

O-234-16

TRADE MARKS ACT 1994

CONSOLIDATED PROCEEDINGS INVOLVING:

- 1) TRADE MARK APPLICATIONS 3053723, 3053714 & 3053708
BY ZETA SPECIALIST LIGHTING LIMITED
FOR THE FOLLOWING TRADE MARKS IN CLASS 6:
SOLIS BOLLARD, SOLISPOLE/SOLIS POLE & SOLIS
&
OPPOSITIONS THERETO (Nos. 600000164/165/166) BY
ONTHECASE (INTERNATIONAL) LTD**

AND

- 2) TRADE MARK REGISTRATIONS 2658032 & 3012905
IN THE NAME OF ONTHECASE (INTERNATIONAL) LTD
IN RESPECT OF THE FOLLOWING MARKS IN CLASSES 6 & 9:
SOLISPOST & SOLISPOST
&
APPLICATIONS FOR INVALIDITY (Nos. 500807/08)
BY ZETA SPECIALIST LIGHTING LIMITED**

BACKGROUND AND PLEADINGS

The first claims

1. The first claims in these consolidated proceedings concern oppositions to the registration of three trade mark applications filed by Zeta Specialist Lighting Limited (“Zeta”). All three applications were filed on 30 April 2014 and published for opposition purposes on 1 August 2014. The relevant details are:

- i) Application 3053723 for the mark **SOLIS BOLLARD**. Registration is sought for the following class 6 goods:

Street furniture; bollards; bus and cycle shelters; street furniture, bus and cycle shelters and bollards incorporating LED lighting and sensors; street furniture, bus and cycle shelters and bollards incorporating LED lighting, sensors and displays; bollards and barriers for traffic and pedestrian control made of metal; posts of metal incorporating lighting; parts and fittings for the aforesaid goods.

- ii) Application 3053714 for the series of marks **SOLISPOLE** and **SOLIS POLE**. Registration is sought for the same goods as above.

- iii) Application 3053708 for the mark **SOLIS**. Registration is sought for the following class 6 goods:

Street furniture; bollards; bus and cycle shelters; street furniture, bus and cycle shelters incorporating LED lighting and sensors; street furniture, bus and cycle shelters and bollards incorporating LED lighting, sensors and displays; bollards and barriers for traffic and pedestrian control made of metal; posts of metal incorporating lighting; none being for use under water, on subsea structure, pipelines or well heads; parts and fittings for the aforesaid goods.

2. The opponent is OnTheCase (International) Ltd (“OTC”). Its opposition is the same for all cases, namely, under section 5(2)(b) of the Trade Marks Act 1994 (“the Act”) in that there is a likelihood of confusion with two earlier marks consisting of the word **SOLISPOST**. I will set out the details of the two earlier marks shortly.

3. Zeta filed counterstatements defending its applications. Zeta claims that it has prior rights to the earlier marks of OTC such that OTC’s marks are not valid and cannot be relied upon. In the alternative, Zeta denies certain aspects of OTC’s opposition which I will come back to if necessary.

The second claims

4. As will already be apparent, the second claims relate to the validity of OTC’s earlier marks. The two registrations the subject of the invalidity claims are:

- i) Registration 2658032 for the mark **SOLISPOST**, which was filed on 26 March 2013, published on 3 May 2013 and registered on 19 July 2013. The mark is registered for the following class 6 goods:

Bollards for traffic and pedestrian control made of metal, including those incorporating lighting

- ii) Registration 3012905 for the mark **SOLISPOST**, which was filed on 8 July 2013, published on 13 September 2013 and registered on 27 December 2013. The mark is registered for the following goods in classes 6 and 9 respectively:

Bollards and barriers for traffic and pedestrian control made of metal; bollards and barriers for traffic and pedestrian control made of metal incorporating lighting; street furniture, bus and cycle shelters made of metal; street furniture, bus and cycle shelters made of metal incorporating lighting; posts of metal incorporating lighting, being parts of the aforementioned; posts of metal incorporating lighting.

Photovoltaic cells; photovoltaic solar modules; solar modules; solar batteries; solar battery chargers; electronic and electrical controllers; controller circuit boards; infrared remote controllers; passive infrared sensors and detectors; light emitting diodes; light emitting diode displays; parts and fittings for the aforesaid goods; none of the aforementioned being for use underwater, on subsea structures, pipelines or wellheads.

5. The claims are the same in each case, which, in summary, are:

- i) Under section 5(4)(a) of the Act in that the use of OTC's marks are liable to be prevented under the law of passing-off on the basis of the goodwill Zeta has established on account of its use of the signs SOLIS, SOLISPOLE, SOLISPADDLE and SOLISBOLLARD.
- ii) Under section 3(6) of the Act in that OTC made its application in bad faith. Zeta claims that it and OTC had a business relationship (I will touch on the nature of the relationship later) and the filing of the trade marks is indicative of OTC laying claim to Zeta's mark, that it was intended to take advantage of Zeta's goodwill, that OTC knew that the use of the mark would result in deception and confusion and, finally, that the registration of the marks would prevent Zeta from continuing to sell its SolisPole product and using other Solis based marks in the UK.

6. OTC filed a counterstatement in which it made a number of general denials of Zeta's claims. In respect of the relationship between the parties, OTC accepts that a business relationship existed but:

"..it is categorically denied that at the date of filing [Zeta] had made OTC aware of or made any claim that it was using at that date or had at any other time used the signs Solis, Solispaddle or Solisbollard. It is agreed that in 2011/2012 [Zeta] carried out repairs on products for the owner of OTC and that during this period there were some discussions regarding the parties selling each other's products, as part of which the owner [of OTC] believes he was shown [Zeta's]

street lighting product and, as a result, the owner has some low level historic awareness of the sign solispole. At the end of this period the owner [of OTC] made zeta aware that it was designing and developing its own solar bollard product, but at no stage did zeta claim to have or intend to have a similar or competing product.”

7. I also note the following statement:

“Whilst OTC’s application for the mark SOLISPOST was filed on 26 March 2013, the mark was devised in October 2012, the process undertaken by the owner [of OTC] in devising the mark clearly demonstrates the actions of a party acting in good faith, as far as economically viable, to ensure that its new trade mark did not conflict with any third party prior rights.”

8. Both sides have been professionally represented throughout the proceedings, Zeta by Bower & Bailey LLP, OTC by Bryers LLP. Both sides filed evidence. A hearing took place before me on 28 April 2016 at which Zeta was represented by Ms Victoria Jones, of Counsel, instructed by Bower & Bailey LLP. OTC did not attend the hearing, nor did it file written submissions in lieu of attendance.

9. My approach will be to determine the invalidity claims in the first instance, as this will determine whether OTC has any earlier marks on which it can rely in its oppositions.

THE EVIDENCE

10. I will summarise the evidence with regard to the issues it covers. For the record, the witnesses, and what, in summary, they give evidence about, are as follows:

For Zeta

- i) Mr Philip Shadbolt, a director of Zeta. He gives evidence (in three witness statements, two in chief, one in reply) about Zeta’s trading history, its adoption and use of the word SOLIS (and its variants) and evidence about

the relationship between the parties. Mr Shadbolt also discusses some confusion which he says has arisen. The evidence also gives Mr Shadbolt's opinions on the similarities between the marks and the likelihood of confusion; I will bear this in mind but will not summarise the opinions.

- ii) Mr Paul Tyrrell, Zeta's Senior Electronics Design Engineer and, previously, a director. For a time (between 1 October 2012 and 31 March 2014) he worked for a company called Zeta Far East Ltd ("ZFE") in Hong Kong. Mr Tyrrell explains that Zeta and ZFE had a mutually exclusive agreement whereby ZFE was to undertake research and development, and obtain products, with Zeta then concentrating on sales and marketing. The agreement ended due to the economic downturn, with Mr Tyrrell then moving back to work for Zeta. In his evidence, Mr Tyrrell touches on his knowledge of the use of the name Solis by Zeta. He also gives evidence about the relationship between Zeta and OTC and, also, email exchanges which took place between OTC and ZFE including why OTC had adopted the name SOLISPOST.

For OTC

- i) Mr Jamie Wood, OTC's managing director. He gives evidence about devising the name SOLISPOST and, also, what he was (and more importantly wasn't) told when the parties were in a business relationship.

Zeta's history

11. Mr Shadbolt describes Zeta as:

"..a specialist company which designs, manufactures, sells and distributes specialist lighting products incorporating LED and solar technology"

12. It “currently”¹ has 25 members of staff. Its “head company” was formed in 1989, being some form of spin-off from Oxford Brookes University and initially focused on high end intelligent electronics for the automotive market. It subsequently diversified into the solar powered LED lighting market. Such diversification appears to have taken place in 2005 after it won a contract with Transport for London (“TFL”). Mr Shadbolt lists 14 different awards Zeta has won between 2012 and 2014. He describes Zeta as a world leader.

13. Mr Shadbolt states that Zeta’s technology allows “the items to store energy to enable the pole to provide light throughout the whole year”. He adds that competitors’ products have only been able to work until October or November, due to less daylight being available in the winter months.

14. I will come shortly to what Mr Shadbolt says about Zeta’s coining/use of marks which include the word SOLIS. However, it is worth recording at this stage that such use is not everything that Zeta does. Mr Shadbolt explains that end (complete) products are sold under the SOLIS brand, but it also sells the underpinning technology to third parties for use in their products, and in this regard it has enjoyed particular success in relation to bus and cycle shelters. It is stated that Zeta started selling in 2005. This was in respect of solar PV cells and solar module installations. They have sold around 4000 units since 2005 including to clients such as TFL, Clear Channel UK, ComuterPorts, Queensbury and JC Deko. In some sales figures provided by Mr Shadbolt, it is fair to say that substantially more non-SOLIS products are sold than SOLIS products. I will set out the sales of SOLIS goods later.

Zeta’s coining and use of the name SOLIS (and variants thereof)

15. Prints of a number of email exchanges are attached² to Mr Shadbolt’s first witness statement. They are from the middle of 2008 between various people connected with Zeta’s business. SOLIS is put forward as a suggestion (along with other words) as the

¹Mr Shadbolt’s witness statement is dated 16 November 2015.

²Exhibits PDS, page 1-3.

name for a new product. It is highlighted as being the Greek/Latin word for sun. Although there was discussion about which name was best, SOLIS found favour.

16. Mr Shadbolt also provides at Exhibit PDS4-5 a computer print showing various computer files, some of which contain the name SOLIS (eg “Solis brochure”, “Solis spec”, “Solis Pole data sheet”), the last modified dates of which go back to 2009. He states that a file called “SOLIS Bro” is a brochure for a product called SolisPOST. It is stated that the Solis brand is a product that incorporates the battery, solar panel and controller all together with an LED light. The first item sold was, apparently, a bus shelter solar kit, although there is no further evidence about this.

17. Mr Shadbolt states that Zeta has designed, manufactured and sold three products under the SOLIS brand, namely, SolisPOLE (described as a street light for pedestrian control), SolisPADDLE (a sign light providing illumination to road signs) and SolisBOLLARD (a bollard for traffic and pedestrian control). For sake of clarity, I will separate, where possible, the evidence between these three products:

SolisPOLE

- The SolisPOLE is a “tall street light equivalent”. Reference is made to the product as a light ring. Mr Shadbolt subsequently clarifies what the light ring is. Basically, it is part of the SolisPOLE, but the light ring component is not sold or marketed separately. As Ms Jones highlighted at the hearing, there are pictures of the SolisPOLE in brochures which depict it with and without the light ring, thus, it can potentially be sold not just as a street light.
- Mr Shadbolt states that one of the computer documents (referred to above) contains a presentation which was delivered at an exhibition called Traffex which took place at the NEC. This is said to represent the first public outing of the SolisPOLE product. I note a document entitled “SolisPOLE at Traffex (old)” which dates to 2009.

- In 2009 TFL were apparently interested in the SolisPOLE. Reference is also made to tendering for a job in Dubai for which visuals were put together (again in 2009).
- In August 2009 Zeta submitted a tender to a company called Pathos in Greece for 400 SolisPOLE products. It is not stated whether the tender was won.
- Zeta installed SolisPOLE street lights in Poole. Mr Shadbolt personally attended the installation site in 2009 and 2010. He refers to an article about this, said to date from January 2011. It is akin to a press release (in the form of a case study) on Zeta's website headed "Poole Council choose Zeta's SolisPOLE".
- Pages 38-40 of Exhibit PDS contain three quotations (each dated in 2010) to different businesses regarding the supply of SolisPOLE. There is also a quotation dated 31 January 2012 to OTC in respect of a Solis Light Ring (page 42 of the same exhibit).
- Evidence is provided of a brochure for SolisPOLE which was created in 2009 and the brochure exchanged, internally, again in 2010. There is evidence of an email being sent to a potential client in 2011 as part of a quotation.
- Mr Shadbolt refers to a patent application that was made for the SolisPOLE product; he provides the email exchanges with Zeta's attorneys in that matter, the name SOLIS is used.
- Sales for SolisPOLE products were £17k in the period 1 January 2008 to 28 February 2013, and £23k in the period 1 July 2013 to 27 November 2015.

SolisPADDLE

- In terms of the SolisPADDLE, Mr Shadbolt explains that this is a retrofit product to be added to existing street signs that are not solar powered. It was designed for the London 2012 Olympics having been first considered in 2009 by a

company called Woodhouse who were preparing lighting schemes for the Olympics, but who wanted a retrofit paddle rather than a SolisPOLE.

- Mr Shadbolt also describes the product as the SolisPOSTADAPTA (presumably because it adapts an existing post) and this term is used interchangeably with SolisPADDLE. The two are the same product, but it is not clear why it was given two names. Apparently, 400 were sold.
- The evidence contains emails sent to two different companies to which a brochure is attached. Attached to the first was “NDA, Solis Brochure, Postadapta Brochure”. A Postadapta brochure was also sent with the second, and, also, reference made in the email to the SolisPADDLE. In both emails reference is made to having just supplied over 400 items for the Olympics. A brochure is also provided in evidence (page 44) headed “solis POSTADAPTA”.
- Sales of the SolisPADDLE product were £155k in the period 1 January 2008 to 28 February 2013, £1.7k in the period 1 March 2013 to 30 June 2013, and £112k in the period 1 July 2013 to 27 November 2015.

SolisBOLLARD

- There is not much to say in relation to SolisBOLLARD. This is because Mr Shadbolt accepts that it has never been sold. Therefore, I do not consider it necessary to detail any more about the SolisBOLLARD.

Other evidence

- Pages 6 to 10 of Exhibit PDS consists of an email from 2009 headed SOLIS POSTS. It is about the development of a new lighting product. The sender and recipient are people who work for Jedco Product Designers and Fabrikat. Mr Shadbolt explains later in his evidence that Jedco is an engineering design consultancy who worked predominantly for TFL, but who also did some work for Zeta. Mr Shadbolt was, though, copied in on the email. Also provided are

technical drawings which use the word SOLIS on the top right of the pages. There is another email from 2009 at page 15 of the exhibit from someone at Jedco, although this time sent to Mr Shadbolt, which reads: “attached are a couple of pages of thumbnails of some of the illustrations recently prepared. You may want to make use of some of them – in which case we can send you the higher res images”. The images attached are headed “Solis – Self Powered Freestanding Structures” – the various items carry just descriptive names. Exhibit PDS contains various other emails, mostly of an internal nature, regarding the coining and development of Solis products. There is reference to SolisBOLLARD (although it is accepted that this was never sold), a smaller version of the SolisPOLE.

- There is also evidence of a brochure for a product called Solis Handrail in 2009, but no sales are claimed to have been made.
- Reference is made to Zeta’s decision in March/April 2009 to include SOLIS on the website of Zeta. An internal email and document support that this was planned, but no evidence of the actual website is provided.
- Mr Tyrell touches on his knowledge of Zeta’s use of the SOLIS name. He is fully aware of the use of SOLIS since 2008. He states that the names solis pole, solis paddle, solis post, solis light ring, solis bollard and solis handrail were “all regularly referred to in marketing material as well as verbally between Zeta staff and external parties”. He refers to an external presentation he prepared and conducted. He provides an example of marketing material, dated 1 May 2009, at PT4-PT6 for the SolisPOLE, the front page adds “Presented by Paul Tyrell.”
- In terms of sales, Mr Shadbolt states that Zeta has been trading with the prefix SOLIS and sold products in the industry for over seven years, advertising SolisPOLE and SolisBOLLARD since 2008 and SolisPADDLE since 2012. The total of these sales over that time has exceeded £500,000.

- Mr Shadbolt provides sales figures for SolisPOST (£51k in the period 1 July 2013 to 27 November 2015) but it is explained that these represent sales generated by selling components to OTC as part of their business relationship (as detailed below) who then completed the manufacturing of the SolisPOST. It is not clear what sales OTC made on from there. An invoice dated 15 July 2014 is provided at page one of PDS/2 relating to this.

18. In his second witness statement, Mr Wood makes a number of criticisms of Zeta's evidence including that much of it is internal, that there is no use of SolisPADDLE, claiming that the actual use is of Zeta Solar Paddle. In respect of this latter point, Mr Wood provides a number of archive prints from Zeta's website showing the paddle listed as The Zeta Solar Paddle (the extracts are from March 2013 and November 2014), although, I note that there is a reference in one of the pages to "The Solis Pole". He makes a number of observations as to what can be taken from the evidence, observations which I bear in mind. I note that he highlights that in one of the brochures for the POSTADAPTA product more emphasis is given to POSTADAPTA than solis (solis being presented in lower case lettering).

The relationship between the parties

The first contact

19. It is common ground that Zeta and OTC have been known to each other since at least the end of 2011/early 2012. The first contact was when Zeta helped OTC with a problem it had with a university campus sign. Mr Shadbolt states that he sent Mr Wood a data sheet for the SolisPADDLE. Mr Wood recalls being shown Zeta's street lighting product, with which Zeta used the sign "Solispole". He states that the product was different including in physical nature and market and, therefore, not competitive. He adds that one of Zeta's own directors stated that the product was over engineered and expensive and needed re-designing.

The collaboration on a solar powered bollard

20. Mr Shadbolt states that this stemmed from Mr Wood informing Zeta that he had an idea for a post he wanted to work on with them. Mr Shadbolt states that he responded stating that they had already thought of a bollard type product, so they agreed to work on it together. He states that in January 2012 he sent Mr Wood details of the "Solis brand".

21. There is some debate as to the timing of subsequent events. Something which assists with the chronology of matters is that in his second witness statement Mr Shadbolt provides some email exchanges (pages 2-7) between the parties in January/February 2012. The SOLIS name is used in the heading ("Method Statement to install Solis Street Lighting"). In this email a person working for OTC asks for contact details to be removed from certain drawings, a request which was refused. However, it is not clear whether these emails were connected with the claimed collaboration or whether they relate to Zeta simply providing OTC with product.

22. What is clear is that by October 2012 matters had moved on to the point where OTC had prepared a business plan, a copy of which Mr Wood sent to Mr Shadbolt on 12 October 2012. The email to which the business plan was attached includes the text:

"I thought it sensible to share with you the business plan I did which formed the basis of our agreement with principle [sp]"

and

"I am very pleased they want you on board with the new co straightaway"

23. In relation to the business plan (which is actually dated September 2012), it is headed as being in respect of a solar bollard. I note some of the contents as follows:

- i) A new company is to be formed to launch the solar bollard. That company will be the sales and marketing lead who will sub-contract all production.

The key supplier will be the providers of the solar technology who will have an opportunity to invest in the new company.

- ii) In a section headed “Intellectual Property”, it is stated that Mr Wood owns a product design and company name (The Solar Lighting Company Ltd) and various domain names (none of which use the name SOLIS/SOLISPOST).
- iii) In a section headed “Brand names”, it is stated that the product will need a brand name, which will then require a registered trade mark. All future products will be branded and protected with trade marks. There is no mention of SOLIS or SOLISPOST

24. I also note that in Mr Wood’s covering email he states:

“I am also attaching the brand name which I am having registered as a trade mark. Hope you like it!”

The attached document shows a stylised version of the words solispost.

25. Mr Shadbolt states that he did not realise the implications of the email because the business plan itself did not mention a brand name, also, he did not realise the effect that registering the mark may have on his business. He states that at the relevant time he had just got married and had been on honeymoon, thus this was all taking place at a very busy time. I note that the email from Mr Wood offers congratulations to Mr Shadbolt on his upcoming (the following day) nuptials. In his third witness statement Mr Shadbolt adds that he dismissed the original business plan as it was something OTC were using to entice Zeta into working with OTC.

26. Irrespective of the above comments, Mr Shadbolt nevertheless accepts that the potential to use SOLISPOST as the product name had come up in conversation. He states that he was not happy that Mr Wood had decided upon the name without consulting him first (so I assume the conversations took place after 12 October 2012) but nevertheless it was something they were working on together and that a formal agreement would be put in place. He believed that the product was to be jointly

produced and created with Zeta's technology inside and that it would be classed as part of our SOLIS brand of products. Mr Shadbolt explains that the discussions subsequently fell through and no agreement was put in place.

27. Mr Wood states that the business plan was compiled for a potential investor. He questions why Mr Shadbolt did not object to the name when he was advised of it in October 2012. He denies that the relationship between the parties can be characterised as "working jointly together". He states that Zeta had no part in designing the bollard (it was apparently designed by Anthony Howard of Transport Design Consultancy Limited), who assigned the design rights to OTC. Mr Woods refers to an email he sent Zeta on 20 April 2012 (Exhibit JW2-4) in which, in contrast to another project they were working on together, he states:

"..the solar bollard we are designing is totally different. This will be a product owned by [OTC] and we clearly expect to pay any R and D costs to develop the prototype. We would then negotiate a license agreement with you to manufacture the product, which we would market."

28. Mr Wood states that during 2013 (not 2012) he approached Zeta "with reference to the manufacturer of components for the solar bollard". He denies that Zeta made (or has ever made) any claim to him that it was using at that date, or had at any other time used, the signs Solis, Solispaddle or Solisbollard. In his second witness statement Mr Wood states that the whole idea for the SOLISPOST bollard was his and that he only approached Zeta for the solar technology to use in the product and made no agreement to work with them in designing the bollard. He accepts that the two parties "worked for a period in relation to a solar powered bollard for one of my clients, however, the nature of this relationship was, as in all other instances, that OTC supplied the bollard design and Zeta supplied the solar components". He adds that the bollard was technically flawed and the design rejected by the client so the project did not progress. He states that this was not the SOLISPOST bollard, since this did not exist at the time.

OTC opens discussions with ZFE

29. It is common ground that the discussions between OTC and Zeta led to nothing. Mr Shadbolt does not say why. Mr Wood states (in his second witness statement) that it was because Zeta could not supply a working prototype. OTC then decided to approach ZFE in Hong Kong for whom Mr Tyrell was working. Mr Tyrell states that he was first contacted in Hong Kong by Mr Wood via the networking platform LinkedIn on 29 April 2013. He was contacted, Mr Tyrell states, as a potential supplier of a solar powered LED lighting controller for a solar power bollard called SOLISPOST that Mr Wood was developing. Mr Tyrell says that he then started his design for the controller from scratch. OTC purchased a prototype controller but it was too expensive for OTC's application, so that relationship also led to nothing. It is noteworthy that in an email between Mr Tyrell and Mr Wood on 3 June 2013, Mr Tyrell asked a question about the name (which, apparently, Mr Wood had kept referring to since contact was initiated as "solis" or "solis post"):

"When you talk about Solis, do you mean Zeta UK's Solis Pole? They own that particular name"

Mr Wood responded stating:

"Some time ago I registered the name solis post (I know that Zeta were calling their pole solis but it has never been registered as a trade mark so we are the legal owners on this name. the brand is attached."

30. Mr Wood's evidence provides little by way of detail about this phase. He simply refers to it as "an unsuccessful project with another third party". He does add in his second witness statement that the relationship with ZFE came to end in February 2014 because whilst Mr Tyrell could supply the components he needed, "no sensible agreement was going to be forthcoming".

Re-opening discussions with Zeta

31. Mr Wood states that in February 2014 he went back to Zeta with reference to the development of the software for control of his solar bollard. He states that on 25 March 2014, during a meeting, he informed Zeta that the product would be called SOLISPOST (although it should be borne in mind that the name had already been mentioned in October 2012) and that he had registered the mark. He states that Zeta raised no issue with this. Instead, OTC placed orders with Zeta for over 30k of product before Zeta then launched legal actions against it.

32. Mr Shadbolt states that OTC approached Zeta for the second time (but does not say when) and he was agreeable to them working together. Zeta would still make SolisPOLE and solisPADDLE, with the SolisPOST being jointly marketed. He accepts that a meeting took place in March 2014 and that he challenged Mr Wood about the name. Mr Wood apparently stated that his son had come up with the name. Mr Shadbolt states that he did not accept this explanation but nevertheless moved on to discuss the development of the product. He states that his concerns over the name were put to one side because he assumed they would be entering into some form of formal business agreement. Mr Wood denies that any challenge was made about the name.

33. Mr Shadbolt states that the relationship again broke down (exactly when is not clear) at which point Zeta applied to register its marks (the subject of the oppositions); the applications were filed on 30 April 2014. Mr Shadbolt states that it was only at this point did he discover that OTC had actually registered the SOLISPOST marks (he states that the registration of the name had not been mentioned at the meeting in March).

34. Mr Wood states in his second witness statement that Mr Shadbolt's reference to joint marketing is inaccurate. He states that Zeta would supply solar components to OTC and, in due course, OTC's distributors, who would then manufacture/source the other components and sell the product. OTC would apparently allow Zeta to be a non-exclusive distributor, but there was no discussion of joint marketing.

OTC's coining of the name SOLISPOST

35. Mr Wood provides prints of a number of email exchanges between himself and his trade mark attorneys in relation to OTC's trade mark applications:

- i) On 4 July 2012 Mr Wood asked for assistance with his new company which may wish to protect a new product design and name. No name is mentioned.
- ii) On 11 September 2012 Mr Wood states "A bit obvious I know, but can you see if we can use the mark SOLIS for our brand name and register this as a trade mark?". Mr Wood highlights his use of the words "a bit obvious I know" as he explains that SOLIS was first selected as an allusion to the solar powered nature of the product. He was uncertain that he would be able to register it because it is Latin for sun.
- iii) On 21 September 2012 Mr Wood was advised that the mark is likely to be acceptable, but there were three potential earlier marks to consider.
- iv) On 29 October 2012, prompted by a reminder from his attorney, Mr Wood provided a copy of the "solispost" mark (stylised), as the "name and mark of the product". Mr Wood states that he was limited in his capacity to conduct a full pre-filing search and that the mark was revised due to the issue highlighted above (conflict with the earlier marks); POST was chosen as the product was to be used not just on bollards but also in respect of posts and supports.
- v) On 31 October 2012 Mr Wood was informed that the new name was less likely to conflict with the earlier marks, but there was still one mark which may be a problem. Suggestions were made to limit the goods applied for in order to further lessen the likelihood of conflict.

36. Mr Wood states that due to financial constraints he delayed filing the application and, also, carried out no further searching despite being aware of the risk of this. On 25 March 2013 he gave instruction to file the first application (in class 6). No objection or opposition was received. The second application was filed on 8 July 2013 (in

classes 6 and 9) subsequent to advice Mr Wood had received from his attorney in connection with a supply agreement for software and components for the product.

37. Mr Wood states that “..SOLISPOST was devised independently by me”. He says that he was unaware of any claim to rights in the sign Solispole by Zeta, and was at that time (and remains) unaware of any use by Zeta of the signs Solis, Solispaddle or Solisbollard. In his second witness statement the position he adopts is, essentially, that the only rights of which he was aware was of SolisPOLE which “mark and goods are dissimilar”.

38. Mr Wood states that if Zeta had any rights in the sign SolisPOLE or any other rights then he would have expected them to have registered it which would have meant the mark being found in the preliminary searches. He says that over many years he has had a portfolio of trade marks and respects the importance of intellectual property rights. He states that he would not seek to misappropriate or seek to benefit from someone else’s reputation.

39. Mr Shadbolt states that Mr Wood could not have coined the mark independently because of his knowledge of Zeta’s use of SOLIS and SolisPOLE.

Claimed instances of confusion

40. Mr Shadbolt states that Zeta has had enquiries from people who have purchased the SolisPOST who believe that it was made by Zeta. No documentary evidence is provided in relation to this.

SECTION 5(4)(A) – PASSING OFF

41. Section 5(4)(a) of the Act reads:

“A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented –

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

(b)...

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of “an earlier right” in relation to the trade mark.”

42. Halsbury’s Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165 provides the following analysis of the law of passing-off. The analysis is based on guidance given in the speeches in the House of Lords in *Reckitt & Colman Products Ltd v. Borden Inc.* [1990] R.P.C. 341 and *Erven Warnink BV v. J. Townend & Sons (Hull) Ltd* [1979] AC 731. It is (with footnotes omitted) as follows:

“The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

(1) that the plaintiff’s goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;

(2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by the defendant are goods or services of the plaintiff; and

(3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant’s misrepresentation.

The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House’s previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal definition of passing off, and in particular should not be used to exclude from the ambit of the tort recognised

forms of the action for passing off which were not under consideration on the facts before the House.”

43. Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:

“To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

(1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and

(2) that members of that class will mistakenly infer from the defendant’s use of a name, mark or other feature which is the same or sufficiently similar that the defendant’s goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

(a) the nature and extent of the reputation relied upon;

(b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;

(c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;

(d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.”

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.”

The relevant date

44. Whether there has been passing-off must be judged at a particular point (or points) in time. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC, sitting as the Appointed Person, stated:

“39. In *Last Minute*, the General Court....said:

‘50. First, there was goodwill or reputation attached to the services offered by LMN in the mind of the relevant public by association with their get-up. In an action for passing off, that reputation must be established at the date on which the defendant began to offer his goods or services (*Cadbury Schweppes v Pub Squash* (1981) R.P.C. 429).

51. However, according to Article 8(4) of Regulation No 40/94 the relevant date is not that date, but the date on which the application for a Community trade mark was filed, since it requires that an applicant seeking a declaration of invalidity has acquired rights over its non-registered national mark before the date of filing, in this case 11 March 2000.’

40. Paragraph 51 of that judgment and the context in which the decision was made on the facts could therefore be interpreted as saying that events prior to the filing date were irrelevant to whether, at that date, the use of the mark applied for was liable to be prevented for the purpose of Article 8(4) of the CTM Regulation. Indeed, in a recent case before the Registrar, *J Sainsbury plc v. Active: 4Life Ltd* O-393-10 [2011] ETMR 36 it was argued that *Last Minute* had effected a fundamental change in the approach required before the Registrar to the date for assessment in a s.5(4)(a) case. In my view, that would be to read too much into paragraph [51] of *Last Minute* and neither party has advanced that radical argument in this case. If the General Court had meant to say that the relevant authority should take no account of well-established principles of English law in deciding whether use of a mark could be prevented at the application date, it would have said so in clear terms. It is unlikely that this is what the General Court can have meant in the light of its observation a few paragraphs earlier at [49] that account had to be taken of national case law and judicial authorities. In my judgment, the better interpretation of *Last Minute*, is that the General Court was doing no more than emphasising that, in an Article 8(4) case, the *prima facie* date for determination of the opponent's goodwill was the date of the application. Thus interpreted, the approach of the General Court is no different from that of Floyd J in *Minimax*. However, given the consensus between the parties in this case, which I believe to be correct, that a date prior to the application date is relevant, it is not necessary to express a concluded view on that issue here.

41. There are at least three ways in which such use may have an impact. The underlying principles were summarised by Geoffrey Hobbs QC sitting as the Appointed Person in *Croom's TM* [2005] RPC 2 at [46] (omitting case references):

- (a) The right to protection conferred upon senior users at common law;
- (b) The common law rule that the legitimacy of the junior user's mark in issue must normally be determined as of the date of its inception;

(c) The potential for co-existence to be permitted in accordance with equitable principles.

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

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

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

45. There is nothing to show that OTC had used the mark SOLISPOST in the public domain prior to either of the filing dates. Consequently, I need only consider the position as of the dates of filing, namely, 26 March 2013 and 8 July 2013

Goodwill

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

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

47. In *Hart v Relentless Records* [2003] FSR 36, Jacob J. (as he then was) stated that:

“62. In my view the law of passing off does not protect a goodwill of trivial extent. Before trade mark registration was introduced in 1875 there was a right of property created merely by putting a mark into use for a short while. It was an unregistered trade mark right. But the action for its infringement is now barred by s.2(2) of the Trade Marks Act 1994. The provision goes back to the very first registration Act of 1875, s.1. Prior to then you had a property right on which you could sue, once you had put the mark into use. Even then a little time was needed, see per Upjohn L.J. in BALI Trade Mark [1969] R.P.C. 472. The whole point of that case turned on the difference between what was needed to establish a common law trade mark and passing off claim. If a trivial goodwill is enough for the latter, then the difference between the two is vanishingly small. That cannot be the case. It is also noteworthy that before the relevant date of registration of the BALI mark (1938) the BALI mark had been used ‘but had not acquired any significant reputation’ (the trial judge's finding). Again that shows one is looking for more than a minimal reputation.”

48. However, a small business which has more than a trivial goodwill can protect signs which are distinctive of that business under the law of passing-off even though its reputation may be small. In *Stacey v 2020 Communications* [1991] FSR 49, Millett J. stated that:

“There is also evidence that Mr. Stacey has an established reputation, although it may be on a small scale, in the name, and that that reputation preceded that of the defendant. There is, therefore, a serious question to be tried, and I have to dispose of this motion on the basis of the balance of convenience.”

See also: *Stannard v Reay* [1967] FSR 140 (HC); *Teleworks v Telework Group* [2002] RPC 27 (HC); *Lumos Skincare Limited v Sweet Squared Limited and others* [2013] EWCA Civ 590 (COA)

49. In terms of what is required to establish goodwill, I note that in *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 (HC), Pumfrey J. stated:

“27. There is one major problem in assessing a passing of 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 requirements 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 R.P.C. 97 as qualified by *BALI Trade Mark* [1969] R.P.C. 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 to 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 probabilities that passing off will occur.”

50. However, in *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat) Floyd J. stated that:

“[The above] observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be answered of passing off. I do not understand Pumfrey J to be laying down any absolute requirements as to the nature of evidence which needs to be filed in every case. The essential is that the evidence should show, at least prima facie, that the opponent's reputation extends to the goods comprised in the application in the applicant's specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application.”

51. Mr Wood has been highly critical of Mr Shadbolt's evidence. I accept that it is not well marshalled. However, it is necessary to look at the evidence in totality and, once pieced together, to consider whether goodwill has been established. The evidence certainly shows that Zeta had (at the relevant dates) been operating a business in the field of solar powered items including street furniture (and the underpinning technology) for some time. As Ms Jones submitted, goodwill exists in a business not in a particular name. Nevertheless, the sign(s) relied upon must be associated with Zeta and distinctive of them, otherwise, there could never be any form of misrepresentation. To that extent, Ms Jones relied upon what she described as a family of SOLIS based signs. She added that even if Zeta could not rely on the SOLIS family, she highlighted that OTC had accepted that SolisPOLE had been used. Whilst this is noted, accepting that something has been used does not necessarily equate to accepting that goodwill exists.

52. There have been no sales of SolisBOLLARD, and nothing branded as SOLIS per se. The fact that both these signs have been used internally does not generate goodwill. One is, therefore, left with the impact that the sales and marketing of SolisPOST and SolisPADDLE (the latter sometimes referred to as SolisPOSTADAPTA) have had. Ms Jones accepted at the hearing that the evidence of actual customer numbers was low. However, she relied on the fact that some customers existed together with potential customers (as evidenced by the quotations and emails attached to brochures etc) and attendance at the Traffex exhibition.

53. That there is clear evidence of sales and custom means that Zeta does not face the difficulties (in terms of the existence of goodwill) that would be encountered by a new trader who has yet to achieve any sales. The custom generated in association with the two signs, together with the additional indications of business operation (such as quotations, issuing of brochures, attending exhibitions) is sufficient, in my view, to show that Zeta's business has created a small but protectable goodwill associated with the signs SolisPOLE and SolisPADDLE/POSTADAPTA. The field in question is a niche one, as submitted by Ms Jones, and clearly Zeta is building its goodwill. But even by the relevant dates, its goodwill was sufficiently well established to protect against misappropriation. This finding is not diminished by the fact that the SolisPADDLE is sometimes called SolisPOSTADAPTA (and to a lesser extent, SolisPOLE being referred to as Solis Lightring). The SOLIS part is still present. I note that Mr Wood provided in evidence some web-prints showing that the paddle product was being advertised as the Zeta Solar Paddle in March 2013 (and also at a date after the relevant dates). However, this is only two months and six months before the respective relevant dates and does not in my view undermine the evidence that Zeta had used SolisPADDLE/POSTADAPTA. It may represent an example of inconsistent branding, but one which cannot be taken to have had a material impact on the goodwill at the relevant dates.

54. Clearly, the goodwill is stronger when taking the use of both signs into account, but, for the sake of clarity, I consider that one or other of the forms of use, of the level indicated in the evidence, would have been sufficient.

Misrepresentation

55. In *Neutrogena Corporation and Another v Golden Limited and Another*, 1996] RPC 473, Morritt L.J. stated that:

“There is no dispute as to what the correct legal principle is. As stated by *Lord Oliver of Aylmerton in Reckitt & Colman Products Ltd. v. Borden Inc.* [1990] R.P.C. 341 at page 407 the question on the issue of deception or confusion is

“is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the public will be misled into purchasing the defendants' [product] in the belief that it is the respondents'[product]”

The same proposition is stated in Halsbury's Laws of England 4th Edition Vol.48 para 148 . The necessity for a substantial number is brought out also in *Saville Perfumery Ltd. v. June Perfect Ltd.* (1941) 58 R.P.C. 147 at page 175 ; and *Re Smith Hayden's Application* (1945) 63 R.P.C. 97 at page 101.”

And later in the same judgment:

“... for my part, I think that references, in this context, to “more than *de minimis*” and “above a trivial level” are best avoided notwithstanding this court's reference to the former in *University of London v. American University of London* (unreported 12 November 1993) . It seems to me that such expressions are open to misinterpretation for they do not necessarily connote the opposite of substantial and their use may be thought to reverse the proper emphasis and concentrate on the quantitative to the exclusion of the qualitative aspect of confusion.”

56. I note that when dealing with the bad faith claim Mr Wood, when accepting that he was aware of Zeta's use of SolisPOLE, stated that the “mark and goods are dissimilar”. Consequently, OTC's position is that there will be no misrepresentation. In terms of the comparison between the marks/signs, I consider there to be a high degree of similarity, both visually and aurally, between SOLISPOST (which will naturally be broken down as SOLIS and POST) and SolisPole and SolisPaddle. This is so because of the more dominant role the word SOLIS plays, coupled with the inherent similarities that exist. Conceptually, the position is more neutral because not many people will know that SOLIS is the Latin for sun, so they will see no conceptual similarity or difference.

57. In terms of the goods, the following is the specification of OTC's second application (a specification which also covers the goods of its first):

Class 6: Bollards and barriers for traffic and pedestrian control made of metal; bollards and barriers for traffic and pedestrian control made of metal incorporating lighting; street furniture, bus and cycle shelters made of metal; street furniture, bus and cycle shelters made of metal incorporating lighting; posts of metal incorporating lighting, being parts of the aforementioned; posts of metal incorporating lighting.

Class 9: Photovoltaic cells; photovoltaic solar modules; solar modules; solar batteries; solar battery chargers; electronic and electrical controllers; controller circuit boards; infrared remote controllers; passive infrared sensors and detectors; light emitting diodes; light emitting diode displays; parts and fittings for the aforesaid goods; none of the aforementioned being for use underwater, on subsea structures, pipelines or wellheads.

58. The field in which Zeta operates is solar powered technology. Its SOLIS marks represent its complete products, ie a complete final product (such as a street light) which incorporates that technology. Whilst the products are complete end products, it is the solar technology that is the key selling point. OTC's goods either represent various forms of street furniture or the solar (and electronic) components that represent the technology inside. This is clearly highly similar (and in some cases identical) to the field of activity of Zeta. Even if one were to reduce the comparison down to a solar powered bollard (which according to the business plan will illuminate) and a solar powered street light, the goods are still highly similar. I note Ms Jones submission that the SolisPOLE can perform more functions than being a street light, however, there is no evidence that Zeta has sold the SolisPOLE for another purpose, but, in any event, I have considered the fields of activity to be very similar anyway.

59. What I have already said points towards there being a misrepresentation. However, when one also takes into account that the common element between the marks/signs consists of the word SOLIS, and despite Mr Wood's initial concerns (when he sought to register it) that it was obvious and not acceptable, I regard it as a word with a reasonably high level of inherent distinctiveness, so making the finding even clearer. The misrepresentation aspect of passing-off is made out.

Damage

60. In *Harrods Limited V Harrodian School Limited* [1996] RPC 697, Millett L.J. described the requirements for damage in passing-off cases like this:

“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.

61. There is clear potential for damage based upon a direct loss of sales in respect of certain of the applied for goods. Beyond that, there is also potential for damage more generally. In *Ewing v Buttercup Margarine Company, Limited*, [1917] 2 Ch. 1 (COA), Warrington L.J. stated that:

“To induce the belief that my business is a branch of another man's business may do that other man damage in various ways. The quality of goods I sell, the kind of business I do, the credit or otherwise which I enjoy are all things which may injure the other man who is assumed wrongly to be associated with me.”

62. In a field such as this, a business will rely on its innovative technology as a selling point. Putting its reputation into the hands of another could cause no end of damage to such a business. The invalidation succeeds under section 5(4)(a) in respect of both of OTC's registrations.

SECTION 3(6)

63. Section 3(6) of the Act states that:

“A trade mark shall not be registered if or to the extent that the application is made in bad faith.”

64. In *Red Bull GmbH v Sun Mark Ltd & Anr* [2012] EWHC 1929 and [2012] EWHC 2046 (Ch) (“*Sun Mark*”) Arnold J summarised the general principles underpinning section 3(6) as follows:

“Bad faith: general principles

130 A number of general principles concerning bad faith for the purposes of section 3(6) of the 1994 Act/ Article 3(2)(d) of the Directive/ Article 52(1)(b) of the Regulation are now fairly well established. (For a helpful discussion of many of these points, see N.M. Dawson, “Bad faith in European trade mark law” [2011] IPQ 229.)

131 First, the relevant date for assessing whether an application to register a trade mark was made in bad faith is the application date: see Case C-529/07 *Chocoladenfabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH* [2009] ECR I-4893 at [35].

132 Secondly, although the relevant date is the application date, later evidence is relevant if it casts light backwards on the position as at the application date: see *Hotel Cipriani Srl v Cipriani (Grosvenor Street) Ltd* [2009] EWHC 3032 (Ch), [2009] RPC 9 at [167] and cf. Case C-259/02 *La Mer Technology Inc v Laboratoires Goemar SA* [2004] ECR I-1159 at [31] and Case C-192/03 *Alcon Inc v OHIM* [2004] ECR I-8993 at [41].

133 Thirdly, a person is presumed to have acted in good faith unless the contrary is proved. An allegation of bad faith is a serious allegation which must be distinctly proved. The standard of proof is on the balance of probabilities but

cogent evidence is required due to the seriousness of the allegation. It is not enough to prove facts which are also consistent with good faith: see *BRUTT Trade Marks* [2007] RPC 19 at [29], *von Rossum v Heinrich Mack Nachf. GmbH & Co KG* (Case R 336/207–2, OHIM Second Board of Appeal, 13 November 2007) at [22] and *Funke Kunststoffe GmbH v Astral Property Pty Ltd* (Case R 1621/2006-4, OHIM Fourth Board of Appeal, 21 December 2009) at [22].

134 Fourthly, bad faith includes not only dishonesty, but also “some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined”: see *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367 at 379 and *DAAWAT Trade Mark* (Case C000659037/1, OHIM Cancellation Division, 28 June 2004) at [8].

135 Fifthly, section 3(6) of the 1994 Act, Article 3(2)(d) of the Directive and Article 52(1)(b) of the Regulation are intended to prevent abuse of the trade mark system: see *Melly's Trade Mark Application* [2008] RPC 20 at [51] and *CHOOSI Trade Mark* (Case R 633/2007-2, OHIM Second Board of Appeal, 29 February 2008) at [21]. As the case law makes clear, there are two main classes of abuse. The first concerns abuse vis-à-vis the relevant office, for example where the applicant knowingly supplies untrue or misleading information in support of his application; and the second concerns abuse vis-à-vis third parties: see Cipriani at [185].

136 Sixthly, in order to determine whether the applicant acted in bad faith, the tribunal must make an overall assessment, taking into account all the factors relevant to the particular case: see *Lindt v Hauswirth* at [37].

137 Seventhly, the tribunal must first ascertain what the defendant knew about the matters in question and then decide whether, in the light of that knowledge, the defendant's conduct is dishonest (or otherwise falls short of the standards of acceptable commercial behaviour) judged by ordinary standards of honest people. The applicant's own standards of honesty (or acceptable commercial behaviour) are irrelevant to the enquiry: see *AJIT WEEKLY Trade Mark* [2006]

RPC 25 at [35]-[41], *GERSON Trade Mark* (Case R 916/2004-1, OHIM First Board of Appeal, 4 June 2009) at [53] and *Campbell v Hughes* [2011] RPC 21 at [36].

138 Eighthly, consideration must be given to the applicant's intention. As the CJEU stated in *Lindt v Hauswirth*:

“41. ... in order to determine whether there was bad faith, consideration must also be given to the applicant's intention at the time when he files the application for registration.

42. It must be observed in that regard that, as the Advocate General states in point 58 of her Opinion, the applicant's intention at the relevant time is a subjective factor which must be determined by reference to the objective circumstances of the particular case.

43. Accordingly, the intention to prevent a third party from marketing a product may, in certain circumstances, be an element of bad faith on the part of the applicant.

44. That is in particular the case when it becomes apparent, subsequently, that the applicant applied for registration of a sign as a Community trade mark without intending to use it, his sole objective being to prevent a third party from entering the market.

45. In such a case, the mark does not fulfil its essential function, namely that of ensuring that the consumer or end-user can identify the origin of the product or service concerned by allowing him to distinguish that product or service from those of different origin, without any confusion (see, inter alia, Joined Cases C-456/01 P and C-457/01 P *Henkel v OHIM* [2004] ECR I-5089, paragraph 48).”

65. Whether the trade mark was applied for in bad faith must be assessed at a particular point in time. As stated in the *Sun Mark* case, the relevant date is the

application date of the applications to register the trade marks. The relevant date is 26 March 2013 for the first application and 8 July 2013 for the second.

66. It is important to begin by setting out what OTC knew at the relevant date and, also, when the mark was coined. The latter point is important because it assists in determining whether the applications for registration were made in bad faith at the relevant dates. The knowledge of Mr Wood represents that of OTC.

67. It is clear that Mr Wood knew that Zeta were using, at the very least, SolisPOLE as a trade mark in respect of a solar powered street light. Even if this had not been accepted by OTC, I would have found this as a matter of fact anyway. Mr Wood would have had this knowledge not only at the relevant dates, but also when he claims to have independently created the SOLISPOST mark.

68. When he coined the SOLISPOST mark (which, on the evidence, seems to be either in September or October 2012), this was intended to be the name of the solar bollard discussed in the business plan. At this time, Mr Wood would have been fully aware that Zeta was involved in that project. The exact nature of the relationship is not clear because no formal agreement was ever put in place, however, it is clear that Zeta were approached as being a key partner in the project, providing the underlying technology. Reference is made in the business plan to the key supplier of the technology being offered shares in the new company that was to be set up to launch the product. Mr Wood himself states that Zeta would also have been offered the chance to be a distributor. Also, in the covering email to the business plan sent in October 2012, Mr Wood stated:

“I thought it sensible to share with you the business plan I did which formed the basis of our agreement with principle [sp]”

and

“I am very pleased they want you on board with the new co straightaway”

69. All of this suggests that a close business relationship was being pursued and that Zeta was regarded as the key partner in the project. This is so irrespective of Mr Wood's explanation that he (or OTC) was to obtain any design right (presumably of the bollard) and that OTC would pay for research and development costs.

70. Mr Wood states that the SOLISPOST mark was coined independently. However, as Ms Jones submitted at the hearing, even if Mr Wood was talking about the mark as a whole, he could not be said to have independently come up with the idea of using the distinctive name SOLIS as the prefix of the mark in circumstances where he already knew that Zeta were using that as the prefix for SolisPOLE. The most logical explanation is that SOLIS was chosen not independently, but because it was a name used by OTC's potential key partner in the project, some form of nod to Zeta and the branding that it was using. I also note that in Mr Wood's email sent to Mr Shadbolt in September 2012 he states:

"I am also attaching the brand name which I am having registered as a trade mark. Hope you like it!"

71. It could not have been lost on Mr Wood that SOLISPOST was so strikingly similar to SolisPole. To flag up the name to Mr Shadbolt in this way must have been done on the basis that the two companies were to work together on the development, manufacture and subsequent sale of the solar bollard. It is also noteworthy that according to the emails to his attorney, Mr Wood was first considering the mark SOLIS. He clearly could not have coined this independently in the face of the accepted knowledge of SolisPOLE.

72. Another factor to consider is that at the relevant dates, the initial discussions with Zeta had failed. OTC had then moved on to discussing matters with ZFE. Despite this, OTC still intended to call the product SOLISPOST and went on to register it. It was not until after the relevant dates (after the discussions with ZFE fell through) that OTC went back to Zeta.

73. Knowing about another person's trade mark does not automatically equate to an act of bad faith. However, in the case before me, I consider that OTC's conduct, in

applying for both SOLISPOST marks, would be considered as something below the standards of acceptable commercial behaviour observed by relevant people in the field. I say this for the following reasons:

- i) To file for a trade mark that so closely resembles that of your potential business partner (a trade mark that was not coined independently), even if the two parties were working together, would be regarded as an act of bad faith in circumstances where that business partner is not included at least as a joint owner.
- ii) The upshot of point i) is that the mark could be used against said business partner to prevent the use of the marks they have been using in business.
- iii) There is no suggestion by Mr Wood that the marks were filed in order to preserve the interests of both parties. His position is that the SOLISPOST mark is his (or more accurately belongs to OTC).
- iv) Even if I am wrong on the above findings, the position is worsened by the timing of the filings. As Mr Jones highlighted at the hearing, the marks were filed by OTC after the failure of its first round discussions with Zeta, and before they were resurrected. In such circumstances, members of the relevant trade would consider it to be an act of bad faith to apply for your ex business partner's trade mark.

74. Mr Wood points to the fact that no objection was made by Mr Shadbolt. There is a conflict of evidence as to whether Mr Shadbolt did or did not express his reservations. However, even if he did not (which I accept would have been because Mr Shadbolt believed that the parties were working together on something), going on to register the mark after the failure of the discussions is nevertheless an act of bad faith. The ground under section 3(6) succeeds.

CONCLUSION

75. The following represents the various outcomes:

- i) OTC's two trade mark registrations are invalid and are deemed never to have been made.
- ii) The opposition to Zeta's three trade mark applications fails because the only basis for OTC's opposition, its two earlier marks, have fallen away.
- iii) Zeta's three trade marks may, subject to appeal, proceed to registration.

COSTS

76. Zeta have succeeded and are entitled to a contribution towards its costs. At the hearing, Ms Jones sought costs above the published scale because, she submitted, the lengthy challenges made to Mr Shadbolt's evidence created additional and unnecessary work with the consequent need to attend a hearing to make submissions on the evidence. She also submitted that Mr Wood's evidence was plainly incredible and sticking to his guns throughout was unreasonable. I reject the request for off-scale costs. As I have said already, Mr Shadbolt's evidence was not well marshalled which was no doubt one of the reasons for the lengthy challenges. Furthermore, the evidence filed by Mr Shadbolt in reply was not overly lengthy. As to the hearing, Ms Jones (or another representative) could, of course, have filed written submissions. In terms of Mr Wood's position, whilst I have found against him, I do not consider that sticking to his position represents unreasonable conduct. I will make the award with reference to the scale. My assessment is set out below:

Preparing statements of case in the two invalidity claims (which closely mirrored each other) - £400

Official fees for the invalidity claims - £400

Preparing counterstatements in the three opposition proceedings (which closely mirrored each other) - £400

Filing and considering evidence - £1000

Preparing for and attending the hearing - £600

Total - £2800

77. I therefore order OnTheCase (International) Limited to pay Zeta Specialist Lighting Limited, the sum of £2800. This should be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 12th day of May 2016

Oliver Morris

For the Registrar,

The Comptroller-General