

IN THE MATTER OF APPLICATION NO. 2321968 IN THE NAME OF  
AGGREGATE INDUSTRIES LIMITED

AND IN THE MATTER OF OPPOSITION NO. 92202 THERETO BY COOPER  
CLARK GROUP LIMITED

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DECISION

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Introduction

1. On 20 January 2003 Aggregate Industries Ltd applied to register the trade mark ECOBLOCK in respect of various goods in Class 19. The application was subsequently opposed by Cooper Clark Group Ltd under section 5(4)(a) of the Trade Marks Act 1994 on the ground that the opponent had used the same trade mark in respect of a grass and soil protection system since 1997. During the course of the opposition proceedings the applicant restricted the specification of goods covered by the application pursuant to section 39(1) of the 1994 Act to:

Paving blocks; cementitious and concrete paving elements and materials; paving stones; flagstones.

2. Although both parties filed evidence and written submissions neither requested a hearing. In a written decision dated 3 August 2005 (O/221/05) Mike Foley acting for the Registrar upheld the opposition. The applicant now appeals. Before me both parties exercised their right to an oral hearing and appeared by counsel. I would repeat the comment that I have made in previous decisions that, if a case justifies instructing counsel, then it makes sense to do this at first instance rather than waiting for an appeal since it may then be too late.

3. During the pendency of the appeal the applicant further restricted the specification of goods covered by the application to:

Paving blocks; cementitious and concrete paving elements and materials; paving stones; flagstones; none of the aforesaid consisting of or including cementitious blocks for use in the building and construction of walling and walls.

It was common ground before me that this restriction, which appears to have been made in connection with the resolution of another opposition to the same application, did not affect the hearing officer's decision or the issues on appeal.

4. I would add that I am satisfied that the Registrar had power to allow this restriction to the specification notwithstanding the fact that the application had by virtue of the hearing officer's decision been refused, since the effect of the filing of the appeal was to suspend that decision: see *Nettec Solutions Ltd's Trade Mark Application* [2003] RPC 17 at [13]-[14] and cf. *Logica plc's Trade Mark Application* (O/068/03) at [51] and *Sensornet Ltd's Trade Mark Application* (11 May 2006) at [60]-[62].

#### Section 5(4)(a) of the 1994 Act

5. Section 5(4)(a) provides:

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....

#### The hearing officer's decision

6. The hearing officer directed himself in accordance with the exposition of the law of passing off by Geoffrey Hobbs QC sitting as the Appointed Person in *WILD CHILD Trade Mark* [1998] RPC 455 at 460 line 5 – 461 line 22. He

also cited two paragraphs from the judgment of Pumfrey J in *REEF Trade Mark* [2002] RPC 19 which for convenience I shall repeat here:

27. There is one major problem in assessing a passing off claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the Registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirement of the objection itself are considerably more stringent than the enquiry under s.11 of the 1938 Act (see *Smith Hayden & Co. Ltd's* application (OVAX) (1946) 63 RPC 97 as qualified by *BALI Trade Mark* [1969] RPC 472). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.
28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed at the relevant date. Once raised, the applicant must rebut the prima facie case. Obviously, he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of possibilities that passing off will occur.
7. The hearing officer held that there was no evidence that the applicant had used the trade mark prior to the application date, and accordingly the date as at which the claim for passing off fell to be considered was the application date. There is no challenge to this aspect of his decision.
8. So far as the question of the opponent's reputation and goodwill in connection with the trade mark ECOBLOCK was concerned, the hearing officer held as follows:
  33. Mr Hall provides turnover figures for the period 1997 to 2003, although only the years to 2002 can be taken into account. On first impression these figures appear very modest. However, when put into the context of the total value of the soil and grass protection market, details of which have helpfully been provided by Mr Hall in exhibit A1, it can be seen that the opponents' turnover represents a significant level of achievement. In a sector that both sides accept has a large number of players, the opponents rate as number two with an 18% share, and with customers running the length and breadth of the country. Mr Hall indicates that the consumer of his company's

ECOBLOCK system would be the building products industry, and specifically, architects, building engineers, landscape architects, and building contractors. The opponents have made significant efforts in the promotion and advertising of the goods sold under the ECOBLOCK name, the focus being directed towards the architectural and construction sector reflecting the customer base. On the basis of the evidence before me I have no hesitation in concluding that, at the relevant date, the opponents and the soil/grass protection systems that they sell under the ECOBLOCK name, had accrued a reputation and goodwill amongst persons involved in the various sectors of the building design, engineering and construction industries.

9. As to whether use of the trade mark applied for would give rise to a misrepresentation, the hearing officer first noted that the marks were identical. As to the respective goods, he held as follows:

35. The opponents have used the mark in respect of a soil and grass protection system. In general terms they describe the product as being an 'engineered solution to grass pavements', stating its applications as including car parks, emergency access lanes, service roads, pedestrian walkways and bridle ways. The information from the A J McCormack website (exhibit NGH12) describes these products as 'grass paving systems', and in a further extract from the website (exhibit L1), give the following explanation of the product:

'There are a number of fairly common techniques available that allow grass to be incorporated into a pavement to provide 'the best of both worlds', ie, the appearance of grass but the load bearing capability of a well-constructed pavement or driveway. They can be utilised in those areas where the hard permanence of a typical pavement might be undesirable, such as in conservation areas, roadside verges, emergency services access, canal towpaths, farm tracks or rural settings...'

36. From this it can be seen that the purpose of a soil and grass protection system is to provide an erosion resistant surface capable of taking traffic, human vehicular or otherwise, whilst retaining the appearance of a grassed area. The exhibits show that such systems are most commonly constructed from plastic or concrete, and can be in the form of concrete paviour blocks, or interlocking cellular pavers made of concrete or plastic. It is the plastic cellular system that the opponents provide under the ECOBLOCK name.
37. The applicants seek to register ECOBLOCK in respect of 'Paving blocks; cementitious and concrete paving elements and materials; paving stones; flagstones'. As with soil and grass protection systems, goods of this description could be used to provide a hard surface capable of taking traffic, the only difference being that they would be

visible and in some cases be selected for their aesthetic contribution to the surrounding area. It also seems to me that from the explanation in the preceding paragraphs, this specification is also capable of covering soil and grass protection systems. The term ‘cementitious and concrete paving elements and materials’ would encompass the same cellular system as the opponents’ ECOBLOCK, the only distinction being the material from which they are constructed. The information relating to the ‘hopsack’ and ‘spaced paving’ reinforced grass paving systems shows that paving blocks are also used in constructing soil and grass protection systems. Cementitious and concrete paving elements and materials would also include blocks used in hopsack and spaced paving constructions. There is no specific mention of paving stones being used in such systems, but as stated in the extract from the AJ McCormack websites ‘any rectangular blocks can be used to create a hop-sack pattern’. Insofar as these paving stones could be in the same form as block pavers I see no reason why they could not be. This leaves ‘flagstones’, which would be used to provide a visible hard standing, pavement or road, but being large slabs, would seem unlikely to be used in soil and grass protection systems.

10. The hearing officer expressed his conclusion as follows:

38. Given that the goods sold by the opponents under ECOBLOCK, and those notionally covered by the specification of the application are similar, I do not see that there can be any difference in the market or how the trade is conducted. Even allowing for the fact that the consumer of soil and grass protection systems is likely to be very well informed, knowledgeable and circumspect, the only potential difference is the material from which the respective goods are constructed, which given that the marks are identical, is most unlikely to be enough to avoid deception or confusion. In my view the opponents have established their case and the objection under Section 5(4)(a) succeeds.

#### Standard of review

11. This appeal is a review of the hearing officer’s decision. Counsel were agreed that the hearing officer’s decision with regard to section 5(4)(a) involved a multi-factorial assessment of the kind to which the approach set out by Robert Walker LJ in *REEF TM* [2002] EWCA Civ 763, [2003] RPC 5 at [28] applied:

In such circumstances an appellate court should in my view show a real reluctance, but not the very highest degree of reluctance, to interfere in the absence of a distinct and material error of principle.

## The appeal

12. The applicant contends that the hearing officer made a number of errors of principle and that in any event certain of his key findings of fact were plainly wrong. It is convenient to address these contentions, as counsel did at the hearing, under the heads of goodwill, misrepresentation and damage.

### *Goodwill*

13. Counsel for the applicant pointed out that that the opponent had not adduced any trade evidence in support of its claim to goodwill, and that the only independent evidence from trade witnesses was filed by the applicant. In reliance upon Pumfrey J's judgment in *REEF*, he submitted that (i) the hearing officer had erred in principle in failing to address his mind to the absence of trade evidence to support the claim to goodwill and (ii) in any event the hearing officer could not safely have found that the opponent had goodwill at the application date in the absence of such evidence.
14. As to point (i), I do not accept the hearing officer failed to address his mind to the absence of trade evidence to support the claim to goodwill. As noted above, the hearing officer cited the relevant passages from *REEF* in his decision. I see no reason to believe that, having quoted these paragraphs, he then ignored them. In my judgment it is reasonably clear that, although the hearing officer did not expressly say so, he proceeded on the basis that the absence of trade evidence was not necessarily fatal to the opponent's case if other evidence which had been adduced established that it had a sufficient goodwill. He concluded that the evidence which had been adduced did establish this.
15. As to point (ii), counsel for the applicant accepted that *REEF* does not establish that a claim for passing off will fail in the absence of trade evidence to support it. As Jacob LJ has recently explained in *Phones4U Ltd v Phone4u.co.uk Ltd* [2006] EWCA Civ 244 at [5], what a passing off claimant needs to do is to establish that he has built up a goodwill which the defendant

is invading by a misrepresentation and accordingly what matters is what the claimant did to create a goodwill. Jacob LJ returned to this point at [33], saying that showing what had actually been done to publicise the name or badge relied upon was the key evidence and that in the case in question expert evidence was not required to infer from the proved use that the name must have been known to a substantial section of the public. As Jacob LJ explained, the test for establishing goodwill for the purposes of passing off is not the same as the test for establishing that a descriptive mark has acquired a distinctive character for the purposes of registration.

16. Given that trade evidence is not a *sine qua non*, there is no reason why the hearing officer could not safely find that the opponent had a goodwill at the relevant date if the other evidence before him established this to his satisfaction. In any event, however, in my judgment the trade evidence filed by the *applicant* supported the opponent's claim to goodwill. Thus Nicholas Wilkins, a design manager employed by JS Bloor (Services) Ltd, stated in a witness statement made in January 2005:

Over the past few years the many types of plastic grass reinforcement that are available have come to my attention and I am aware that the Cooper Clarke product Ecoblock is one of these.

While Mr Wilkins does not categorically state that he was aware of the opponent's product in January 2003, I consider that this is a fair reading of his evidence.

17. Counsel for the applicant also submitted that the evidence which was adduced by the opponent in support of its claim to goodwill was both self-generated and flawed, and accordingly the hearing officer had been wrong to rely upon it as establishing goodwill. The principal point he made in this regard related to the hearing officer's finding at [33] that "the opponents rate as number two with an 18% [market] share". This finding was based on the evidence of Neil Hall, the opponent's chief executive, in paragraph 4 of his second witness statement. To support this evidence Mr Hall produced as exhibit A1 an internal report produced by the opponent in late 2002. Mr Hall conceded that

this was not independently verifiable evidence, but pointed out that it was produced before the opposition proceedings were initiated. Moreover it is evident on its face that it was produced for the purposes of the opponent's commercial decision-making. There is therefore no reason to believe that it is anything other than a genuine estimate of the market share and ranking of the opponent's ECOBLOCK product. In any event, the applicant did not seek to challenge Mr Hall's evidence by cross-examining him.

18. Counsel for the applicant pointed out that one page in the report appears to show that the opponent's market share was 16% and its position third, but counsel for the opponent riposted that Mr Hall's evidence was supported by a different page in the report. In my judgment this discrepancy is a point which ought to have been put to Mr Hall in cross-examination if it was to be relied upon. In any event, even if it is assumed that the opponent's market share was only 16% and its ranking only third, rather than 18% and second, that would not undermine the hearing officer's conclusion that the opponent had established a goodwill.
19. Finally, counsel for the applicant submitted that the hearing officer had failed to distinguish between the opponent's share of the plastic soil and grass protection system market and its share of the total grass protection system market, plastic systems representing about half of the total. It is clear that the hearing officer was aware of this fact since he refers to it in his summary of the evidence at [22]. It is true to say that the reference to "the total value of the soil and grass protection market" in the third sentence of [33] fails to distinguish between the total market and the plastic sector, but I consider that it is clear from the paragraph as a whole, and in particular the last sentence, that the hearing officer's finding relates to the plastic sector. This reading is supported by [36]. In any event, I consider that this submission misses the point. No doubt the opponent had a smaller share of the total market than it did of the plastic sector, but that does not mean that it had no (or no substantial) goodwill at all.

20. In my judgment the hearing officer was entitled to conclude from the evidence that the opponent had established a substantial goodwill for its plastic grass and soil protection product sold under the trade mark ECOBLOCK as at January 2003. Indeed, any other conclusion would have been surprising given that the opponent had been selling the product since 1997, had advertised it, had achieved a turnover rising to £824,000 in the year 2002 and had installed the product at a long list of sites around the country.

*Misrepresentation*

21. Counsel for the applicant submitted that the hearing officer had erred in principle in failing to take into account the evidence of the applicant's trade witnesses, Mr Wilkins and Andrew Houldsworth of Nottingham City Council, on the issue of misrepresentation. Both these witnesses stated that they were aware of the opponent's ECOBLOCK product and of the applicant's ECOBLOCK product and did not think there was any potential for confusion between them.
22. In my judgment there are a number of answers to this submission. The first is that the hearing officer did not ignore the evidence of Messrs Houldsworth and Wilkins; on the contrary, he expressly referred to it at [31]. It is true that the hearing officer did not specifically deal with their evidence on likelihood of confusion, but the obvious inference is that he was not persuaded by it.
23. The second is that, as Millett LJ pointed out in *The European Ltd v The Economist Newspaper Ltd* [1998] FSR 283 at 291, witnesses like Messrs Houldsworth and Wilkins may be experts in the market, but they are not experts as to the likelihood of confusion.
24. The third is that all that the evidence of Messrs Houldsworth and Wilkins establishes is that they were aware of both products and their sources, and therefore they believed that others would not be confused between them. Such evidence does not address the position of the person who is only aware of the opponent's product and then encounters the applicant's product not knowing

that it emanates from a different source. Furthermore, the evidence of Mr Houldsworth suggests that his opinion may have been based on, or at least affected by, factors extraneous to the present issue since he refers to the applicant's product as "Charcon Eco Block" whereas that is not the mark sought to be registered. Yet further, it is far from clear that Messrs Houldsworth and Wilkins' evidence is directed to all the goods encompassed by the applicant's specification as opposed to a specific product which was apparently being marketed by the applicant in January 2005.

25. Counsel for the applicant also submitted that the hearing officer had erred in his assessment of the proximity between the parties' respective fields of activity. His principal point in this regard was that the hearing officer had erred in principle in ignoring the evidence of Kevin Greaves, a market development manager employed by the applicant, in paragraph 10 of his witness statement that "block paving and grass reinforcements are not substitutable".
26. Again, I consider that there are a number of answers to this submission. The first is that, while it is true that the hearing officer did not refer to this evidence, his findings are not necessarily inconsistent with it. The hearing officer's conclusion at [38] was that the goods sold by the opponent and those covered by the specification were similar rather than identical. Furthermore it seems clear from both [37] and [38] that the hearing officer proceeded on the basis that the goods were constructed from different materials.
27. Secondly, there was a conflict of evidence on this point between Mr Greaves and Mr Hall. In his second witness statement Mr Hall disagreed with what Mr Greaves had said and produced exhibit A2, a further printout from the A J McCormack website a printout from which had been exhibited to his first statement, to support his evidence. Given that neither side applied to cross-examine, the hearing officer was forced to resolve this conflict of evidence as best he could on the materials before him. It is clear from his decision that he placed most weight on what the exhibits showed. In my judgment this was the correct approach for him to adopt. Counsel for the applicant submitted that the

hearing officer should not have relied upon the website printouts since they were dated May 2004 and January 2005, but in my judgment the hearing officer was entitled to do so since there was evidence that these were representative of the position as at January 2003 and no evidence that there had been any material change in the market during that period.

28. Thirdly, Mr Greaves' evidence was in any event not directed to all the goods covered by the application. As can be seen from [37], the hearing officer's reasoning particularly focussed on "cementitious and concrete paving elements and materials", which Mr Greaves did not mention.
29. Furthermore, I consider that the hearing officer's conclusion at [38] is supported by the evidence of Messrs Houldsworth and Wilkins. Both state that part of their job involves purchasing "landscaping materials" and that they have to be aware of the different types of product that are available. As noted above, they go to say that they are aware of both parties' products. This evidence demonstrates that the products are similar and purchased by the same kinds of customer. Furthermore, the similarity between the products is confirmed by the way in which these witnesses describe them. Thus Mr Houldsworth says that the opponent's product is "a type of plastic grass reinforcement ... use[d] where the stabilisation of grassed areas is required to provide hard standing" while the applicant's product is "part of a range of aesthetic landscaping materials".
30. Finally, counsel for the applicant submitted that the hearing officer had erred in principle in ignoring the absence of any evidence of confusion. In my judgment the hearing officer made no such error. As he correctly observed, the applicant failed to adduce any evidence as to the marketing of its own product other than what could be gleaned from the evidence of Messrs Houldsworth and Wilkins. That evidence does not establish that the applicant's product was marketed before January 2005 nor does it show on what scale it had been marketed. As Jacob LJ pointed out in *Phones4U* at [42]-[43], to show that the dog did not bark it must first be shown that the dog could have barked. In any event, as I have already commented, it does not appear from this evidence that

the applicant had marketed products covering the whole width of the specification.

31. In my judgment the hearing officer was entitled to conclude that use of the mark applied for in relation to the goods specified as at January 2003 would give rise to a misrepresentation.

#### *Damage*

32. Counsel for the applicant submitted that the hearing officer had been wrong to find damage or a risk thereof. The points he relied upon in support of this submission were points which I have already dealt with above, however. Accordingly this submission also fails. I would add that the hearing officer did not make any express finding as to damage, but it is implicit from his decision that he concluded that damage would follow from his findings as to goodwill and misrepresentation. I consider that he was entitled to reach this conclusion. Indeed, it is very rare for a passing off claim to fail on this ground if goodwill and misrepresentation are established.

#### Conclusion

33. The appeal is dismissed.

#### Costs

34. The hearing officer ordered the applicant to pay the opponent the sum of £1,650 as a contribution to its costs. I will order the applicant to pay the opponent the additional sum of £1,000 as a contribution to its costs of the appeal.

7 June 2006

RICHARD ARNOLD QC

Peter Colley (instructed by Swindell & Pearson) appeared for the applicant.

Giles Fernando (instructed by Pinsent Masons) appeared for the opponent.