed (Charles' Statement, paragraphs 35-7), and there had been use of social media where the likes and follows for Facebook were about 1,800 (Exhibit EC1, p 209) and for Twitter 722 followers. No further evidence was provided as to the identity or location of the followers.

42. Finally, the Hearing Officer accepted the evidence that that there had been 500,000 new visitors to Spirit Solar's website since 2010 and there were about 6,000-8,000 (new and returning) per month (Decision, paragraph 15). As the business started in 2010 and the bulk of the advertising spend was in the early years, it is not surprising that the number of new visitors was greater in 2012 than it was at the relevant date. In summary, the figures are as follows: on the year end to October 2011 there were 183,883 new visitors; 2012, 162,366; 2013, 98,878; 2014, 45,748; 2015, 16,499; and 2017, 27,860. The number of new and returning users was also dropping off from 21,954 per month in 2013 to 2,329 per month in 2017 (see Exhibit EC1, page 246). These figures do not allow for double counting where the same user accessed the website from two different devices and the fact that returning user status can expire on Google Analytics. The average length of time on the website over the entire period ranged from 1min to around 3mins 15seconds.

43. There was no evidence before the Hearing Officer regarding where the user was based or what the outcome was of those visits (for instance, did the website view produce a lead or even a sale). There is, however, outcome information for the period September-October 2017 immediately after Spirit Solar changed its name to SPIRIT ENERGY (Charles' Statement, paragraph 47).

44. It is my view that Spirit Solar has undertaken significant marketing activity and it has met with some success. Unfortunately, the figures cited by the Hearing Officer treat all activity as equal and I do not think that is right. The effect of promotion fades and some weight should have been given to the strong downward trajectory of the spending and web visits.

Conclusion on reputation

45. In conclusion, it is my view that the Hearing Officer was wrong to find that the mark SPIRIT SOLAR was known by a significant part of the relevant public. The evidence provided was usually without context and so it was unclear whether customer numbers, turnover, or promotional spending was large for the industry or small. This was

compounded by the fact that the only relevant public that could be identified was the public at large rather than a smaller group.

46. In my view, the highest point of its case on reputation is in terms of advertising and promotion and had this been reflected with a much higher turnover or a much larger customer base it might have been possible to find a reputation for the purposes of section 5(3). But on the evidence it was not possible to get beyond the fact that the actual number of customers was quite small compared to the population of commercial and domestic customers where it traded (the Midlands and South East) and its turnover was not what would be expected for a brand with a significant reputation.

47. Accordingly, in the absence of reputation the other aspects of the appeal and cross-appeal relating to section 5(3) fall away. I therefore allow the appeal so far as it relates to the objection under section 5(3).

Section 5(2)(b)

48. Spirit Solar cross-appeals the Hearing Officer's decision under section 5(2)(b), but in only one respect. The Hearing Officer stated that "Gas and oil will be subject to a normal level of attention during the purchasing process" (Decision, paragraph 83), but then when she considered the likelihood of confusion of Class 4 goods (which includes gas and oil fuels) she analysed the issue applying a "high level of attention during the purchasing process" (Decision, paragraph 96).

49. It was accepted by Mr Campbell that this was a mistake, but he submitted that the lack of similarity between the goods and services meant that this mistake would make no difference to the overall conclusion. Mr Hollingworth submitted that due to the Hearing Officer's other findings about "convergence" she should have found the goods were more similar than she did and combining this with a less thoughtful purchasing process she should have found there was a likelihood of confusion.

Convergence

50. The Hearing Officer spent some time considering the issue of convergence. In my view, the term itself is a little misleading. What she was really considering is oil and gas suppliers diversifying into supplying solar and renewables. In other words, the movement was all one way – it was brand extension or diversification rather than convergence.

51. The significance of this diversification (convergence), Mr Hollingworth submitted, is that the goods and services would start to share trade channels. For instance: ordering the installation of a solar system by navigating from an energy supplier's website; or telephoning an energy supplier and ultimately ending up ordering a solar installation. This means, he suggests, that based on her own findings the Hearing Officer should have found gas and oil to be more similar than she did.

52. Mr Hollingworth relied in particular on the following passage in paragraph 78 of the Hearing Officer's Decision (which he said was inconsistent with paragraph 75):

> Consumers buy both gas and electricity from a single supplier. The evidence shows that some suppliers, such as E.ON, also install domestic PV systems. There may therefore be an argument that gas can be sourced from the same undertaking which supplies electricity and also installs PV systems, feeding generated electricity back to the grid.

53. In addition, he relied on the Hearing Officer's more detailed findings in paragraphs 106 and 122:

> I find the opponent's evidence to be persuasive in showing that traditional, fossil fuel, or non-renewable, energy companies have been increasingly looking to diversify and to offer renewable energy, in addition to the traditional sources of energy, such as oil and gas. The applicant's own North Sea Director, Fraser Weir, was reported as stating that the two sectors have a huge opportunity to work together and to share their expertise, both operating in the North Sea. The opponent's confidential evidence gives detail about some discussions it had with a major fuel company, which is a household name in the UK, towards that company offering energy storage to its commercial customers. An article on the solarpowerportal website refers to "big oil majors", citing BP as an example of one such company returning to the solar power sector, late in 2017. The screenshots from BP's website refer to it selling commercial solar panels. BP is a subsidiary of Centrica, the corporate parent of the applicant. BP's CEO is reported as stating that solar power will constitute around 10% of global power in the next 20 years and is growing about 15% per annum. He states that BP wants to play a full role in the low carbon transition. British Gas was also making the move into the energy storage sector, another subsidiary of Centrica, as was Shell, building solar farms in the UK. Although some of this evidence is a couple of months after the relevant date, the press reports indicate trends, which are unlikely to be overnight sensations given the size of the undertakings involved. This evidence is relevant to the position at the relevant dates. Furthermore, the applicant's own evidence refers to BP and Shell's diversification, although the applicant's view is that this is not their focus. That is not determinative of whether a link will be made
>
> Both smaller players and huge multinationals occupy increasing ground in the renewable energy market. The evidence shows that the multinationals, such as BP and Shell, had plans at the relevant date, reported in the press, to move into the renewable energy sector. The opponent was in talks with a major household nonrenewable energy name…

54. There were also further findings in paragraph 108 of her Decision:

> The applicant gives evidence about Equinor, formerly called Statoil, an upstream company which has moved away from exploration and production to focus increasingly on renewable energy. Equinor's CEO said, early in 2018, that there is an energy transition taking place and that Equinor wanted to take part in that "by not only producing oil and gas, but increasing our renewable energies". The opponent has also provided evidence about Equinor and its change of name from Statoil. Statoil/Equinor provides power to 650,000 homes via its offshore wind farm business in the North Sea.…

55. Mr Campbell, on the other hand, suggested the findings on "convergence" were without evidential basis. His main complaint was that it could not be proved that the evidence related to activity before the relevant date (for one application, 6 October 2017; and for the other, 13 November 2017). The critical thing, he said, was not that the oil and gas sector was moving into renewables but whether the average consumer would know this was happening on the relevant date.

The evidence

56. The Hearing Officer appears to have believed that both BP and British Gas are subsidiaries of Centrica (Decision, paragraph 25) ("Ms Charles states that BP is a subsidiary of Centrica Plc, which is also the applicant's ultimate parent …British Gas,

another Centrica Plc subsidiary"). In fact, Ms Charles says that British Gas is a subsidiary (Statement, paragraph 59). Her discussion of BP refers only to "BP Solar" being a subsidiary of BP (Charles' Statement, paragraph 62). While this mistake is unfortunate, I am not sure it matters much because, even if true, the consumer is faced with two entities – BP and British Gas – and the activities of each would be judged separately. I will now turn to the evidence itself.

57. BP left the solar sector in 2011 and it only re-entered the market in December 2017 when it purchased a large stake in Lightsource (Charles' Statement, paragraph 62). The Hearing Officer also relied on various statements made by the CEO of BP in a newspaper article in the Guardian dated 15 December 2017 (Exhibit EC3, p 24-25).

58. In a trade article published 13 February 2018, Royal Dutch Shell indicated that it would be entering the solar market and that in the previous month it had acquired a large share in a US solar company (Exhibit EC3, page 31).

59. The evidence of Fraser Weir referred to by the Hearing Officer was a statement in the Eastern Daily Press published on 28 February 2018 (Exhibit EC3, p 14-18). Further, Ms Charles said that the first offshore solar platform was being tested by early 2018 and this might lead to further convergence between producers of energy (Statement, paragraph 61; Exhibit EC3, p 83-4).

60. Mr Campbell rightly said that the confidential evidence considered by the Hearing Officer was immaterial. I agree. If it were confidential at the date of the hearing it could not have had any effect on the average consumer's perception.

61. The evidence from Equinor (formerly, Statoil) is more detailed. In a presentation it claims that it is already delivering power to 650,000 UK homes from wind power and it sets out some plans connected to developing new wind farms (Exhibit EC3, page 36). There is no date for this presentation, but it was printed on 27 June 2018. The evidence also contained a press release dated 16 February 2016 stating that Statoil was investing $200m in renewables (Exhibit EC3, page 42). In a quote in that release, it is said the investment would be in three strategic areas, including "supporting our current operations in renewables" and "positioning in renewable growth opportunities" (Exhibit EC3, page 43). The report that Statoil had acquired its first solar project (in Brazil) was in an article dated 4 October 2017 (Exhibit EC3, page 46).

62. Mr Campbell complained that the screenshot of British Gas's webpage promoting solar panels was undated (Exhibit EC3, page 10). This is however incorrect. There is a date in the bottom corner: 31 January 2018. He made a similar complaint about the screenshots of EDF's webpage promoting solar. In this case, the only date is when the screenshot was taken for the purpose of these proceedings (27 June 2018). He also criticised the screenshot of E.ON's webpage (with the link "E.ON Solar products" circled) (Exhibit EC3, page 59) again because it is undated. However, Ms Charles's evidence was that E.ON launched in "2017" but she did not specify whether it was before or after the relevant date.

63. While not mentioned by the Hearing Officer, it is apparent that the Offshore Energy event which had traditionally concentrated on oil and gas was now expanding its 2017 event to include offshore renewables. The event took place on 10-11 October 2017 (Charles' Statement, paragraph 61; Exhibit EC3, page 81).

Assessment of the evidence

64. The Hearing Officer acknowledged that much of the material was after the relevant date, but she suggested that the evidence demonstrated trends in the industry. These trends, she said, did not happen "overnight". In my view, the evidence clearly suggests that from late 2017/early 2018 major oil and gas companies were moving into solar and other renewables. There were also some oil companies (Statoil) investing in renewables (albeit wind) earlier. It is a reasonable inference that the fact this was happening was known in the industry on the relevant date.

65. However, while this finding may be relevant to some of the goods and services, it is not relevant to the sale of oil and gas fuel to the general public. In respect of these goods, the important question is not what the industry knew but when did the general public become aware of oil and gas companies expanding into renewables.

66. In my judgment, there is no reason to suppose that the general public was aware of any of the large acquisitions by oil and gas companies, or future trends in the industry, before they were announced. Almost all the evidence before the Hearing Officer related to announcements after the relevant date. The one exception is that of the activities of Statoil in relation to wind power; however, I do not believe that this evidence alone is sufficient to establish that the relevant public was aware of a movement by oil and gas companies into solar on the relevant date.

67. The best consumer facing evidence was that of the screenshots of the three websites - British Gas, E.ON and EDF – which indicated the supplying of solar systems of some type. Two of these screenshots were undated and one was dated January 2018. It appears from paragraph 78 of her Decision that the Hearing Officer treated this evidence as sufficient to establish E.ON was installing solar systems before the relevant date. The question is whether this was a reasonable inference from the undated screenshot and Ms Charles's statement that it was launched in "2017". The burden of proving whether E.ON was selling solar before the relevant date fell to Spirit Solar. In trade mark law, a precise date can really matter: a date of "2017" is just not good enough when the critical date is in 2017 itself.

68. Accordingly, I accept there is evidence that the industry was aware that oil and gas companies were in the process of moving into solar and other renewables on the relevant date but I do not accept that there was sufficient evidence before the Hearing Officer upon which she could properly conclude the general public would have known about this industry movement on the relevant date.

69. In the circumstances, I uphold the Hearing Officer's decision that on the relevant date the goods were of low similarity. I also take the view that the Hearing Officer was wrong to find that the general public (in contrast to the trade) would be aware of "convergence" on the relevant date – public awareness would have come later.

70. It is my judgment that the goods in Class 4 were so different from any covered by the earlier mark that even with the right level of purchasing care there would be no likelihood of confusion. I therefore dismiss the cross-appeal.

Section 5(4)(a)

71. Spirit Energy also appealed the Hearing Officer's finding that section 5(4)(a) obtains. She had found that the use of the mark SPIRIT ENERGY by the Appellant in relation to gas and oil fuels could be prevented under the law of passing off by reason of the Respondent's mark SPIRIT and SPIRIT SOLAR. It is well-established, and accepted, that a claim for passing off requires (a) goodwill to be established; (b) a misrepresentation; and (c) damage.

Goodwill

72. Mr Campbell submitted that there was no "well-established" goodwill in the two marks, contrary to what the Hearing Officer found in paragraphs 113 and 123 of her Decision. He went further and submitted that the finding of no enhanced distinctiveness (paragraph 94) meant that there could not be well-established goodwill.

73. First, the requirement is that there is goodwill in a mark and not a higher threshold of "well-established" goodwill. Secondly, there have been many cases where relatively small amounts of trading have led to goodwill developing. The low point is often said to be *Stannard v Reay* [1967] RPC 589 where goodwill was established after a few thousand pounds (in modern money) had been earned over a few weeks trading from a fish and chip van in the Isle of Wight. There is absolutely no doubt in my mind that in relation to the marks SPIRIT and SPIRIT SOLAR sufficient goodwill had been earned by Spirit Solar by the relevant date.

Misrepresentation

74. The second requirement is that there is a misrepresentation. Mr Campbell suggests that the Hearing Officer did not properly consider this element. The relevant extract is in paragraph 122 of her Decision:

> Both smaller players and huge multinationals occupy increasing ground in the renewable energy market. The evidence shows that the multinationals, such as BP and Shell, had plans at the relevant date, reported in the press, to move into the renewable energy sector. The opponent was in talks with a major household on-renewable energy name. I consider that there will be a misrepresentation for a substantial number of the opponent's customers if the later marks were used in relation to gas and oil fuels, but not for the applicant's services which are specialised and used by a specialist public. However, gas and oil is used by the general public. I find that that, at the relevant dates, the applicant was entitled to have prevented the use of the later mark under the law of passing off in relation to gas and oil fuels because such use would have been damaging to the applicant's goodwill…

75. The unusual thing about the Hearing Officer's finding was that when considering the section 5(2) ground she found there was no likelihood of confusion between oil and gas fuels (which is in Class 4) and anything covered by the earlier trade mark (paragraph 96). I have already upheld her finding in this respect.

76. Despite this conclusion, she went on to find that there was passing off. The Hearing Officer acknowledged the potential inconsistency in paragraph 114 of her Decision:

> I found that the applicant's goods and services either had no, or a very low, degree of similarity with the opponent's goods and services. That was a finding made under the established caselaw pertinent to section 5(2)(b) of the Act. Such considerations have relevance under section 5(4)(a), but they do not prevent a finding of misrepresentation (and damage).

77. Mr Hollingworth suggests, rightly, that finding there might passing off is not necessarily incompatible with dismissing the opposition under section 5(2). If the goods and services covered by the trade mark are not similar there is no possible objection under section 5(2) as some degree of similarity of goods or services is a prerequisite (and so the Hearing Officer need not even consider the likelihood of confusion where goods and services are not similar). However, it is possible for passing off to exist in relation to non-similar goods as there is no need for a "common field of activity" as Millet LJ held in *Harrods v Harrodian Schools* [1996] RPC 697 at 714:

> What the plaintiff in an action for passing off must prove is not the existence of a common field of activity but likely confusion among the common customers of the parties.
>
> The absence of a common field of activity, therefore, is not fatal; but it is not irrelevant either. In deciding whether there is a likelihood of confusion, it is an important and highly relevant consideration…

78. The link for passing off can extend beyond similar goods to non-similar goods and even endorsements (see for instance, *Fenty v Arcadia* [2015] EWCA Civ 3). Accordingly, there is no logical inconsistency, on the one hand, for the use of the mark not to create a likelihood of confusion with an earlier mark because the goods are only just similar enough to engage section 5(2) and, on the other, for the very same use of the mark to be a misrepresentation for the purposes of passing off.

79. Mr Campbell also suggested that the following statement of the Hearing Officer at paragraph 121 of her Decision is confusing:

> I[n] considering whether there is, or could be, an association, between the field of activity of the opponent and the field of activity of the applicant, I also bear in mind that wondering if there is a connection between the businesses is not enough: there must be an assumption for misrepresentation to occur amongst a substantial number of the opponent's customers (or potential customers)

80. The Hearing Officer cites *Phones 4U Ltd v Phones 4U.co.uk* [2006] EWCA Civ 244, [2007] RPC 5. However, it is really the comments of Jacob LJ in *Reed Executive v Reed Business Information* [2004] EWCA Civ 159, [2004] RPC 20 at paragraph 111 (cited in paragraph 16 of *Phones 4U*) which is the basis of this distinction. He said:

> Once the position strays into misleading a substantial number of people (going from 'I wonder if there is a connection' to 'I assume there is a connection') there will be passing off, whether the use is as a business name or a trade mark on goods.

81. Therefore, while in general it appears that the Hearing Officer was directing herself properly, her findings in relation to passing off were all contingent on the general public being aware of the relevant date that oil and gas multinationals were moving towards renewables ("convergence"). I have concluded this finding was not supported by the evidence. It follows that, in my judgment, there was insufficient evidence to establish that a substantial number of people would perceive there to be a link between the marks for the purposes of passing off.

82. Furthermore, the difference between oil and gas fuels and the goods and services supplied by Spirit Solar are such that I do not believe that a link would be established between the two marks even during Spirit Solar's brief use of the mark SPIRIT ENERGY which started in September 2017.

83. I therefore allow the appeal and dismiss the opposition under section 5(4)(a).

Conclusion

84. I have allowed the appeal in its entirety and dismissed the cross-appeal. Accordingly, the applications should be allowed to proceed to registration. I order the Respondent (and cross-appellant) to pay £1,000 as a contribution to the costs of the Appellant.

PHILLIP JOHNSON
APPOINTED PERSON
15 JANUARY 2020

Representation:

For the Appellant: Mr Douglas Campbell QC instructed by Mathys & Squire LLP

For the Respondent/Cross-Appellant: Mr Guy Hollingworth instructed by Humphreys & Co