# O/0793/23

**TRADE MARKS ACT 1994**

**IN THE MATTER OF**

**TRADE MARK APPLICATION NO. 3724121**

**IN THE NAME OF VKR HOLDING A/S**

**AND**

**OPPOSITION THERETO UNDER NO. 431510**

**BY SUNSQUARE LIMITED**

## Background and pleadings

1. On 22 November 2021, VKR Holding A/S ("the applicant") filed trade mark application number 3724121 for the series of three trade marks shown below ("the contested marks"):




2. The application was published in respect of the following goods:

> Class 6: Roof windows and skylights and accessories (not contained in other classes) for all the aforesaid goods; all the aforesaid goods of metal or manufactured by using metal.
>
> Class 19: Roof windows and skylights and accessories thereto (not included in other classes); all the aforesaid goods not being wholly or mainly of metal.

3. The application is opposed by Sunsquare Limited ("the opponent") under ss. 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 ("the Act"). It is directed against all of the goods in the specification. Under both s. 5(2)(b) and s. 5(3), the opponent relies upon its UK trade mark number 3109402 for the figurative mark shown below ("the earlier mark"):

4. The earlier mark was filed on 19 May 2015 and registered on 2 October 2015. The opponent relies upon all of the goods for which its mark is registered, namely:

> Class 6: Common metals and their alloys; metal building materials; windows; doors; skylights; roof lights; roof windows; roof lanterns; window frames; floor lights; dormers; roof materials; ironworks for windows; sills for windows, fastening, locking, opening and closing devices and fittings for windows and doors; window fittings, parts and accessories for all the aforesaid goods; all the aforesaid goods of metal or manufactured using metal.

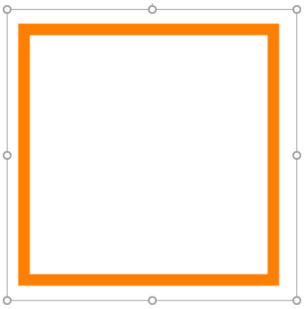
5. In view of its registration date, the earlier mark is subject to the use provisions at s. 6A of the Act. The opponent says that it has used the mark for all the goods relied upon.

6. The opponent contends that due to the similarity between the trade marks and the identity or similarity of the goods, there is a likelihood of confusion. Accordingly, the application should be refused under s. 5(2)(b).

7. The opponent also claims that the earlier mark has a reputation in the UK as a result of the use which has been made of it. It says that the similarity between the marks is such that the relevant public will believe the marks are used by the same or economically connected undertakings. The opponent also says that the use of the contested marks will take unfair advantage of the earlier mark and cause detriment to its reputation and distinctive character. Consequently, the application should be refused under s. 5(3).

8. The opponent further claims that it has a protectable goodwill in respect of two unregistered signs because of its use of them in the UK since 2004. These are the signs:


("the 'sun' sign")



(“the orange square sign”)

9. These signs are said to have been used for the same goods as the earlier mark’s specification, shown at paragraph 4, above, in particular “roof skylights”. The opponent says that as a result of its goodwill and reputation, use of the contested marks would give rise to a misrepresentation causing confusion among the relevant public and damage to the opponent’s goodwill. It therefore asserts that the application should be refused under s. 5(4)(a).

10. The applicant filed a counterstatement in which it denies all of the grounds. It put the opponent to proof of the earlier mark’s use, reputation and goodwill. In respect of s. 5(4)(a), it raises concurrent user and claims that it has been using the contested marks since at least 2013.

11. Both parties filed evidence. A hearing was requested and held before me, by videoconference, on 24 April 2023. The applicant was represented by Kieron Taylor of Swindell & Pearson Limited. The opponent did not attend. Until shortly before the hearing, the opponent was represented by Trademark Eagle Limited.

## Evidence

12. The bulk of the opponent’s evidence is provided by Justin Seldis, who is the Managing Director and proprietor of the opponent. He gives evidence about the opponent’s use, as well as some evidence about the applicant’s use.

13. There are five short additional witness statements, all filed as exhibits to Mr Seldis’s statement. These witnesses are:

(i) James Boughton, the founder of the opponent. His evidence goes to the start-up of the company and the development of the logo and branding;

(ii) John Ward, an account manager at the Royal Institute of Architects Journal ("RIBA Journal"). He gives evidence about the journal's circulation and the opponent's history of advertising in it;

(iii) Jonathan Stock, Managing Director of Built Environment and Architecture Media, the owners of *Architecture Today*. His evidence also concerns the opponent's record of advertising in the magazine;

(iv) John Treby, a Director of Cubiqdesign Ltd, a design, marketing, creative and PR agency. Mr Treby says that his agency has worked with the opponent since 2013 and that the logo used by the opponent has not changed in that time;

(v) Matt De Leon, Managing Director of Richmond & Towers, a PR agency. His evidence is that the opponent has used his company for the last four years (his statement is dated 7 September 2022) and that publicity has appeared in a number of different business areas.

14. The applicant's evidence comes from Krzysztof Dudek, the Chief Executive Officer of Altaterra Kft. Altaterra is a company within the VELUX group of companies, which is itself owned and controlled by the applicant. Mr Dudek gives evidence about Altaterra's use of the contested marks under licence.

15. None of the witnesses was cross-examined.

16. I have read all of the evidence. I will refer to it, as appropriate, in the course of this decision.

**Proof of use**

17. For present purposes, I will proceed on the basis that the opponent has shown use of the mark for all of the goods relied upon.

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

18. Section 5(2)(b) of the Act reads as follows:

> "5 (2) A trade mark shall not be registered if because -
>
> […]
>
> (b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,
>
> there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark."

19. The following principles are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, EU:C:1997:528, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, EU:C:1998:442, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, EU:C:1999:323, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, EU:C:2000:339, *Matratzen Concord GmbH v OHIM*, Case C-3/03, EU:C:2004:233, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, EU:C:2005:594, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P, EU:C:2007:333, and *Bimbo SA v OHIM*, Case C-591/12P, EU:C:2016:591:

> (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**

20. The applicant accepts that the goods in class 6 are identical. It also accepts that the contested goods in class 19 are similar but the parties disagree about the level of similarity. For reasons which will become apparent, I will not undertake a full comparison of the goods. As it is accepted that some of the goods are identical, I will make my decision

on the premise that all of the goods are identical. If the opposition fails even where the goods are identical, it follows that the opposition will also fail where the goods are only similar.

**The average consumer and the nature of the purchasing act**

21. The average consumer is a legal construct deemed to be reasonably well informed and reasonably circumspect: *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) at [60]. For the purposes of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods and services in question: *Lloyd Schuhfabrik.*

22. Mr Taylor submitted that the average consumer will pay a high degree of attention. The opponent's pleaded case is that the degree of attention will be average. It also says that the average consumer is "the consumer in general which is not well informed or circumspect". The latter part of that statement is incorrect in view of the comments in *Hearst Holdings*.

23. I find that the average consumer of the goods at issue is a member of the public or a professional. The latter will include tradespeople and architects. The level of care taken will vary across the categories of goods. A domestic skylight bought on a like-for-like basis is likely to be the subject of less careful attention than a large, bespoke, high-specification roof window for commercial premises. However, even in the case of the member of the public purchasing a product for their home, there will be a number of considerations, such as the glazing type (double, triple), colour and opening mechanism (e.g. top hung or centre pivot, manual or powered). All of these factors will also play into the purchase of specialist windows by professionals, to which may be added, for example, building regulations and thermal efficiency targets, though the professional is also likely to be making such purchases with more regularity. For skylights and roof windows, whatever their material, there is likely to be at least a reasonably high level of attention for both groups of consumer. It seems to me that accessories for these windows are likely to be

less expensive but that attention will still be paid to ensure compatibility and fit. These goods will attract at least a medium degree of attention.

24. Visual considerations will dominate the purchasing process, as consumers will consult brochures and catalogues as well as websites. However, the aural element is also important because there are likely to be discussions before purchase, which may include oral recommendations.

**Distinctive character of the earlier trade marks**

25. In *Lloyd Schuhfabrik*, the Court of Justice of the European Union ("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 *WindsurfingChiemsee* 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)."

26. The trade mark consists of a square outline in orange, into which is set, at the bottom right inner corner, the word “sun” in lower case. The colour both inside and outside the orange border is white. “Sun” is a dictionary word which is not purely descriptive. It is, however, allusive of one of the functions of a window, namely to let sunlight in. The border is unremarkable but does play a role in the mark as a whole.

Evidence of enhanced distinctiveness

27. The evidence about when exactly use of the earlier mark began is inconsistent. Mr Boughton’s evidence is that the mark as registered has been used since 2010.[1] Mr Seldis, however, says that the mark has been used since the opponent’s formation.[2] Five invoices dated between February 2005 and 31 December 2018 show the earlier mark in the letterhead, whilst website evidence shows a slightly different mark in use in 2004.[3] I cannot satisfactorily account for the discrepancy: whilst invoices, when reprinted, do occasionally show the current header, later invoices (from 2020 and 2022) show a header with a different mark, so this is unlikely to be the explanation. Of the narrative evidence, I prefer Mr Boughton’s account: he is also the founder of the company and his involvement covered this period, whilst Mr Seldis has only worked for the opponent since 2013.

28. The earlier mark is shown on the opponent’s website between August 2012 and April 2019. All of the website prints mention skylights; accessories are referenced in certain prints from 2013 and 2014. A 2018 print refers to the opponent having developed “traditional flat rooflights and electric operated opening rooflights through to skylights capable of being walked on […] Whatever type of skylight you require, Sunsquare has a solution for you”.

29. Marketing spend was in the region of £280,000 per annum from 2018 to 2020. It dropped sharply in 2021 to just under £80,000.[4] Copies of advertisements dated between 2010 and 2020 and a brochure from 2017 show the earlier mark used in relation to

[1] Boughton, §7.
[2] Seldis, §14.
[3] JS11; JS5.
[4] Seldis, §24.

rooflights and skylights of various types.[5] This includes advertisements in the RIBA Journal, “the UK’s largest circulation magazine” (per Mr Ward; presumably, this means in the architectural field), and Architect Journal. Mr Seldis says that the opponent has advertised on the back covers of these magazines for the past ten years (his statement is dated 29 September 2022).[6] There is also evidence that the opponent has advertised in *Architecture Today* since at least 2012.[7]

30. The opponent’s turnover was in excess of £3.2 million per annum from 2016 to 2021; in 2019, it was over £4.1 million.[8] The invoices filed in support identify rooflights, including ranges mentioned elsewhere in the evidence (e.g. Horizon), “upstands” and spacers, as well as specifying the glazing type. The costs of the skylights are shown on the invoice from 2017 as costing between £1,850 and £2,416, exclusive of VAT; the invoice from 2020 includes over £74,000 for a bespoke large multipart rooflight.

[9] The registered mark is visible in the newspaper’s report. The evidence is that the opponent has used the earlier mark for exhibits at the Grand Designs Live event since 2014 and that it donated a prize at the 2016 event.[10] The sign visible on a social media post about the prize is shown below:


32. The opponent appears to have attended other events such as the Ideal Home Exhibition but it is unclear how many were in the relevant period.

[5] JS16, JS17 (not all of the latter have visible dates).
[6] Seldis, §26. See also Mr Ward’s statement.
[7] Mr Stock’s statement.
[8] Seldis, §17.
[9] JS22, JS23.
[10] Seldis, §28; JS19, JS20.

Conclusions on the evidence

33. It is clear that the opponent has operated a rooflight business for many years. From 2010 to 2020, the mark as registered, or permissible variation of it in reversed colour scheme which is secondary to the word and square outline and does not affect its distinctive character, was used in advertisements and on the opponent's website.[11] The sales figures for those years are reasonable. Unit sales are not given and the costs of the opponent's goods appears to vary markedly. The geographic spread of the evidenced sales is quite limited, being confined to addresses in London and Colchester. The evidence appears to indicate that at some point in 2020 the opponent's branding changed and that the sign, shown at paragraph 31, above, was adopted: the registered mark is present in a 2020 Architecture Design advertisement but when exactly in 2020 is not clear; an invoice dated 28 August 2020 and the website prints from December that year show the new logo. I am doubtful that this logo is a permissible variant of the registered mark, as it seems to me that the addition of the word "square" provides a coherent explanation of the square outline containing a sun, displacing the distinctive character from the word "sun" and giving greater prominence to the square outline. However, I am prepared for present purposes to proceed on the basis that there had been a modest enhancement to the earlier mark's distinctive character, still extant at the relevant date, resulting in the earlier mark being factually distinctive to a medium degree for skylights, roof windows and their parts and fittings.

**Comparison of trade marks**

34. The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details: *Sabel* (particularly paragraph 23). *Sabel* also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in *Bimbo*, that:

[11] See *adidas AG v EUIPO*, case T-307/17, EU:T:2019:427 and a summary of the relevant case law in *Lactalis McLelland Limited v Arla Foods AMBA*, BL O/265/22.

> "[…] 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".

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

36. The trade marks to be compared are:

| **Earlier mark** | **Contested marks** |
|---|---|
|  |  <br>  |

| | |
|---|---|
| |   |

37. The opponent submits that the “orange square logo” is the dominant element of the earlier mark. I have already held the outline to be unremarkable. It is a banal surround. In my view, the word “sun” has greater distinctiveness and plays a more important role, though the sparseness of the mark means that the outline does make a contribution to the overall impression.

38. The contested marks are all, in my view, dominated by the word “dakea”. It is, to my knowledge, an invented word and highly distinctive. The rectangular border and the slash through it at the top right of the marks make a contribution to the overall impression but it is by far subordinate to the word. The colour schemes in the first and second trade marks also make a contribution but they are not surprising or unusual arrangements and the colour is of slight significance. In the comparison which follows, I will refer to the applications as the first, second and third contested marks, according to their position in the above table.

39. The opponent submits that the first contested mark is a square logo like the earlier mark. The mark is not a square, nor is any part of it. Rather, the mark features a rectangular border which is incomplete: it is intersected by a short diagonal slash. It is also black. I accept that there is an orange background which extends beyond the black border and that there is an orange surround. However, the average consumer is unlikely to give this part of the mark any trade mark significance, extending, as it does, from the orange background and a border being an extremely commonplace feature. There is also a very significant difference because of the presence of “sun” in the earlier mark and “dakea” in the first contested mark, which bear no resemblance to one another. These marks are not visually similar. As to the aural comparison, the earlier mark will be

verbalised as “sun”. I recognise that the opponent is called “Sunsquare” but without very significant education, which is not supported by the evidence, the average consumer would not understand this to be how the mark should be pronounced. The only part of the later mark which will be verbalised is the word “dakea”. Whether it is pronounced as “DAK-EE-AH” or “DAK-AY-AH” matters not. It has no aural similarity to the earlier mark. Conceptually, the clear notion conveyed by the earlier mark is of the sun, i.e. the star around which this planet orbits. The later mark has no meaning. The marks are conceptually different. I find that the first contested mark is not similar to the earlier mark.

40. There is potentially more similarity between the second contested mark and the earlier mark because the later mark contains a clear orange border. Again, however, the later mark is not a square, as the opponent submits, but an interrupted rectangle. The colour which fills the inside of the rectangle/square is different: black on the one hand, white on the other. There is also the same difference as considered above between the words in the respective marks. The weakness of banal elements such as borders in the trade marks compared with the differences leads me to the view that the marks are not visually similar. The same aural and conceptual considerations apply to the second contested mark as to the first: the marks are both aurally and conceptually different.

41. I acknowledge that the third contested mark could be used in orange. However, the border in this mark is also a rectangle cut by a short diagonal slash rather than a complete square. The inside of the shape is white in both marks. The words bear no resemblance to one another. I do not think that the marks are visually similar. They are, for the same reasons given above, both aurally and conceptually different.

42. An objection under s. 5(2)(b) requires that the marks be similar. They are not. The opposition under this ground is dismissed.

43. In case of appeal, I will give my views on the likelihood of confusion assuming, against my primary finding, that there is a low degree of visual similarity between each of the contested marks and the earlier mark.

**Likelihood of confusion**

44. The opponent says that the differences arising from the fact that the contested marks contain the word "dakea" have a limited impact on the likelihood of confusion. It submits that consumers will "only see the square logo […] and would not in fact discern between the names of the brands". It adds, "It is certain, that consumers will believe that the Applicant's goods under the series of logos filed and the Opponent's Sun logo goods are owned by the same proprietor and therefore, there is confusion".

45. I would have rejected the opponent's claim of direct confusion. Any similarity between the marks is confined to the orange border shape which is only weakly similar. Set against that is the highly distinctive word "dakea" in the applicant's mark, itself a contrast to the word "sun" in the opponent's mark. Even basing my decision on identical goods, it is fanciful in my view to assert that consumers will attribute not only trade mark significance but decisive weight to the orange border in such circumstances. Even if they attributed some weight to it, the differences are such that there is no prospect of them mistaking the marks for one another.

46. Mr Iain Purvis Q.C., sitting as the Appointed Person explained indirect confusion in *LA Sugar Limited v Back Beat Inc.*, BL O/375/10, where he said:

> "16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: "The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.

17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:

(a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right ('26 RED TESCO' would no doubt be such a case).

(b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as 'LITE', 'EXPRESS', 'WORLDWIDE', 'MINI' etc.).

(c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension ('FAT FACE' to 'BRAT FACE' for example)."

47. In *Liverpool Gin Distillery Ltd & Ors v Sazerac Brands, LLC & Ors* [2021] EWCA Civ 1207, Arnold L.J. referred to the comments of Mr James Mellor Q.C (as he then was), sitting as the Appointed Person in *Cheeky Italian Ltd v Sutaria* (BL O/219/16), where he said at [16] that "a finding of a likelihood of indirect confusion is not a consolation prize for those who fail to establish a likelihood of direct confusion". Arnold L.J. agreed, pointing out that there must be a "proper basis" for concluding that there is a likelihood of indirect confusion where there is no likelihood of direct confusion.

48. None of the scenarios posited by Mr Purvis at (a) to (c) above is applicable. The orange border is not "strikingly distinctive". On the contrary, a border of any colour is a commonplace feature and will be given little or no trade mark significance, especially when there are other, more distinctive (in the applicant's marks, significantly more distinctive) elements in the marks. I cannot see any logical step by which the later marks would be perceived as an evolution of the earlier mark, or vice versa. Had the marks been similar, the claim to indirect confusion would also have been rejected. For the avoidance of doubt, I would have made the same finding even if the similarity between the marks

was a little higher, i.e. between low and medium and/or the consumer only paid a medium degree of attention to the purchase.

**Section 5(3)**

49. Section 5(3) states:

> "(3) A trade mark which-
>
> (a) is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a European Union trade mark or international trade mark (EC), in the European Union) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark."

50. Section 5(3A) states:

> "(3A) Subsection (3) applies irrespective of whether the goods and services for which the trade mark is to be registered are identical with, similar to or not similar to those for which the earlier trade mark is protected."

51. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, EU:C:1999:408, *General Motors* [1999] ETMR 950; Case 252/07, EU:C:2008:655 *Intel,* [2009] ETMR 13; Case C-408/01, EU:C:2003:582, *Adidas-Salomon,* [2004] ETMR 10; and C-487/07, EU:C:2009:378, *L'Oréal v Bellure* [2009] ETMR 55; Case C-323/09, EU:C:2011:604, *Marks and Spencer v Interflora*; and Case C-383/12P, EU:C:2013:741*, Environmental Manufacturing LLP v OHIM.* The law appears to be as follows:

> (a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors*, paragraph 24.

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public: G*eneral Motors*, paragraph 26*.*

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind: *Adidas Saloman*, paragraph 29 and *Intel*, paragraph 63*.*

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness: *Intel*, paragraph 42*.*

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future: *Intel*, paragraph 68*;* whether this is the case must also be assessed globally, taking account of all relevant factors: *Intel*, paragraph 79*.*

(f) the more immediately and strongly the earlier mark is brought to mind by the later mark, the greater the likelihood that use of the latter will take unfair advantage of, or will be detrimental to, the distinctive character or the repute of the earlier mark: *L'Oréal v Bellure NV*, paragraph 44.

(g) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future: *Intel,* paragraphs 76 and 77 and *Environmental Manufacturing*, paragraph 34.

(h) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character: *Intel*, paragraph 74.

(i) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark: *L'Oréal v Bellure NV,* paragraph 40. The stronger the reputation of the earlier mark, the easier it will be to prove that detriment has been caused to it: *L'Oréal v Bellure NV*, paragraph 44.

(j) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora*, paragraph 74 and the court's answer to question 1 in *L'Oréal v Bellure).*

**Reputation**

52. In *General Motors,* the CJEU gave the following guidance for the assessment of a trade mark's reputation:

"25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.

26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.

27. In examining whether this condition is fulfilled, the national court must take into consideration 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.

28. Territorially, the condition is fulfilled when, in the terms of Article 5(2) of the Directive, the trade mark has a reputation 'in the Member State'. In the absence of any definition of the Community provision in this respect, a trade mark cannot be required to have a reputation 'throughout' the territory of the Member State. It is sufficient for it to exist in a substantial part of it."

53. For the reasons given at paragraph 33, above, the opponent has a modest reputation in relation to skylights and roof windows and their parts and fittings.

**Link**

54. Whether the public will make the required mental 'link' between the marks must take account of all relevant factors. The factors identified in *Intel* are (i) the degree of similarity between the conflicting marks; (ii) the nature of the goods or services for which the conflicting marks are registered, or proposed to be registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public; (iii) the strength of the earlier mark's reputation; (iv) the degree of the earlier mark's distinctive character, whether inherent or acquired through use and (v) whether there is a likelihood of confusion.

55. The approach to the assessment of similarity between trade marks under s. 5(3) is the same as under s. 5(2): *Adidas-Salomon* at [28]-[29]. It is a fundamental requirement of the objection that the marks at issue be identical or similar: *Calvin Klein Trademark*

*Trust v OHIM,* Case C-254/09P, EU:C:2010:488 at [68]. I have found, above, that the marks are dissimilar. The claim under s. 5(3) is rejected accordingly.

56. In case I am wrong, I will consider the second hurdle which the opponent must clear, namely whether the relevant public would make the link between the marks if they were similar. Most of the relevant factors have already been considered and I adopt those findings and reasons here. I will assume, contrary to my primary finding, that there is a low, or low-medium, degree of similarity between the respective marks. The earlier mark is factually distinctive to a medium degree. I am proceeding on the basis of identical goods bought by the general public and professionals with at least a medium degree of attention. The earlier mark's reputation is modest and there is no likelihood of confusion.

57. The similarity between the marks is too low and limited to an element which, particularly in the contested marks, is of much less distinctiveness than the verbal element, and the strength of the earlier mark's reputation too weak for the relevant public to make a link between the marks. I would have dismissed the opposition under s. 5(3) even if there was a degree of similarity between the marks.

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

58. Section 5(4)(a) states:

> "(4) 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, where the condition in subsection (4A) is met,
> >
> > (aa) […]
> >
> > (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."

59. Subsection (4A) of Section 5 reads:

"(4A) The condition mentioned in subsection (4)(a) is that the rights to the unregistered trade mark or other sign were acquired prior to the date of application for registration of the trade mark or date of the priority claimed for that application."

60. The "classical trinity" which must be proved in order to reach a finding of passing off was described by Lord Oliver of Aylmerton in *Reckitt & Colman Products Limited v Borden Inc. & Ors ("Jif")* [1990] UKHL 12. The necessary elements are goodwill, misrepresentation leading or likely to lead to deception, and damage resulting from the misrepresentation.

61. The prima facie relevant date is the date of application for the contested marks. As use before that date will only become relevant if passing off at the filing date is established, I will begin by assessing the position at the filing date, i.e. 22 November 2021.[12]

**Goodwill**

62. In *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL), the court said:

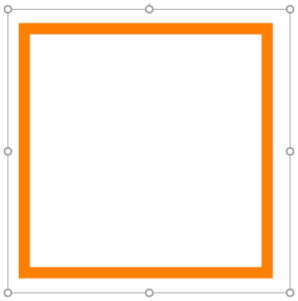
"What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new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

63. For the reasons given above, I am satisfied that the opponent had a protectable goodwill in relation to skylights and roof windows and their parts and fittings and that the

[12] See *Advanced Perimeter Systems Limited v Multisys Computers Limited,* BL O/410/11 at [43].

“sun” sign (i.e. the sign corresponding to the earlier mark) was distinctive of that goodwill at the filing date.

64. The orange square sign relied upon is shown below:



65. This is how the sign appears in the notice of opposition, i.e. an orange square in outline form, surrounded by a thin grey square border which has small, hollow circles at the corners and halfway along each side. Strictly, this is the sign pleaded by the opponent and therefore the only one to be considered. I will, however, also briefly express my views on the orange square sign without the additional grey border.

66. In *Smart Planet Technologies, Inc. v Rajinda Sharma*, (BL O/304/20), Mr Thomas Mitcheson QC, as the Appointed Person, reviewed *Starbucks (HK) Ltd & Anor v British Sky Broadcasting Group PLC & Ors (Rev 1)* [2015] UKSC 31, *Jif* and *Erven Warnink B.V. v. J. Townend & Sons (Hull) Ltd* [1980] R.P.C. 31 regarding the establishment of goodwill for the purposes of passing-off. Mr Mitcheson concluded that:

> “[...] a successful claimant in a passing off claim needs to demonstrate more than nominal goodwill. It needs to demonstrate significant or substantial goodwill and at the very least sufficient goodwill to be able to conclude that there would be substantial damage on the basis of the misrepresentation relied upon.”

67. In the present case, there is no evidence that the orange square sign, as pleaded, has been used. Given the very simple nature of that sign, the grey outline plays a significant part in the sign as a whole. It is not as striking as the orange square element but I do not consider that the pleaded orange square sign has become distinctive of the

opponent's goodwill through use of the "sun" sign, which not only omits the grey border but includes another distinctive element.

68. There is also no evidence that an orange square on its own has been used without the word "sun" to designate the goods of the opponent. If I were to assume in the opponent's favour that the orange square solus, i.e. without the grey outline, is the sign pleaded, the claim would rest on the proposition that the orange square has become distinctive of the opponent's goodwill as a result of its use within the "sun" sign. However, a plain orange square is a very simple geometric shape and is not inherently distinctive. Where a sign is inherently non-distinctive, more trade is required for the sign to be recognised as an indicator of commercial origin than would be the case for an inherently distinctive sign.[13] Where the sign is used exclusively as part of a composite sign, the level of trade required to establish that the non-distinctive element identifies the goods of a single producer is likely to be even higher and may never be sufficient, particularly if the composite contains other, more distinctive elements. The level of trade shown in this case is a long way off establishing that the orange square has become independently distinctive of the opponent. I acknowledge that some of the opponent's customers may have made the connection between the name "Sunsquare" and the trade mark logo featuring the word "sun" in a square but I do not think it likely that those customers would perceive the square alone as distinctive of the opponent's goods. Alternatively, if it were the case that some of the opponent's customers identified the orange square alone as a badge of origin of the opponent, on the evidence before me it is unlikely that these individuals would amount to a substantial or significant number.

69. The opponent has not shown that either the orange square sign as pleaded or the orange square on its own is distinctive of its goodwill. The claim based upon this sign is dismissed.

[13] See, for example, Mr Mitcheson's comments at [41] of *Smart Planet Technologies*.

**Misrepresentation**

70. The test for misrepresentation was considered in *Neutrogena Corporation and Another v Golden Limited and Another* [1996] RPC 473, where 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]."

71. For essentially the same reasons as given at paragraphs 45 and 48, above, in relation to the likelihood of confusion, there would be no misrepresentation. Even though the parties operate in the same field, the differences between the marks and the sign are too great for the relevant public to wonder whether the contested goods are the responsibility of the opponent, let alone be deceived into believing that to be the case. The opposition under s. 5(4)(a) is rejected.

72. For the avoidance of any doubt, had the opponent established goodwill in the orange square sign as pleaded or the orange square solus, I would also have held that there is no misrepresentation. The similar element in the contested marks is rectangular and incomplete because of a diagonal slash across its top edge, while the presence of the highly distinctive word "dakea" has the effect of dramatically reducing the impact of the orange rectangle in the contested marks. The differences between the marks and the sign would not lead the relevant public to be deceived. This passing off claim would also have failed to clear the misrepresentation hurdle.

**Overall conclusion**

73. The opposition is dismissed.

## Costs

74. The applicant has been successful and is entitled to an award of costs. It seeks off-scale costs, alternatively costs at the top of the scale found in Tribunal Practice Notice 2/2016. Mr Taylor submitted that the opposition was not well-founded and that the opponent maintained the ss. 5(3) and 5(4)(a) grounds despite their having an extremely small chance of success. He also said that the late withdrawal of the applicant's professional representatives caused additional work and uncertainty.

75. I have rejected the opposition on each of the pleaded grounds. It had little prospect of success from the outset but I do not consider that it was an abuse to bring the opposition. It is understandable why the opponent, whose overall branding makes rather more of the orange square in its logo than the trade mark/sign alone suggests, might be sensitive to the applications for the contested trade marks. In view of my findings regarding reputation and goodwill, I do not think that it was less reasonable to run those grounds than the s. 5(2)(b) claim. I do not accept that the lateness of the withdrawal of professional representation caused additional costs. There is nothing on the official file which indicates that the applicant accrued costs because of the withdrawal and whether or not the opponent was represented had no effect on either the requirement for the applicant to file a skeleton argument or its choice to attend a hearing. I consider that costs on the scale are appropriate. I award costs to the applicant as follows:

| | |
|---|---|
| Considering the notice of opposition and filing the counterstatement: | £400 |
| Preparing evidence and considering the other party's evidence: | £800 |
| Preparing for and attending the hearing: | £800 |
| **Total:** | **£2,000** |

76. I order Sunsquare Limited to pay VKR Holding A/S the sum of **£2,000**. 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 18th day of August 2023**

**Heather Harrison**

**For the Registrar**

**The Comptroller-General**