

O-379-10

**TRADE MARKS ACT 1994**  
**IN THE MATTER OF APPLICATION NO 2486401**  
**IN THE NAME OF SDC INDUSTRIES LIMITED**

**AND**

**OPPOSITION THERETO UNDER NO 98247**  
**BY POWERPERFECTOR PLC**

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No 2486401 in the name of  
SDC INDUSTRIES LIMITED and  
opposition thereto under No 98247  
by POWERPERFECTOR PLC

### **Background**

1. On 30 April 2008, SDC Industries Limited ("SDC") filed an application under No 2486401 for registration of a series of four trade marks. The application was subsequently subject of an amendment and registration is now sought in respect of a series of two trade marks, namely:

**VARMATIC VOLTAGE OPTIMISER**  
Varmatic Voltage Optimiser

2. Registration is sought in respect of the following goods and services in classes 9, 29 and 42 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended:

*Scientific apparatus and instruments; apparatus and instruments for conducting, switching, transforming, measuring, signalling, checking, accumulating, regulating or controlling electricity; electrical measuring, testing, signalling, switching, distribution and transmission apparatus; power quality control apparatus and instruments; power factor correction apparatus and instruments; circuit breakers; electrical battery equipment; capacitors; transformers; switches; electrical switchgear; power supply apparatus and instruments; apparatus and instruments for electricity distribution; power distribution apparatus and instruments for use in electrical systems; voltage surge protectors; apparatus and instruments for limiting excess voltages; harmonic filtration systems; earthing apparatus and instruments; apparatus and instruments for lighting control; electrical energising apparatus and instruments for lighting appliances; apparatus and instruments for monitoring domestic or industrial consumption of electrical energy, gas, light, heat, and water; apparatus and instruments for analysing signals, currents and voltage; electrical and electronic apparatus and instruments for use in or in relation to the generation or distribution of power, gas, light, heat, water or electricity or telecommunications; parts and fittings for all of the aforesaid goods.*

*Advisory and information services relating to energy and water supply services.*

*Scientific and technological services and research and design relating thereto; industrial analysis and research services; advisory services relating to energy efficiency; consultancy services in the field of energy-saving; recording data services relating to energy consumption in buildings; home inspection services; conducting of surveys relating to energy efficiency; advisory and information services relating to power, electricity, gas and water consumption; energy monitoring; advisory and*

*information services all relating to electric and gas equipment; energy efficiency, energy conservation and energy management services; technical study and advice concerning the distribution of energy consumption; technical evaluation and estimate services concerning energy consumption; information, consultancy and advisory services relating to all of the aforesaid services.*

3. Following publication of the application in the *Trade Marks Journal*, Notice of Opposition to its registration was filed on behalf of Powerperfector plc (“PP”). PP’s grounds of objection are brought, briefly, as follows:

- Under section 3(6) on the grounds that the application was made in bad faith;
- Under section 5(4)(a) of the Act based on the law of passing off and founded on its use, since 2003 and in the UK of the marks VOLTAGE OPTIMISE, VOLTAGE OPTIMISER and VOLTAGE OPTIMISATION in relation to *energy control devices; apparatus for managing energy supplies and; advisory and consultancy services in relation to energy and energy efficiency.*

4. SDC filed a counterstatement in which it denied both grounds of opposition and put PP to proof of use of the marks relied upon.

5. Only PP filed evidence. Neither party requested to be heard and neither filed written submissions in lieu of attendance at a hearing. I therefore give this decision from the papers before me.

#### **PP’s evidence**

6. This takes the form of a witness statement of Angus Donald Winton Robertson, PP’s founder and Chief Executive Officer. Mr Robertson explains that in April 2001, he set up a company called Legend Power (UK) plc (“Legend”). In April 2004 he set up PP whereupon “the trading operation was transferred” from Legend to PP before Legend was placed in voluntary liquidation.

7. Mr Robertson says that he coined the term Voltage Power Optimisation and started using it through his company in 2002. He states that his companies have used the same trade marks throughout their trading history and says that this includes “ all marks relevant to the opposition (ie. ‘Voltage Optimise’, ‘Voltage Optimiser’, ‘Voltage Optimisation’ and ‘VPO/Voltage Power Optimisation)”. I note that ‘VPO/Voltage Power Optimisation are not marks set out as being relied upon in the Notice of Opposition and I therefore say no more about them.

8. Mr Robertson gives the following details of annual UK sales of “our technology and related services” along with advertising costs in the UK in relation to use of its marks:

Year	Sales Amount (£s)	Advertising costs (£s)
2002	34,902	14,303
2003	73,885	16,192
2004	387,831	17,517
2005	1,506,847	33,152

2006	2,154,552	36,734
2007	5,612,129	31,856
2008	12,012,783	130,316
2009	24,000,000 (estimated)	250,000 (estimated)

9. Some of the 2008 and all of the 2009 figures date from after the relevant date in these proceedings.

10. Mr Robertson says that he is aware “that there are arguments that the Marks have a descriptive element” but believes his company’s promotion of them means that they are uniquely associated with his company through the use made of them.

11. Attached to Mr Robertson’s witness statement are fifteen exhibits as follows:

- AR1 -a print from Companies House relating to Powerperfector plc which changed its name from Powerperfector Ltd, that company being incorporated on 20 April 2004;
- AR2 - a print from Companies House relating to Legend Power (UK) plc showing it to have been incorporated on 2 April 2001 and dissolved on 15 March 2009;
- AR3 -a 2008 brochure from British Energy. It is entitled “Powering Value. British Energy Direct-Our business & what we can do for yours.” Page 3 of the exhibit indicates that “We have partnered with powerPerfector™ to offer voltage optimisation technology...”;
- AR4 -Mr Robertson says that this is a communications paper which was prepared by an advertising agency when it was pitching for work;
- AR5 -A Legend brochure from 2002. It consists of 7 pages. Page 1 appears to be a copy of the front cover. Underneath the words powerPerfector and a device it bears the words “The Most Efficient Voltage Optimisation Technology In The World”. Page 2 introduces powerPerfector and says “since 1993, total sales of this energy saving voltage optimiser have exceeded....” . Under the heading “Overview” it goes on to say that “The powerPerfector is the Energy and Cost Saving Voltage Optimiser” and explains that the powerPerfector “reduces energy use and costs by....optimising the electricity supply voltage”;
- AR6 -These are brochures from 2003, 2004 and 2009, the latter being after the relevant date. The front pages and introductions are as appear in the brochure exhibited at AR5. At p17 of the exhibit it is explained that “The integration of Voltage Optimisation in customers’ electricity supply is a sea change...” and goes on to say that “**Voltage Optimisation** is not the same as **voltage reduction**...” but is instead “about getting your ‘at source’ power quality Optimised...”. Page 23 indicates that “The powerPerfector Plus is a Voltage Optimisation and stabilisation technology...” and that “pP Plus features dynamic Voltage Optimisation that ensures....”. Page 24 counsels the reader to “have all the facts

before making a decision to install at-source Voltage Optimisation technology...”;

- AR7 -The exhibit consists of twelve pages. Eleven are from the powerperfector.com website with one page from a web design company and which appears to be a proof page. Pages 1 and 2 bear the date 10 June 2009 and so dates from after the relevant date. Next to the words powerPerfector and device on the first page is the heading “Voltage Optimisation”. It begins “Welcome to our Website, which explains powerPerfector’s Voltage Power Optimisation ® (VPO) technology”. Despite the use of the ® symbol which indicates that what precedes it is a registered trade mark, I have not been made aware of any such registration and it is not one which is relied on in these proceedings. All other pages bear a download date of 23 October 2006 and refer prominently to the powerPerfector, explaining what the product does, how PP carries out its evaluation and providing email contact details;
- AR8 -Said to be sample press releases from 2005-2008. The exhibit consists of 31 pages. Page 1 is dated July 2005 and is entitled “powerPerfector News”. Page 4, dated July 12, 2004 appears to be a press release of Beacon Press and indicates that the company is using a “powerPerfector voltage optimiser”. The reverse of page 10 indicates how use of powerPerfector contributed to reduction in energy use as “Kwh consumption fell by 14.5% from the 7% voltage optimisation. Page 16, a powerPerfector newsletter dated February 2007, refers to the installation of “a powerPerfector voltage optimisation unit” in a university building. Page 19, from powerPerfector’s newsletter of March 2007, tells of Mr Robertson’s attendance at a BEA Conference where he had been invited “to present Voltage Optimisation to the Brewing Engineers”. Page 20, the May 2007 powerPerfector newsletter, states “powerPerfector’s Voltage Optimisation has the ability to deliver...”. At page 22 is issue 19 (undated) of powerPerfector’s Newsletter. It previews the “pP-Plus [as being] a new generation of voltage optimisation technology” which features “dynamic voltage optimisation, ensuring that equipment receives an efficient voltage regardless” and “offers a solution to businesses that are unsuited to standard voltage optimisation”;
- AR9 -is 13 pages of articles said to be written by Mr Robertson for Energy World, a publication of The Energy Institute which represents the oil industry. Page 2 is entitled “Voltage optimisation arrives to generate electricity cost savings” and goes on to say “The technology that does this is called ‘voltage power optimisation’ (VPO) and has now been introduced into this country under the name powerPerfector”;
- AR10 -are various press articles. Page 3, whose source is not identified, indicates that “Mr Robertson’s company is importing the Japanese devices under the powerPerfector name”;

AR11 -consists of pages from the 2007 Sustainable Development Commission report. Page 4, which is a poor photocopy and somewhat difficult to read refers to a case study entitled “Defra-Voltage optimisation project (‘powerPerfactor’)” and goes on to say that “they identified Voltage Optimisation as a technology that....”;

AR12 -are said to be advertisements which appeared in the trade press between November 2008 and January 2009. Although this is after the relevant date they are said to be typical of those that the company places. Page 1 shows an advertisement for powerPerfactor which states “powerPerfactor have been masters of the mystic art of Voltage Optimisation for a long time”;

AR13 -is a list of trade shows and exhibitions attended;

AR14 -is said to be a Verdantix report which has not yet (at the date of Mr Robertson’s witness statement) been published. Paragraph 4.1 is entitled Voltage Power Optimisation (VPO) and, at page 17 indicates that “Voltage optimisation differentiates itself from other voltage reduction measures...”. The paragraph concludes with “Example Suppliers” under which is noted the name powerPerfactor;

AR15 -are pages said to have been taken from SDC’s website and which Mr Robertson says are intended to show how it uses the phrase “voltage optimisation” in a descriptive way. There are 7 pages, the first three of which are of such poor quality that I cannot be certain what they contain. Page 4 refers to “The advanced voltage optimisation technology used by the Varmatic Voltagemaster allows this type of equipment to operate at optimum capacity...”.

12. That concludes my summary of the evidence to the extent that I consider it necessary.

13. I intend to deal first with the objection founded upon section 3(6) of the Act. This states:

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

14. In its Notice of Opposition, PP puts its objection under this ground in the following terms:

“The Opponent says that the Applicant has filed for the registration of a trade mark that comprises the words “VOLTAGE OPTIMISER” in the knowledge that VOLTAGE OPTIMISER, VOLTAGE OPTIMISE and VOLTAGE OPTIMISATION (being marks that are identical to or nearly-identical to VOLTAGE OPTIMISER) are trade marks that have been used exclusively by the Opponent since a date that pre-dates any use thereof by the Applicant. Additionally, the Opponent contends that the Applicant would have been aware of previous applications filed by the Opponent for marks that consists

of or comprise VOLTAGE OPTIMISE and VOLTAGE OPTIMISER (UK Application No. 2485577 of 22 April 2008 and CTM Application No. 6854228 of 22 April 2008). In the premise thereof the Opponent contends that in filing to register a trade mark that comprises words that are identical to or nearly identical to marks that were first used by the Opponent and which were first filed by the Opponent, the Opponent believes that the conduct of the Applicant in filing the present application was dishonest and/or fell below the normal standards of commercial behaviour.”

15. Bad faith includes dishonesty and “some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular field being examined (see *Gromax Plastics Ltd v Don and Low Nonwovens Ltd* [1999] RPC 367). Certain behaviour might have become prevalent but this does not mean that it can be deemed to be acceptable (see *Harrison v Teton Valley Trading Co* [2005] FSR 10. Bad faith impugns a person’s character and, that being the case, it is a serious allegation (see *Royal Enfield Trade Marks* [2002] RPC 24. The matter must be determined on the basis of the balance of probabilities but the more serious the allegation, the more cogent must be the evidence to support it (see *Re H (Minors)* [1996] AC 563). In this case, I have no evidence of any sort which goes to any allegation of bad faith. Absent evidence, the allegation is not made out and must be dismissed.

16. The remaining ground of opposition is brought under section 5(4)(a) of the Act. This states:

“5(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented

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

(b) .....

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

17. The principles of the law of passing-off were summarised by Lord Oliver in *Reckitt & Colman Products Ltd v. Borden Inc* [1990] RPC 341 at page 406:

“The law of passing off can be summarised in one short, general proposition: no man may pass off his goods as those of another. More specifically, it may be expressed in terms of the elements which the plaintiff in such an action has to prove in order to succeed. These are three in number. First he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying 'get-up' (whether it consists simply of a brand name or trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff's goods or

services. Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff. ... Thirdly he must demonstrate that he suffers, or in a *quia timet* action that he is likely to suffer, damage by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff."

18. A similar provision to section 5(4)(a) of the Act is to be found in Article 8(4) of Council Regulation 40/94 of December 20, 1993. This was the subject of consideration by the General Court in *Last Minute Network Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Joined Cases T-114/07 and T-115/07. In that judgment the General Court stated:

"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 nonregistered national mark before the date of filing, in this case 11 March 2000."

19. As a consequence the material date at which I have to consider the matter is the date of the filing of the application for registration, 30 April 2008.

20. In reaching a conclusion on this ground of opposition, I take note of the comments of the Appointed Person, Mr Geoffrey Hobbs Q.C. in *Wild Child Trade Mark* [1998] RPC 455 where he said:

"The question raised by the grounds of opposition is whether normal and fair use of the designation WILD CHILD for the purposes of distinguishing the goods of interest to the applicant from those of other undertakings (see section 1(1) of the Act) was liable to be prevented at the date of the application for registration (see Article 4(4)(b) of the Directive and section 40 of the Act) by enforcement of rights which the opponent could then have asserted against the applicant in accordance with the law of passing off.

A helpful summary of the elements of an action for passing off can be found in Halsbury's Laws of England 4<sup>th</sup> Edition Vol.48 (1995 reissue) at paragraph 165. The guidance given with reference to the speeches in the House of Lords in *Reckitt & Colman Products Ltd v Borden Inc* [1990]RPC 3341 and *Erven Warnik BV v J Townend & Sons (Hull) Ltd* [1979] AC 731 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.

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:

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

Whilst 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.”

21. PP has filed much material about its business. On the face of it, its business appears to have been fairly limited initially but steadily increased with sales of around £5.5m taking place during the last complete year before the relevant date. I am given no information as to how many energy control devices it has sold or what related services it has provided. Neither is there any evidence which allows me to identify the cost of an individual device or service. There is evidence that PP was, at one time, the sole importer/supplier of the devices but that others have subsequently joined the market. I am given no information about the size of the market nor of PP's place within it at the relevant date. There is evidence that it has supplied its goods and services to a number of customers such as universities, large retailers and government bodies though the value of those sales has not been provided. I am satisfied that there is goodwill and, whilst I do not know the exact extent of this goodwill, I do not consider that anything will turn on this: it is sufficient that PP has a protectable goodwill and I go on to consider with what sign that goodwill is associated.

22. Despite a careful review of all the evidence, I can find no examples of any use of the claimed mark VOLTAGE OPTIMISE. As for use of VOLTAGE OPTIMISER I have found two references in exhibit AR5 and another in AR8. In the former, a Legend brochure from 2002, the reference comes in the form of a mention of “total sales of [the powerPerfector] energy saving voltage optimiser have exceeded [...]”. In the latter it appears in a press release from Beacon Press which announces it has installed “a powerPerfector voltage optimiser”. There are more references in the evidence to the third claimed mark VOLTAGE OPTIMISATION. Some references, such as the brochure at AR5, include these words within headings such as “ The Most Efficient Voltage Optimisation Technology In The World”. Others, such as the reference at page 17 of exhibit AR6, use it as part of an explanation i.e. “**Voltage Optimisation** is not the same as **voltage reduction**”. Still others refer to the installation of equipment as in AR8 which refers to “a powerPerfector voltage optimisation unit ”. Articles written by Mr Robertson himself, and exhibited at AR9, refer to voltage optimisation descriptively as being the technology which enables

savings of both energy and cost or the technology supplied through the powerPerfector unit. Whilst there are a number of references throughout the evidence of the powerPerfector unit being a voltage optimiser or for voltage optimisation, in my view, the material filed shows the business and its goods and services are referred to not by the marks as relied on but instead are referred to under the mark powerPerfector. That is overwhelmingly how the goods and services are marketed and how they will be known by the customer. Based upon my findings, I consider the goodwill is associated with powerPerfector (whether or not with the initial letter in upper case). The evidence does not substantiate the claim that the goodwill is associated with Voltage Optimise, Voltage Optimiser or Voltage Optimisation the latter two of these which are terms used by PP in its business material in a descriptive sense. There is no similarity between powerPerfector and SDC's trade mark. In the absence of any similarity there can be no deception or misrepresentation and so there would be no consequential damage. To succeed in a claim for passing off, PP must satisfy the three criteria referred to in paragraph 17 above. It has failed to do so and thus the claim to passing off must fail.

23. The opposition by PP fails on all grounds and the application is free to proceed to registration.

### **Costs**

24. SDC having been successful is entitled to a contribution towards its costs. I take note that SDC filed neither evidence nor written submissions and that no hearing has taken place. I therefore award costs on the following basis.

For reviewing Form TM7 and filing Form TM8	£300
For considering evidence and written submissions	£500
Total	£800

I order Powerperfector plc to pay SDC Industries Limited the sum of £800. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 28 day of October 2010**

**Ann Corbett  
For the Registrar  
the Comptroller-General**