O/0804/23

CONSOLIDATED PROCEEDINGS

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION NOS. 3757047 & 3757054 BY FURRY BAXI LIMITED

AND

IN THE MATTER OF THE OPPOSITIONS THERETO UNDER NOS. 434116 & 434117 BY BAXI HEATING UK LIMITED

BACKGROUND AND PLEADINGS

1. On 21 February 2022, Furry Baxi Limited ("the applicant") applied to register **FURRY BAXI** and the mark shown below as trade marks in the United Kingdom in respect of goods and services in Classes 9, 12, 18, 20, 28, 31, 35, 39, 43, 44 and 45. A full specification can be found in the Annex to this decision.

2. The applications were opposed by Baxi Heating UK Limited ("the opponent"). The oppositions are based on section 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 ("the Act") and concern the following goods in the applications:

> *Class 9*
> *Downloadable mobile applications; downloadable applications for mobile devices; downloadable applications for use with mobile devices; mobile apps; downloadable applications.*

3. Under sections 5(2)(b) and 5(3), the opponent is relying on UKTM No. 3074569, which has a filing date of 29 September 2014 and a registration date of 26 December 2014. This mark qualifies as an earlier mark under section 6 of the Act by virtue of its earlier filing date. The mark is registered for goods and services in Classes 9, 11 and 37 and is shown below:

4. Under section 5(2)(b), the opponent is relying on the following goods in Class 9: *Control apparatus, control units and control systems; programming apparatus and devices; computer software*. As the earlier mark completed its registration procedure more than five years before the date of application for the contested marks, the

opponent has stated that it has used the earlier mark for all the listed goods. It claims that there is a likelihood of confusion on the part of the public, because both marks contain the highly distinctive, invented word “BAXI” and the goods at issue are either identical or similar. It notes that the majority of the applied-for goods and services are products and services related to animals, while the opposed goods could be used for any purpose.

5. Under section 5(3), the opponent claims that the earlier mark has a reputation for all the goods and services for which it is registered. These are as follows:

Class 9

Electrical and electronic apparatus and instruments all being for heating and water supply; apparatus for electricity distribution; apparatus for electricity supply; electricity storage apparatus; batteries; fire, flame, smoke, gas and/or temperature detecting and indicating apparatus and instruments; gas detectors; gas sensors; heat sensors; measuring, regulating, signalling and checking apparatus and instruments; electronic controls and control panels for heating installations, heating systems and/or boilers; operation and control apparatus and thermostats; thermostatic controls for heating apparatus; thermometers; temperature gauges; timers, timing devices; alarms, alarm systems and alarm sounders; control apparatus, control units and control systems; control apparatus and instruments for heating installations, heating systems and/or boilers; apparatus and instruments for conducting, switching, transforming, accumulating, regulating and controlling electricity; safety systems for disabling power in the event of fire, flame, smoke, gas and/or temperature detection; switches; thermostatically controlled switches; relays; circuit breakers; actuator drive interfaces for dampers; programming apparatus and devices, temperature indicators and temperature sensors; ignition apparatus; valves; parts and fittings for the aforesaid goods; computer software and computer hardware.

Class 11

Apparatus and installations for heating, ventilation and water supply; domestic heating systems and appliances; solar heating systems and appliances; boilers; heating boilers; combination boilers; combined heat and power boilers; water

heaters; gas fires; gas boilers; control systems for gas heaters and gas boilers; illumination effects for gas fires; flues; smoke and fire dampers; dampers for use in heating and ventilating apparatus and equipment; dampers for use in air ducted systems; actuator drive interfaces for dampers; apparatus for ventilation and air control; heat pumps; parts and fittings for all the aforesaid goods.

Class 37

Installation, maintenance, servicing, repair and replacement of heating, cooling and water supply installations, heating, cooling and water supply systems, heating, cooling and water supply equipment, electricity generators, boilers, water heaters and air conditioning apparatus and parts and fittings of heating installations, heating systems, heating equipment and boilers; installation, maintenance, servicing, repair and replacement of ventilation systems and equipment; installation, maintenance, servicing, repair and replacement of safety systems for disabling power in the event of fire, flame, smoke, gas and/or temperature detection and parts and fittings of safety systems for disabling power; provision of information, consultancy and advisory services relating thereto.

6. The opponent claims that use of the contested marks without due cause would take unfair advantage of the reputation of its earlier mark by free-riding on the investment made by the opponent and the earlier mark's reputation, thus exploiting, without paying any financial compensation, the promotion, campaign and marketing effort expended by the opponent in order to create and maintain the reputation of the earlier mark. It also claims that such use is likely to be detrimental to the distinctive character of the earlier mark by weakening its ability to identify the goods and services originating from the opponent, and that, if the applicant's goods were of poor quality, that would tarnish the reputation of the earlier mark.

7. Under section 5(4)(a), the opponent claims to have used the sign **BAXI** throughout the UK since at least 1955 and to have acquired goodwill in relation to its use for all the goods and services for which it claims a reputation under section 5(3). The opponent asserts that use of the contested marks would constitute passing off and

there could be a misrepresentation as a result of customer confusion which would result in damage to the opponent's goodwill.

8. The applicant filed defences and counterstatements denying the claims made and putting the opponent to proof of use of the earlier mark for all the goods and services relied upon, and of its claimed reputation and goodwill.

EVIDENCE AND SUBMISSIONS

9. The opponent filed evidence in the form of a witness statement dated 11 November 2022 from Vikki Hall, Company Secretary with the opponent since 20 September 2021. Her evidence goes to the use and reputation of the earlier mark.

10. The applicant's evidence comes from Gemma Louise Pickavant, a solicitor in the firm Harper James Solicitors, who were the applicant's representatives. Her witness statement is dated 30 January 2023 and goes to the alleged descriptive nature of the term "Baxi" for taxis and third-party use of the word "BAXI".

11. The opponent filed written submissions in reply on 2 March 2023. Neither side requested a hearing and the opponent filed final written submissions on 6 April 2023.

REPRESENTATION

12. In these proceedings, the opponent is represented by Dr Walther Wolff & Co. The applicant was originally represented by Harper James Solicitors and later was unrepresented.

DECISION

Proof of Use

13. Section 6A of the Act is as follows:

> "(1) This section applies where-

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

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

(c) the registration procedure for the earlier trade mark was completed before the start of the relevant period.

(1A) In this section '*the relevant period'* means the period of 5 years ending with the date of the application for registration mentioned in subsection (1)(a) or (where applicable) the date of the priority claimed for that application.

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

(3) The use conditions are met if-

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

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

(4) For these purposes-

(a) use of a trade mark includes use in a form (the 'variant form') differing in elements which do not alter the distinctive character of the mark in the form in which it was registered (regardless of whether or

not the trade mark in the variant form is also registered in the name of the proprietor), and

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

[(5) Repealed]

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.

…"

14. Section 100 of the Act is as follows:

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

15. The case law on genuine use was summarised by Arnold J (as he then was) in *Walton International Limited v Verweij Fashion BV* [2018] EWHC 1608 (Ch):

"114. *The law with respect to genuine use.* The CJEU has considered what amounts to 'genuine use' of a trade mark in a series of cases: Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, *La Mer* (cited above), Case C-416/04 *Sunrider Corp v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [2006] ECR I-4237, Case C-442/07 *Verein Radetsky-Order v Bundersvereinigung Kamaradschaft 'Feldmarschall Radetsky'* [2008] ECR I-9223, Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759, Case C-149/11 *Leno Merken BV v Hagelkruis Beheer BV* [EU:C:2012:816] [2013] ETMR

16, Case C-609/11 P *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR, Case C-141/13 *Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [EU:C:2014:2089] and Case C-689/15 *W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse* [EU:C:2017:434], [2017] Bus LR 1795.

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

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

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

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Leno* at [29]; *Centrotherm* at [71]. Accordingly, affixing of a trade mark on goods as a label of quality is not genuine use unless it guarantees, additionally and simultaneously, to consumers that those goods come from a single undertaking under the control of which the goods are manufactured and which is responsible for their quality: *Gözze* at [43]-[51].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the

proprietor does not suffice: *Ansul* at [37]; *Verein* at [14] and [22]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

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

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

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus there is no *de minimis*

rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72] and [76]-[77]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32]."[1]

16. The opponent is a manufacturer of boilers and central heating equipment. Ms Hall states that the earlier mark has been in use for over 85 years in relation to fires, heating systems, and boilers, as well as associated parts, fittings, components and repair and installation services. The opponent is required to show that the earlier mark has been genuinely used in the UK during the five-year period ending with the date of application for the contested mark, i.e. 22 February 2017 to 21 February 2022. The goods it is relying on under section 5(2)(b) are *Control apparatus, control units and control systems; programming apparatus and devices; computer software*. I shall consider the full specification later in my decision under section 5(3).

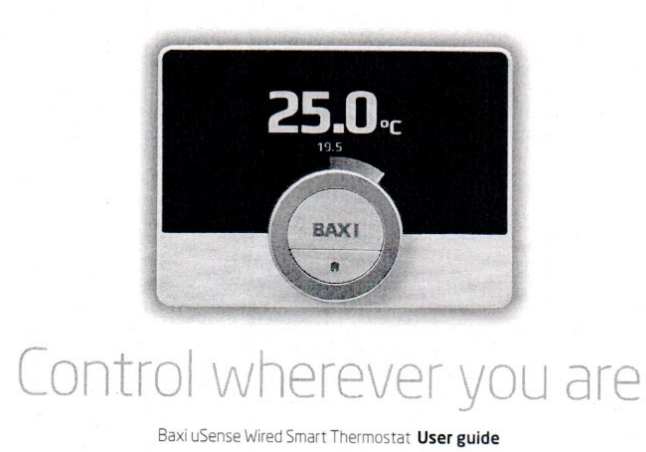
17. The table below shows sales figures for control apparatus, control units, control systems and programming apparatus.[2]

Year	Total £
2022 (year to date)	427,500
2021	500,000
2020	354,000
2019	358,000
2018	349,000
2017	293,000
2016	279,000
2015	375,000

[1] Section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Trade Marks Act relied on in these proceedings are derived from an EU Directive. This is why this decision continues to make reference to the trade mark case-law of EU courts, although the UK has left the EU.
[2] Witness statement of Ms Hall, paragraph 13.

18. Ms Hall states that sales for these goods are only recorded by value, not units. Examples shown in the evidence include thermostats and timers. Some of this evidence is undated or is dated after 22 February 2022, but there are a few examples within the period. For example, Exhibit VH.6 contains a technical specification guide for the Baxi Assure Multifit IFOS (In Flue Outdoor Sensor). This is dated July 2020.

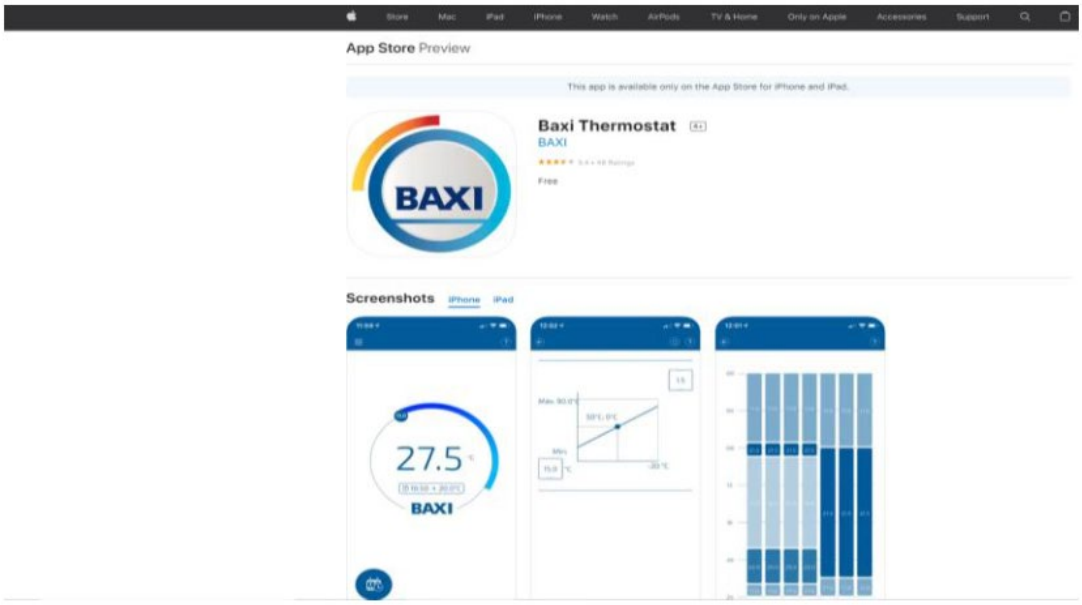
19. The following image is taken from a November 2017 user manual for a thermostat that enables the user to control their heating through their smartphone.[3]



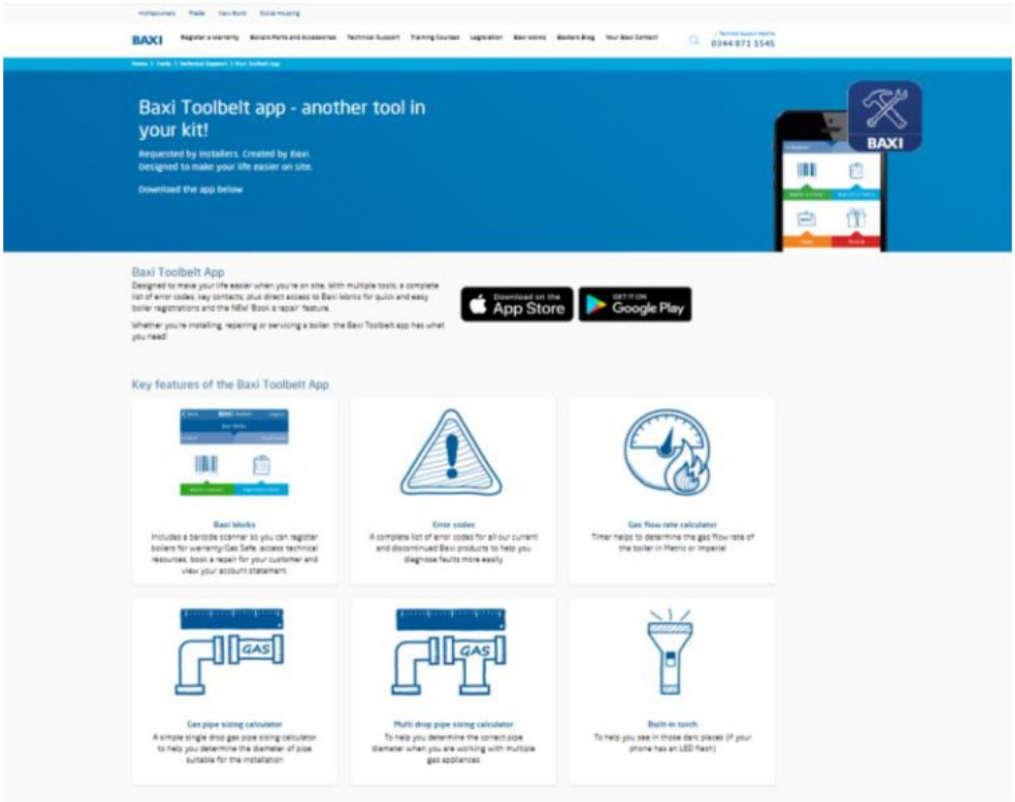
20. The exhibit is in grayscale, so I am unable to see what colour was used for the mark that is shown on the control knob of the thermostat. Ms Hall's witness statement contains screenshots from the websites of ScrewFix, Wolseley and Travis Perkins that show the same thermostat.[4] While these screenshots are undated, the appearance of the thermostat does not appear to have changed since 2017, but it is still not easy to say for certain what colour was used. However, it is clear to me that the letters are lightly stylised in the same way as they are in the mark as registered.

21. The thermostat is designed to be used with an app.[5] Ms Hall's witness statement gives further examples of apps, some of which are intended to be used by the end-consumer and others of which are aimed at installers. She states that the thermostat app has been available for at least three years and provides the following (undated) screenshot: [6]

[3] Exhibit VH.4, page 1.
[4] Witness statement, paragraph 9.
[5] Exhibit VH.4, page 14.
[6] Witness statement, paragraph 8.

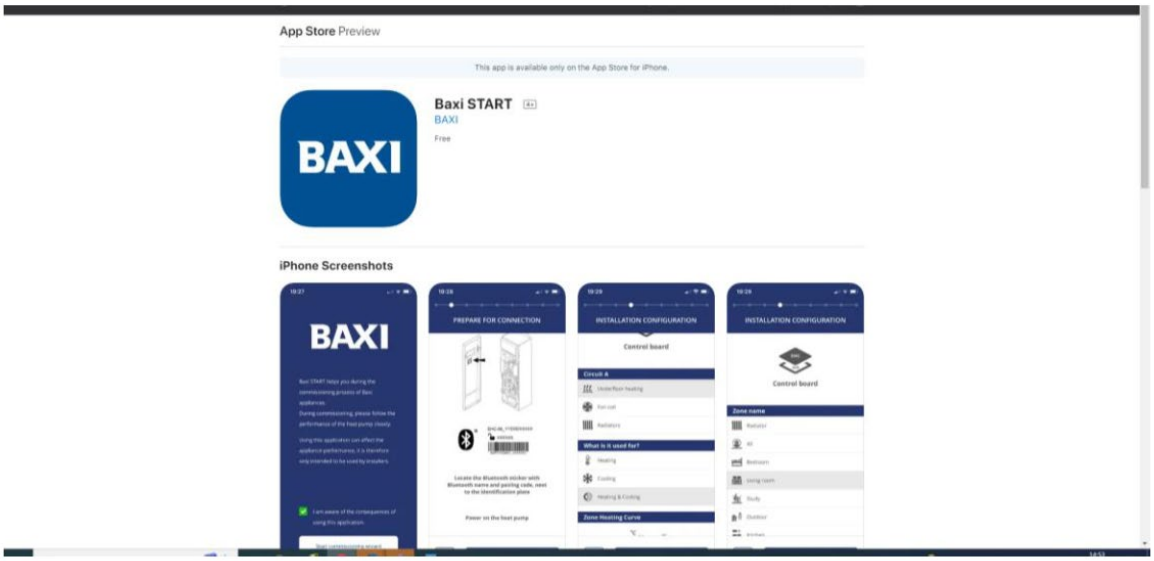


22. The “Baxi Toolbelt” app is for installers and, Ms Hall, states has been available for at least six years. Among other things, this allows installers to access a further app called “Baxi Works” to register new boilers for warranty, complete Gas Safe notifications and send customers service reminders.[7]



[7] *Ibid*, paragraph 6.

23. “Baxi Start” was developed over four years ago for commissioning an appliance.



24. The following table shows the number of installers who have registered at least one product on the “Baxi Works” app:[8]

Year	App	Website	Total
2022 (year to date)	9,003	9,511	15,709
2021	9,952	11,517	17,301
2020	8,496	10,662	15,776
2019	7,258	10,328	14,305
2018	5,864	10,083	12,919
2017	4,376	10,221	11,653
2016	2,386	8,943	10,074
2015	28	9,857	9,880

25. Ms Hall explains that the total is less than the sum of the app and website figures because the same installer could feature in both the app and website figures but would only be included once in the total.

26. “Baxi Works” has won a number of awards. In 2016, it won an award for Digital Marketing at the UK Business Awards and, in 2017, it was named as Best B2B loyalty scheme in the Masters of Marketing Awards and the Customer Loyalty Awards.[9]

[8] *Ibid*, paragraph 7.
[9] *Ibid*, paragraph 21.

27. Ms Hall states that the opponent undertakes advertising and promotion of its products and that its annual budget for such activities has been between £4.9m and £6m per year during the relevant period. However, there are no examples within that period and it is not clear what proportion of the expenditure related to control and programming apparatus and software.

28. There is no *de minimis* level of sales that must be shown and so I am satisfied that the opponent has made genuine use of the stylised word BAXI for control apparatus, control units and control systems, programming apparatus and devices for use with boilers and heating systems. There is little evidence going to the level of use of the software. For example, there are no figures to tell me how many people downloaded each of the apps. However, the table in paragraph 24 above shows that the number of boiler installers who had used "Baxi Works" rose year-on-year from 4,376 in 2017 to 9,952 in 2021. Although it has shortcomings, I consider that, taking the evidence as a whole, there is enough or me to find that the stylised word BAXI has been used for software for use with boilers and heating systems.

29. The mark is registered in dark blue and so I must consider whether the use in other colours constitutes acceptable use of the mark as registered. In *Lactalis McLelland Limited v Arla Foods AMBA*, BL O/265/22, Phillip Johnson, sitting as the Appointed Person, considered the correct approach to such an assessment. He said:

> "13. […] While the law has developed since *Nirvana* [BL O/262/06], the recent case law still requires a comparison of the marks to identify elements of the mark added (or subtracted) which have led to the alteration of the mark (that is, the differences) (see for instance, T-598/18 *Grupo Textil Brownie v EUIPO*, EU:T:2020:22, [63 and 64]).
>
> 14. The courts, and particularly the General Court, have developed certain principles which apply to assess whether a mark is an acceptable variant and the following appear relevant to this case.
>
> 15. First, when comparing the alterations between the mark as registered and used it is clear that the alteration or omission of a non-distinctive

element does not alter the distinctive character of the mark as a whole: T-146/15 *Hypen v EUIPO*, EU:T:2016:469, [30]. Secondly, where a mark contains words and a figurative element the word element will usually be more distinctive: T-171/17 *M & K v EUIPO*, EU:T:2018:683, [41]. This suggests that changes in figurative elements are usually less likely to change the distinctive character than those related to the word elements.

16. Thirdly, where a trade mark comprises two (or more) distinctive elements (eg a house mark and a sub-brand) it is not sufficient to prove use of only one of those distinctive elements: T-297/20 *Fashioneast v AM.VI. Srl*, EU:T:2021:432, [40] (I note that this case is only persuasive, but I see no reason to disagree with it). Fourthly, the addition of descriptive or suggestive words (or it is suppose figurative elements) is unlikely to change the distinctive character of the mark: compare, T-258/13 *Artkis*, EU:T:2015:207, [27] (ARKTIS registered and use of ARKTIS LINE sufficient) and T-209/09 *Alder*, EU:T:2011:169, [58] (HALDER registered and use of HALDER I, HALDER II etc sufficient) with R 89/2000-1 CAPTAIN (23 April 2001) (CAPTAIN registered and use of CAPTAIN BIRDS EYE insufficient).

17. It is also worth highlighting the recent case of T-615/20 *Mood Media v EUIPO*, EU:T:2022:109 where the General Court was considering whether the use of various marks amounted to the use of the registered mark MOOD MEDIA. It took the view that the omission of the word “MEDIA” would affect the distinctive character of the mark (see [61 and 62]) because MOOD and MEDIA were in combination weakly distinctive, and the word MOOD alone was less distinctive still”.

30. The mark as registered is shown below:

31. In my view the stylisation and colour make very minor contributions to the overall impression of the mark. In particular, the stylisation is barely perceptible, consisting of the use of serifs on some but not all parts of the letters. The dominant and distinctive element of this mark is the word "BAXI". The use of the word in the same stylisation, but in a different colour, does not, in my view, alter the distinctive character of the mark and so constitutes an acceptable variant.

32. I must now consider the goods that the opponent may fairly rely on. In *Euro Gida Sanayi ve Ticaret Limited v Gima (UK) Limited*, BL O/345/10, Mr Geoffrey Hobbs QC, sitting as the Appointed Person, summed up the law as follows:

> "In the present state of the law, fair protection is to be achieved by identifying and defining not the particular examples of goods or services for which there has been genuine use but the particular categories of goods or services they should realistically be taken to exemplify. For that purpose the terminology of the resulting specification should accord with the perceptions of the average consumer of the goods or services concerned."[10]

33. In *Property Renaissance t/a Titanic Spa v Stanley Dock Hotel Ltd t/a Titanic Hotel Liverpool & Ors* [2016] EWHC 3103 (Ch), Carr J said:

> "iii) Where the trade mark proprietor has made genuine use of the mark in respect of some goods or services covered by the general wording of the specification, and not others, it is necessary for the court to arrive at a fair specification in the circumstance, which may require amendment; *Thomas Pink Ltd v Victoria's Secret UK Ltd* [2014] EWHC 2631 (Ch) ("Thomas Pink") at [52].
>
> iv) In cases of partial revocation, pursuant to section 46(5) of the Trade Marks Act 1994, the question is how would the average consumer fairly describe the services in relation to which the trade mark has been used; *Thomas Pink* at [53].

[10] Pages 10-11.

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

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

vii) In some cases, it may be possible to identify subcategories of goods or services within a general term which are capable of being viewed independently. In such cases, use in relation to only one subcategory will not constitute use in relation to all other subcategories. On the other hand, protection must not be cut down to those precise goods or services in relation to which the mark has been used. This would be to strip the proprietor of protection for all goods or services which the average consumer would consider to belong to the same group or category as those for which the mark has been used and which are not in substance different from them; *Mundipharma AG v OHIM* (Case T-256/04) ECR II-449; EU:T:2007:46."[11]

34. The goods on which the opponent seeks to rely (*Control apparatus, control units and control systems; programming apparatus and devices; computer software*) are used in relation to a wide range of different systems. For example, the broad term would cover control units and programming devices used in security systems for property, traffic management systems, and so on. In my view, it would not be fair to allow the opponent to rely on such broad categories, where it has used them only in

[11] Paragraph 47.

relation to boilers and heating systems. I consider that the opponent may rely on the following goods:

> *Class 9*
> *Control apparatus, control units and control systems for use with boilers and heating systems; programming apparatus and devices for boilers and heating systems; computer software for use with boilers and heating systems.*

Section 5(2)(b)

35. Section 5(2) of the Act is as follows:

> "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."

36. In considering the oppositions under this section, I am guided by the following principles, gleaned from the decisions of the Court of Justice of the European Union ("CJEU") in *SABEL BV v Puma AG* (Case C-251/95), *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* (Case C-39/97), *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV* (Case C-342/97), *Marca Mode CV v Adidas AG & Adidas Benelux BV* (Case C-425/98), *Matratzen Concord GmbH v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* (Case C-3/03), *Medion AG v Thomson Multimedia Sales Germany & Austria GmbH* (Case C-120/04), *Shaker di L. Laudato & C. Sas v OHIM* (Case C-334/05 P) and *Bimbo SA v OHIM* (Case C-519/12 P):

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. The average consumer is deemed to be reasonably well informed and reasonably circumspect and observant, but someone who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them they have kept in their 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 greater 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; and

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

37. It is settled case law that I must make my comparison of the goods on the basis of all relevant factors. These include the nature of the goods, their purpose, their users and method of use, the trade channels through which they reach the market, and whether they are in competition with each other or are complementary: see *Canon*, paragraph 23, and *British Sugar Plc v James Robertson & Sons Limited (TREAT Trade Mark)* [1996] RPC 281 at [296]. Goods and services are complementary when

> "… there is a close connection between them in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking."[12]

38. The goods to be compared are shown in the table below:

Contested goods	**Earlier goods**
Class 9 *Downloadable mobile applications; downloadable applications for mobile devices; downloadable applications*	*Class 9* *Control apparatus, control units and control systems for use with boilers and heating systems; programming apparatus and devices for boilers and*

[12] *Boston Scientific Ltd v OHIM*, Case T-325/06, paragraph 82.

Contested goods	Earlier goods
for use with mobile devices; mobile apps; downloadable applications.	*heating systems; computer software for use with boilers and heating systems.*

39. In *Gérard Meric v OHIM*, Case T-133/05, the General Court ("GC") stated that:

> "In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 *Institut für Lernsysteme v OHIM – Educational Services (ELS)* [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark."[13]

40. The opponent's goods are included in the applicant's more general category and so can be considered identical.

Average consumer and the purchasing process

41. The average consumer is a legal construct deemed to be reasonably well informed and reasonably circumspect: see *Hearst Holdings Inc & Anor v A.V.E.L.A. Inc & Ors*, [2014] EWHC 439 (Ch), paragraph 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: see *Lloyd Schuhfabrik*, paragraph 26.

42. The average consumer for the goods at issue under this ground would be a member of the general public, a professional or a business. Software may be very expensive or free to download and use, or be priced at any point between those extremes. The frequency of the purchase will also vary. On the whole, I consider that the average consumer would pay a medium degree of attention when purchasing the applicant's goods. However, when the software is related to heating systems, I believe

[13] Paragraph 29.

that the degree of attention paid would be slightly higher for the member of the general public or business as well as the professional, because the high costs of energy are likely to increase the desire of the consumer to be able to control their usage more effectively.

43. The average consumer will obtain software online or from a bricks-and-mortar retailer. Either way, they will see the mark in use and may also have been exposed to advertising on the internet or in other media. The purchase process therefore is predominantly visual, although I do not discount the possibility of the average consumer receiving word-of-mouth recommendations or advice from professionals or sales staff.

Distinctive character of the earlier mark

44. In *Lloyd Schuhfabrik*, the CJEU stated that:

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

45. Registered trade marks possess varying degrees of inherent distinctive character from the very low, because they are suggestive of, or allude to, a characteristic of the goods or services, to those with high inherent distinctive character, such as invented words which have no allusive qualities.

46. The opponent submits that the word "BAXI" has no meaning. Ms Pickavant, for the applicant, has filed evidence which she submits shows that it is a descriptive term for "taxi". The evidence consists of three website screenshots that state that "Joe Baxi" is rhyming slang for "taxi".[14] The first of these states that the entry was contributed by an individual in 2000. Annex 2 contains details of eight UK taxi firms using the name "Joe Baxi" or "Joe Baxi's". These are undated. This evidence, in my view, falls short of showing that the average consumer would understand the word "BAXI" in this way. Consequently, I find that the inherent distinctive character of the earlier mark is high.

47. I have already set out what the evidence shows about use of the mark on computer software for use with boilers and heating systems. The level of use shown was sufficient for me to find that the mark had been genuinely used for these goods. However, the test for enhanced distinctiveness sets a higher bar. The lack of any information on downloads or an indication of the extent to which the apps have been promoted means that I am unable to find that the high inherent distinctive character of the earlier mark has been enhanced based on its use for software.

Comparison of marks

48. It is clear from *SABEL* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the

[14] Annex 1.

marks, bearing in mind their distinctive and dominant components. The CJEU stated in *Bimbo* that:

> "… it is necessary to ascertain in each individual case, the overall impression made on the target public by the sign for which the 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."[15]

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

50. The respective marks are shown below:

Earlier mark	Contested marks
BAXI	No. 3757047: **FURRY BAXI** No. 3757054: Furry Baxi

51. I considered the overall impression of the earlier mark in paragraphs 29 and 30 above. I found the dominant and distinctive element of the mark to be the word "BAXI", with the stylisation and colour making very minor contributions to the overall impression of the mark.

[15] Paragraph 34.

Application No. 3757047

52. The application is a word mark. In *LA Superquimica v European Union Intellectual Property Office (EUIPO)*, Case T-24/17, the GC held that such plain word marks protected the word or words contained in the mark in whatever form, colour or typeface.[16] The application could therefore be used in the same colour as that of the earlier mark. The second word in the mark is "BAXI", which I have already found to have no meaning for the average consumer. In my view, each word makes an equal contribution to the overall impression of the mark.

53. The dominant and distinctive element of the earlier mark appears as the second word in this contested mark. The average consumer tends to pay more attention to the beginning of marks, as the English language is read from left to right. I also keep in mind that the stylisation of the earlier mark is very slight. Overall, I find that there is a medium degree of visual similarity between the marks.

54. The earlier and contested marks will be articulated as "BACK-SEE" and "FUR-EE-BACK-SEE" respectively. The contested mark has therefore twice as many syllables as the earlier mark, although the last two of the four are identical to the earlier mark. I find that there is a medium degree of aural similarity between them.

55. I have already found that the earlier mark would have no conceptual content for the average consumer. The word "furry" in the contested mark would bring to mind the thick, usually soft hair that covers animals such as cats and some dogs. The marks are therefore conceptually dissimilar.

Application No. 3757054

56. Application No. 3757054 contains the same words: "Furry Baxi" in title case. The mark is shown in black and white. Such a registration would include protection in another colour, so it could appear in the same colour as the earlier mark: see *Specsavers International Healthcare & Ors v Asda Stores Ltd & Anor* [2014] EWCA

[16] Paragraph 39.

Civ 1294, paragraph 5; *J.W. Spear & Sons Ltd & Ors v Zynga Inc.* [2015] EWCA Civ 290, paragraph 47. The word “Baxi” is noticeably larger, with the bottom half of the letter B taking the form of a black dog and a white cat. The dog’s head rests on the cat’s back. The word “Furry” is smaller and sits above “Baxi”, occupying the space between the letter B and the dot of the letter i. It is established case law that the average consumer tends to pay more attention to the verbal elements of the marks than the figurative: see *Wassen International Ltd v OHIM (SELENIUM-ACE)*, Case T-312/03, paragraph 37. I consider that the word “Baxi” makes the greatest contribution to the overall impression. The word “Furry” plays a smaller part, given the relative size of the words. The device also makes a relatively small contribution.

57. The word “Baxi” appears prominently in both marks, although the figurative element is a point of difference. I must also take account of the additional word “Furry”. I find that the marks are visually similar to a low to medium degree.

58. As the figurative element of the mark cannot be articulated, I adopt the findings I made in paragraph 54 above. The marks are aurally similar to a medium degree.

59. I also adopt the findings I made on the conceptual comparison in paragraph 55 above. The device reinforces the message of “Furry”. The marks are conceptually dissimilar.

Conclusions on likelihood of confusion

60. There is no arithmetical formula to apply in determining whether there is a likelihood of confusion. It is a global assessment where a number of factors need to be borne in mind. I must also take account of the interdependency principle, i.e. that a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods or vice versa. I keep in mind that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them they have in their mind.

61. Earlier in my decision, I found that:

- The goods are identical;
- The average consumer would be paying a medium degree of attention, although this would be slightly higher if the software were related to heating systems;
- The purchasing process would be largely visual, although the aural element of the mark would play some role:
- The earlier mark has a high degree of inherent distinctive character;
- Application No. 3757047 is visually and aurally similar to the earlier mark to a medium degree and conceptually dissimilar to it;
- Application No. 3757054 is visually similar to the earlier mark to a low to medium degree, aurally similar to the earlier mark to a medium degree, and conceptually dissimilar to it.

62. There are two types of confusion: direct and indirect. In *L.A. Sugar Limited v Back Beat Inc*, BL O/375/10, Mr Iain Purvis QC, sitting as the Appointed Person, explained the difference between them:

> "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 recognised 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)."

63. In *Liverpool Gin Distillery Limited & Ors v Sazerac Brands, LLC & Ors* [2021] EWCA Civ 1207, Arnold LJ commented that:

"This is a helpful explanation of the concept of indirect confusion, which has frequently been cited subsequently, but as Mr Purvis made clear it was not intended to be an exhaustive definition."[17]

64. He also said:

"As James Mellor QC sitting as the Appointed Person pointed out in *Cheeky Italian Ltd v Sutaria* (O/291/16) at [16] 'a finding of likelihood of indirect confusion is not a consolation prize for those who fail to establish a likelihood of direct confusion'. Mr Mellor went on to say that, if there is no likelihood of direct confusion, 'one needs a reasonably special set of circumstances for a finding of a likelihood of indirect confusion'. I would prefer to say that there must be a proper basis for concluding that there is a

[17] Paragraph 12.

likelihood of indirect confusion given that there is no likelihood of direct confusion."[18]

65. The opponent claims that confusion is likely to arise as the average consumer will think the applicant's goods are connected to those of the opponent. It does not appear to be claiming that the average consumer will mistake one mark for another, in other words be directly confused. In my view, the differences between the marks are sufficient for the consumer, even with imperfect recollection, to recall that there is something different about them and so I find no likelihood of direct confusion. I shall therefore move on to consider whether there is a likelihood of indirect confusion.

66. The element common to the two marks, the word "BAXI", is highly distinctive. I have found that the average consumer would believe that it is an invented word. The question is, whether the word is so highly distinctive that the average consumer would assume that only the opponent would be using it. The applicant has filed evidence that it submits shows that the word is used by other entities for a range of different goods and services. Annex 3 to Ms Pickavant's witness statement contains printouts from the websites of DixonBaxi, a brand consultancy, and Dixon Baxi Evans Film, an associated "content company". The only date is the date of printing: 27 January 2023. Annex 4 contains further printouts from internet sites, showing a wallet named "BAXI" sold by Longchamp, a "Baxi Lounge Chair" sold by The Contract Chair Co, "BAXIS" rugs and carpet tiles sold on Amazon and a "PNE Baxi Era Blackout Sweater" sold on the Terrace website and *"inspired by the Baxi era of Preston North End".* In addition, I refer back to the evidence already discussed of the use of the word by taxi firms. These are all undated, apart from the date of printing: 30 January 2023. The relevant date at which I must consider whether there is a likelihood of confusion is the date of application for the contested marks, i.e. 21 February 2022. Even if the printouts had been made before the relevant date, there is no indication of the extent to which the average consumer of software might have been exposed to such use of the word.

67. Where the goods are identical, I consider that the average consumer would assume that the word "BAXI" was so distinctive that the contested marks were other

[18] Paragraph 13.

marks of the opponent, or marks of a connected undertaking, as it is the dominant element of both of the contested marks. The partial oppositions therefore succeed under section 5(2)(b).

Section 5(3)

68. Section 5(3) of the Act is as follows:

> "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 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."

69. The conditions of section 5(3) are cumulative. First, the applications must be similar to the earlier mark. I have already made such a finding under section 5(2)(b). Secondly, the opponent must satisfy me that the earlier mark has achieved a level of knowledge/reputation amongst a significant part of the relevant public. Thirdly, it must be established that the level of reputation and the similarities between the marks will cause the public to make a link between them, in the sense of the earlier mark being brought to mind by the application. Fourthly, assuming that the first three conditions have been met, section 5(3) requires that one or more of the three types of damage claimed will occur. It is unnecessary for the purposes of section 5(3) that the goods and services be similar, although the relative distance between them is one of the factors which must be assessed in deciding whether the public will make a link between the marks.

70. The relevant case law can be found in the following judgments of the CJEU: *General Motors Corp v Yplon SA* (Case C-375/97), *Intel Corporation Inc v CPM United*

Kingdom Ltd (Case C-252/07), *Adidas Salomon AG v Fitnessworld Trading Ltd* (Case C-408/01), *L'Oréal SA & Ors v Bellure & Ors* (Case C-487/07), *Interflora Inc & Anor v Marks and Spencer plc & Anor* (Case C-323/09) and *Environmental Manufacturing LLP v OHIM* (Case C-383/12 P). The law appears to be as follows:

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

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

c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Salomon*, 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 and/or services, the extent of the overlap between the relevant consumers for those goods and/or 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 that 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*, paragraph 44.

g) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods and/or 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 and/or services for which the earlier mark is registered, or a serious risk that this will happen in the 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 on the earlier mark; *L'Oréal*, paragraph 40.

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; *Interflora*, paragraph 74, and the court's answer to question 1 in *L'Oréal.*

Reputation

71. In *General Motors Corp v Yplon SA*, Case C-375/97, the CJEU held that:

> “24. The public amongst which the earlier trade mark must have acquired a reputation is that concerned by that trade mark, that is to say, depending on the product or services marketed, either the public at large or a more specialised public, for example traders in a specific sector.
>
> 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.”

72. The relevant public in my view would either be a member of the general public or business, or a gas and heating engineer.

73. The opponent claims to have a reputation for all the goods and services for which its mark stands registered. I have already set out what the evidence says about the use on the controls, programming devices and software that were relied on under section 5(2)(b). I found that this was insufficient to show that the inherent distinctiveness of the earlier mark had been enhanced through the use that had been made of it. The same factors I considered there are the one that I must consider when

assessing reputation, and I find that the opponent has not shown it has a reputation for these goods.

74. According to Ms Hall, the mark has been used for more than 85 years in relation to fires, heating systems, boilers, associated parts and fittings and services connected with the repair and installation of those products.[19] She states that from 1988 the majority of her company's business related to boilers and space heaters.[20] Sales figures for all the goods sold under the mark are shown in the table below.[21]

Year	Number of units sold	Total £
2022 (year to date)	729,122	113,617,152
2021	1,140,664	137,965,205
2020	1,068,073	105,656,475
2019	1,046,215	105,607,331
2018	1,306,930	110,442,330
2017	1,200,319	94,994,855
2016	1,283,151	93,642,580
2015	1,465,145	118,359,431

75. The goods are sold through national retailers such as ScrewFix, Wolseley, Tool Station and Travis Perkins.

76. Ms Hall states that her company has received 46,981 reviews on Trustpilot since 2017, with an average rating of 4.5 out of 5 and 80% of reviewers giving 5 stars.[22] The company also received a rating of 4.8 out of 5 on Tooltalk, which is a review website aimed at tradespeople. 150 reviews were given on this site between 8 September 2016 and 24 July 2022.[23] It is not clear when this information was retrieved, but it is probable that a reasonable proportion of those reviews were made before the filing date of the contested application.

[19] Witness statement, paragraph 5.
[20] *Ibid*, paragraph 2.
[21] *Ibid*, paragraph 10.
[22] *Ibid*, paragraph 15.
[23] *Ibid*, paragraph 16.

77. The annual marketing and promotion budget is shown in the table below.[24] Ms Hall states that the opponent uses newspaper and radio advertising, flyers, billboards, Google advertisements and social media competitions, although no examples are given. The figures are also not broken down by product, but, given the focus of the business on boilers and heating systems, I infer that a reasonable proportion of the budget was spent advertising those goods or parts and fittings for them.

Year	Annual budget
2015	£ 5,569,147
2016	£ 5,546,569
2017	£ 4,947,102
2018	£ 5,758,362
2019	£ 6,055,377
2020	£ 4,918,844
2021	£ 5,854,387
TOTAL	**£38,649,788**

78. Ms Hall has provided me with the numbers of followers for numerous social media accounts. The Facebook and Twitter accounts were set up in 2009 and have 17,781 and 21,300 followers respectively. An Instagram account followed in 2016 and has 11,000 followers. The YouTube channel has 9,470 subscribers. The dates for these figures are not given and it is not clear where the followers are located. However, I note that the Facebook, Twitter and Instagram accounts all belong to "Baxi UK".

79. The opponent has won, or been shortlisted for, a number of awards. A table in paragraph 21 of Ms Hall's witness statement lists 36 between 2016 and 2021. These include awards for innovation, marketing and customer service. The Baxi 200 Combi Boiler was named "Product of the Month" in *The Boiler Guide* in October 2017.[25] In October 2022, the opponent was listed as No. 1 in the top ten of boiler manufacturers by energyguide.co.uk, based on factors such as customer reviews, energy efficiency, price point, readiness for the next generation of fuel, awards and length of warranty offered. The report states that:

[24] *Ibid*, paragraph 18.
[25] Exhibit VH.9.

> "Baxi's high efficiency hot water and heating products are straightforward to install, maintain and service and are easy to use.
>
> The company is so confident in the reliability of its product range that it offers free of charge free parts and labour warranties of up to 10 years…"[26]

80. This report was published around eight months after the relevant date, but such a reputation is unlikely to have built up in such a short space of time. The rest of the evidence shows that the opponent has been selling boilers and heating systems under the mark for a long period of time and received positive reviews and awards. I am satisfied that the mark has a strong reputation for the following goods within its specification:

> *Class 11*
> *Domestic heating systems …; boilers; heating boilers; combination boilers; water heaters; parts and fittings for all the aforesaid goods.*

81. The evidence does not show that the opponent has a reputation for the Class 9 goods or Class 37 services.

Link

82. In assessing whether the public will make the required mental link between the marks, I must take account of all relevant factors, which were identified by the CJEU in *Intel* at paragraph 42 of its judgment. I shall consider each of them in turn.

The degree of similarity between the conflicting marks

83. I have already found that the contested word mark is visually and aurally similar to the earlier mark to a medium degree and conceptually dissimilar to it; and that the contested figurative mark is visually similar to the earlier mark to a low to medium degree, aurally similar to it to a medium degree, and conceptually dissimilar to it.

[26] Exhibit VH.10.

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

84. The opposed goods are all software applications in general. In the present day, software is used widely with a vast number of goods and the opponent's evidence gives several examples of its own apps that are intended for use with its boilers and heating systems. I therefore consider that the contested terms would include applications that are complementary to the opponent's goods, and so there is a degree of closeness between them.

The strength of the earlier mark's reputation

85. The earlier mark has a strong reputation for reliability.

The degree of the earlier mark's distinctive character, whether inherent or acquired through use

86. I have already found that the earlier mark has a high degree of distinctive character.

Whether there is a likelihood of confusion

87. Given the high degree distinctiveness of the earlier mark and its strong reputation for boilers and heating systems, I consider that, when the relevant public the contested marks used for software applications that are associated with these goods, they will be indirectly confused.

Whether there is a link

88. It follows from my finding of a likelihood of confusion that there will be a link made between the marks.

Damage

89. Where there is a likelihood of confusion, the applicant would gain an unfair advantage, as the relevant public would choose the contested goods in the belief that they are associated with the opponent and its strong reputation for reliability. Damage is therefore made out and the section 5(3) ground succeeds.

Section 5(4)(a)

90. Section 5(4)(a) of the Act states that:

> "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 or 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 4(A) is met
>
> …"

91. Subsection 4(A) is as follows:

> "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."

92. In *Reckitt & Colman Products Limited v Borden Inc. & Ors* [1990] RPC 341, HL, Lord Oliver of Aylmerton described the 'classical trinity' that must be proved in order to reach a finding of passing off:

> "First, he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying 'get-up' (whether it consists simply of a brand

name or a trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff's goods or services. Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by him are the goods or services of the plaintiff. Thirdly, he must demonstrate that he suffers or, in a quia timet action, that he is likely to suffer damage by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff."[27]

Goodwill

93. The opponent must show that it had goodwill in a business at the relevant date of 21 February 2022 (the date of the application) and that the sign relied upon, **BAXI**, is associated with, or distinctive of, that business.

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

"What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantages 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. The goodwill of a business must emanate from a particular centre or source. However widely extended or diffused its influence may be, goodwill is worth nothing unless it has the power of attraction sufficient to bring customers home to the source from which it emanates."[28]

[27] Page 406.
[28] At [224].

95. The opponent claims goodwill in relation to all the goods and services for which it claimed a reputation. Given my findings under section 5(3), I am satisfied that it has goodwill in relation to *Domestic heating systems …; boilers; heating boilers; combination boilers; water heaters; parts and fittings for all the aforesaid goods.* I shall proceed with my assessment of the section 5(4)(a) ground on this basis.

Misrepresentation

96. Although the test for misrepresentation is different from that for likelihood of confusion in that it entails "deception of a substantial number of members of the public" rather than "confusion of the average consumer", it is unlikely, in the light of the Court of Appeal's decision in *Comic Enterprises Ltd v Twentieth Century Fox Film Corporation* [2016] EWCA Civ 41, that the difference between the legal tests will produce different outcomes. I believe that to be the case here.

Damage

97. In *Harrods Limited v Harrodian School Limited* [1996] RPC 697, Millett LJ described the requirements for damage in passing off cases as follows:

> "In the classic case of passing off, where the defendant represents his goods or business as the goods or business of the plaintiff, there is an obvious risk of damage to the plaintiff's business by substitution. Customers and potential customers will be lost to the plaintiff if they transfer their custom to the defendant in the belief that they are dealing with the plaintiff. But this is not the only kind of damage which may be caused to the plaintiff's goodwill by the deception of the public. Where the parties are not in competition with each other, the plaintiff's reputation and goodwill may be damaged without any corresponding gain to the defendant. In the *Lego* case, for example, a customer who was dissatisfied with the defendant's plastic irrigation equipment might be dissuaded from buying one of the plaintiff's plastic toy construction kits for his children if he believed that it was

made by the defendant. The danger in such a case is that the plaintiff loses control over his own reputation."[29]

98. In my view, damage would occur by the opponent losing control over its own reputation. The section 5(4)(a) ground succeeds.

FINAL REMARKS

99. The success of this opposition is based on the identity or similarity of goods that are included within the applicant's broad terms, namely *Downloadable mobile applications; downloadable applications for mobile devices; downloadable applications for use with mobile devices; mobile apps; downloadable applications*. Not all the goods covered by these terms would be similar enough to cause confusion under section 5(2)(b), create a link under section 5(3) or lead to a misrepresentation under section 5(4)(a) of the Act. I have therefore considered whether there would be any merit in limiting the applicant's specification to allow it to keep those goods that would not cause a conflict with the earlier marks. However, in my view, there is no need to do this.

100. The unopposed terms in Class 9 are as follows:

> *Mobile applications for booking taxis; downloadable mobile applications for booking taxis for dogs; downloadable mobile applications for booking taxis for pets; downloadable mobile applications for booking taxis for customers travelling with dogs; downloadable mobile applications for booking taxis for customers travelling with pets; downloadable mobile applications for dog food ordering and delivery; downloadable mobile applications for pet food ordering and delivery.*

101. These terms are consistent with the remainder of the specification which, as the opponent has noted, covers goods and services related to animals, including the taxi services and pet food delivery services in connection with which the unopposed mobile

[29] Page 715

applications would be used. I shall therefore not make any limitation to the opposed goods or invite a proposal from the applicant.

OUTCOME

102. The partial oppositions have succeeded. UKTM Application Nos 3757047 and 3757054 will proceed to registration for the following goods and services:

Class 9

Mobile applications for booking taxis; downloadable mobile applications for booking taxis for dogs; downloadable mobile applications for booking taxis for pets; downloadable mobile applications for booking taxis for customers travelling with dogs; downloadable mobile applications for booking taxis for customers travelling with pets; downloadable mobile applications for dog food ordering and delivery; downloadable mobile applications for pet food ordering and delivery.

Class 12

Car seats for dogs; car seats for pets; car seat covers.

Class 18

Dog clothing; clothing for dogs; dog collars; dog leashes; dog leads; dog coats; dog shoes; pet clothing; clothing for pets; leashes for pets; leads for pets; coats for pets; shoes for pets.

Class 20

Dog beds; pet beds; kennels.

Class 28

Dog toys; pet toys.

Class 31

Dog food; pet food; dog biscuits; biscuits for pets; edible dog treats; edible treats for pets; beverages for dogs; beverages for pets; bones for dogs.

Class 35

Providing consumer product recommendations; providing service recommendations; providing service recommendations of local dog-friendly services; providing service recommendations for local pet-friendly services; merchandising; product merchandising.

Class 39

Providing taxi booking services for dogs via mobile applications; providing taxi booking services for pets via mobile applications; taxi transport; taxi services; transport of travellers by taxi; food delivery; food delivery services; delivery of food; delivery services; delivery of food and drink prepared for consumption; transport; travel arrangement; transportation services; delivery, collection, transport, forwarding and courier services; food and drink delivery, storage, collection, transport, forwarding and courier services for dogs; food and drink delivery, storage, collection, transport, forwarding and courier services for pets.

Class 43

Services for providing food and drink for dogs; services for providing food and drink for pets; services for providing food and drink, for dogs, enabling customers to place orders for food and drink online; services for providing food and drink, for pets, enabling customers to place orders for food and drink online; dog day care services; pet day care services.

Class 44

Dog grooming services; grooming services for pets.

Class 45

Dog walking services.

103. Registration is refused for both marks for the following goods:

Class 9

Downloadable mobile applications; downloadable applications for mobile devices; downloadable applications for use with mobile devices; mobile apps; downloadable applications.

COSTS

104. The opponent has been successful in these partial oppositions and is entitled to a contribution towards the costs of these proceedings in line with the scale set out in Tribunal Practice Notice 2/2016. In the circumstances, I award the opponent £1900 which has been calculated as follows:

Preparing statements and considering the other side's statements: £400
Preparing evidence and considering and commenting
on the other side's evidence: £800
Preparing written submissions in lieu of a hearing: £300
Official fees (x 2): £400
TOTAL: £1900

105. I therefore order Furry Baxi Limited to pay Baxi Heating UK Limited the sum of £1900. This sum should be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.

Dated this 22nd day of August 2023

Clare Boucher,
For the Registrar,
Comptroller-General

ANNEX: SPECIFICATION FOR THE TRADE MARK APPLICATIONS

Class 9

Downloadable mobile applications; downloadable applications for mobile devices; mobile applications for booking taxis; downloadable mobile applications for booking taxis for dogs; downloadable mobile applications for booking taxis for pets; downloadable mobile applications for booking taxis for customers travelling with dogs; downloadable mobile applications for booking taxis for customers travelling with pets; downloadable mobile applications for dog food ordering and delivery; downloadable mobile applications for pet food ordering and delivery; downloadable applications for use with mobile devices; mobile apps; downloadable applications.

Class 12

Car seats for dogs; car seats for pets; car seat covers.

Class 18

Dog clothing; clothing for dogs; dog collars; dog leashes; dog leads; dog coats; dog shoes; pet clothing; clothing for pets; leashes for pets; leads for pets; coats for pets; shoes for pets.

Class 20

Dog beds; pet beds; kennels.

Class 28

Dog toys; pet toys.

Class 31

Dog food; pet food; dog biscuits; biscuits for pets; edible dog treats; edible treats for pets; beverages for dogs; beverages for pets; bones for dogs.

Class 35

Providing consumer product recommendations; providing service recommendations; providing service recommendations of local dog-friendly services; providing service

recommendations for local pet-friendly services; merchandising; product merchandising.

Class 39

Providing taxi booking services for dogs via mobile applications; providing taxi booking services for pets via mobile applications; taxi transport; taxi services; transport of travellers by taxi; food delivery; food delivery services; delivery of food; delivery services; delivery of food and drink prepared for consumption; transport; travel arrangement; transportation services; delivery, collection, transport, forwarding and courier services; food and drink delivery, storage, collection, transport, forwarding and courier services for dogs; food and drink delivery, storage, collection, transport, forwarding and courier services for pets.

Class 43

Services for providing food and drink for dogs; services for providing food and drink for pets; services for providing food and drink, for dogs, enabling customers to place orders for food and drink online; services for providing food and drink, for pets, enabling customers to place orders for food and drink online; dog day care services; pet day care services.

Class 44

Dog grooming services; grooming services for pets.

Class 45

Dog walking services.