

**BL O/388/21**

**TRADE MARKS ACT 1994**

**CONSOLIDATED PROCEEDINGS**

**TRADE MARK REGISTRATION No. 3394682**

**IN THE NAME OF ELMERIDGE CABLE SERVICES LIMITED**

**AND**

**APPLICATION 502847 BY ELMERIDGE CABLES LTD**

**FOR THE REGISTRATION TO BE DECLARED INVALID**

**AND**

**TRADE MARK REGISTRATION No. 3362050**

**IN THE NAME OF ELMERIDGE CABLES LTD**

**AND**

**APPLICATION 502987 BY ELMERIDGE CABLE SERVICES LIMITED**

**FOR THE REGISTRATION TO BE DECLARED INVALID**

## **Background and pleadings**

1. On 25 April 2019, Elmeridge Cable Services Limited (“ECSL”) filed trade mark application number 3394682 for the mark **ELMERIDGE CABLE** for the following goods and services:

**Class 9:** Apparatus and instruments for transmitting electricity; electrical and electronic components; electric cables; electronic cables; optical cables; fibre optic cables; power cables; underwater power cables; oil filled cable systems; gas filled cable systems; cable tubing; cable connectors; cable joints; electrical terminators; distribution boxes for electrical power; junction boxes for electrical connections; connector boxes for electrical connections; parts and fittings for all of the aforesaid goods.

**Class 37:** Installation, maintenance and repair services relating to cables; installation, maintenance and repair of high voltage power systems; advisory services relating to cable installations; identification and repair of faults in cable systems; laying of power cables; installation of telecommunications cable networks, power cable networks and business communication systems; on site building project management, including in connection with the installation and laying of cables; consultancy services relating to the installation, maintenance and repair of electrical and power cables.

**Class 41:** Educational services; teaching services; training services.

**Class 42:** Provision of technical information and advice relating to high voltage power systems and the laying of power cables; engineering services; development and design of cabling solutions; custom design and development of high voltage power systems.

2. ECSL’s application was registered for all of the goods and services listed above, on 20 September 2019.
3. On 3 October 2019 Elmeridge Cables Ltd. (“ECL”), under cancellation application **CA502847**, applied to invalidate ECSL’s registration in respect of all of the goods

and services for which it is registered, relying upon section 5(2)(b) and section 5(3) of the Trade Marks Act 1994 (“the Act”).

4. For the purposes of that action ECL relies upon its UK registration No. 3362050, for the mark **Elmeridge**, which has a filing date of 19 December 2018 and a registration date of 15 March 2019.

5. The ECL mark is registered for the following:

**Class 09:** Cables and wires; Electric cables and wires.

6. In its statement of grounds, ECL claims that it is regularly contacted by customers of ECSL in error, in the mistaken belief that they and ECSL are the same business. It states that as the word ELMERIDGE is the dominant and distinctive element in the marks at issue, and the word CABLE does not have a strong distinctive value, the dominant concept in ECSL’s mark is in the word ELMERIDGE.

7. ECL also claims that the goods at issue are identical and that ECSL’s services are intrinsically linked to the goods that ECL has protection for. ECL asserts that due to the strong similarity between the marks and the identity/similarity between the goods and services at issue, there exists a likelihood of confusion on the part of the public, which includes a likelihood of association between the marks. As such ECSL’s mark should be invalidated under section 5(2)(b).

8. In respect of the section 5(3) ground, ECL states that it has been actively trading using the earlier mark ‘Elmeridge’ since 1987 and has built up a business reputation in that name. It asserts that ECSL had never previously traded under the name ELMERIDGE but has, since 2018, been using the mark to obtain an unfair advantage of ECL’s business reputation.

9. In its counterstatement ECSL denies that the relevant Intellectual Property (IP) rights are the property of ECL. ECSL denies that it had not used the name ELMERIDGE until 2018, thereby representing a change of trading style on its part. ECSL put ECL to proof of its use of the mark ELMERIDGE since 1987.

10. ECSL denies that a member of the general public would assume that the goods and services at issue would come from the same or related undertakings. ECSL claims that it has used the mark ELMERIDGE CABLE SERVICES in the United Kingdom for several years without confusion and without objection from ECL until very recently. Finally, ECSL put ECL to proof that there is a likelihood of confusion or association, as alleged in the statement of grounds.
11. UK registration No. 3362050 which ECL relies upon, qualifies as an earlier mark in accordance with section 6 of the Act and given its registration date, it is not subject to the proof of use provisions contained in section 47(2A) of the Act.
12. On 10 January 2020 ECSL filed form TM26(l) in order to invalidate ECL's UK registration No. 3362050 on the basis of section 5(4)(a) of the Act, relying on the unregistered mark **ELMERIDGE CABLE SERVICES** and claiming use of this earlier mark on the same goods and services that it has registered under UK registration No. 3394682. This action falls under cancellation application **CA502987**.
13. ECSL claims that its unregistered mark has been used since 2016 throughout the UK. It attacks all of the goods under the ECL registration. It claims that the distinctive element of its earlier mark is the word ELMERIDGE which is identical to the ECL mark. It states that ECL's registered class 09 goods are identical or otherwise similar to its unregistered goods and claims that its services are similar or complementary to the goods for which the ECL mark is registered. ECSL adds that the use of the earlier unregistered mark in the UK since 2016 has generated enforceable goodwill such that use of the registered ECL mark would give rise to misrepresentation. This in turn would cause financial and reputational damage to ECSL, it claims.
14. In its counterstatement to the CA502987 action, dated 10 March 2020, ECL denies all of the claims made by ECSL in respect of the Section 5(4)(a) ground.
15. It states that ECL has been in business since May 1987 and was called Elmeridge Limited on incorporation on 11 May 1987, then changed its name in July 1988 to Elmeridge Cables Limited, which remains its name today. ECL states that it has been recognised as being an industry leading supplier of a wide

range of cables and accessories to many sectors, including e.g. oil and gas; railways and trams; CCTV mainline; underwater marine and offshore.

16. ECL claims that it has generated a substantial turnover for many years and long before 2016; has been promoted on a website at the domain 'www.elmeridge.com' which was registered on 15 April 1997, and has been promoted via social media including Facebook, Twitter and LinkedIn.
17. It adds that long before 2016, ECL had generated a valuable goodwill and reputation in the UK in relation to cable products, cable accessories, and services relating to cables and cable accessories, which was associated in the mind of the relevant public with the signs ELMERIDGE and ELMERIDGE CABLES.
18. It adds that any goodwill associated with the sign ELMERIDGE or ELMERIDGE CABLE SERVICES which was generated by the activities of ECSL prior to October 2016 accrued benefit only to ECL and not to ECSL.
19. ECL claims that ECSL were not, at the time of filing of UK registration 3394682, the owner of goodwill associated with the signs ELMERIDGE or ELMERIDGE CABLE SERVICES; it was ECL, it argues, that owned the goodwill in those signs. Additionally, ECL claims that ECSL could not have prevented a normal and fair use of the mark by ECL since ECL is the senior user of the mark and no misrepresentation would be made.
20. Both parties filed written submissions and evidence which I will refer to later in my decision, to the extent that I feel it is necessary to do so.
21. ECL is represented by Sussex Legal Consultants Limited. ECSL is represented by Elkington and Fife LLP.
22. A hearing was requested and came before me on 24 March 2021 via videoconference. At the hearing ECL was represented by Mr David Ivison of counsel, instructed by Sussex Legal Consultants Limited. ECSL was represented by Mr Chris McLeod of Elkington and Fife LLP.
23. At the hearing Mr McLeod suggested that I deal with cancellation application no. 502987 first. He told me, "...there is a distinction between the basis of the

respective applications and our client's application is based on its enforceable common law rights under section 5(4)(a). By contrast, the other party's application is based solely on its class 9 registration of the word mark ELMERIDGE, so if our application succeeds then the other side's application fails because it no longer has a basis”.

24. I accept that this is a logical approach to take and will therefore begin by considering ECSL's claim against the registration of ECL on the basis of section 5(4)(a). If the action succeeds, ECL's registration 3362050 will be declared invalid and the action it has taken under cancellation application no. 502847 must, as a consequence, fall away.

25. Both sides seek an award of costs.

### **Cancellation Application No. 502987**

#### **Evidence of ECSL in support of its claim of passing off**

26. ECSL submitted two witness statements of James Robert Attwood. The first is dated 3 August 2020 with accompanying exhibits JRA1 – JRA5. The second, dated 1 December 2020, is in reply to the evidence provided by Mr Smith (for ECL) and is accompanied by exhibits JRA6 and JRA7.

27. In his first witness statement, Mr Attwood states that he is a director of ECSL and has been employed by that company since 2002.

28. Mr Attwood states that ECSL has traded as Elmeridge Cable Services Limited since 24 December 1999, prior to which it was registered as Elmeridge Limited but was dormant.

29. Exhibit JRA1 is an extract from the Companies House website with evidence of this change of name. The extract shows that ECSL was incorporated on 22 June 1990 and has two previous names: ECL Manufacturers & Brokers Limited, from 22 June 1990 until 14 October 1996, and Elmeridge Limited, from 14 October 1996 until 24 December 1999.

30. Mr Attwood states that ECSL and ECL were historically in common ownership until 2016 when there was a management buy-out of ECSL by means of a share sale and purchase.
31. Exhibit JRA2 is an extract from the Companies House website which shows the resignation of relevant directors, as evidence of this change. Mr Attwood asserts that the management buy-out and transfer of shares included the transfer of all assets, liabilities and therefore implicitly, the IP rights associated with ECSL. He adds that as there was no explicit exclusion of the IP rights or of the right to trade as Elmeridge (Cable services), this was their logical conclusion at the time of the buy-out.
32. Mr Attwood claims that it is clear from the documents provided in evidence, that the management buy-out agreement did not preclude ECSL from trading as ELMERIDGE CABLE SERVICES, contrary to the contentions made on behalf of ECL. He adds that it is clear from the evidence that ECSL is entitled to rely on its UK use-based rights in relation to ELMERIDGE CABLE SERVICES dating back to 1999, having traded as such, independently from ECL, since then.
33. Exhibit JRA3 comprises a document titled 'Heads of Terms' which relates to the sale of the entire share capital of ECSL. It lists the selling parties as Simon Rycroft, Karen Rycroft, Roy Wisdom, Marian Wisdom, Pam Smith and Des Smith. It also lists the purchasing parties as Jim Attwood, Preston Tydeman and John Collett. There is nothing in JRA3 which sets out the issues of IP rights. The 'obligations' of each party are set out on page two and are clear. There is no mention of goodwill, company assets or IP rights at all.
34. Mr Attwood states that both ECSL and ECL operate in the electricity supply industry. ECSL supplies high voltage cables, accessories and associated equipment in the UK. ECL supplies highly engineered low and medium voltage power cables and telecommunications cables. Additionally, ECSL undertakes design, installation and testing activities, which ECL does not, Mr Attwood claims.
35. Mr Attwood's witness statement provides turnover figures for ECSL for the past five years, as follows:

- 2016 - £2,534,889
- 2017 - £3,838,902
- 2018 - £5,752,585
- 2019 - £5,913,099
- 2020 - £9,359,378 (estimated).

36. The promotional expenditure of ECSL for the same period has also been provided and is as follows:

- 2016 - £7,399
- 2017 - £380
- 2018 - £17,124
- 2019 - £5,848
- 2020 - £4,960 (to date).

37. Exhibit JRA4 provides extracts from the Wayback Machine dating from 2016 to 13 March 2020, all of which Mr Attwood asserts, show use of 'Elmeridge Cable Services' in relation to the range of goods and services set out in the ECSL cancellation application.

38. Exhibit JRA4 comprises extracts showing a stylised 'ecs' logo and the term 'Elmeridge Cable Services (ecs)' being used in respect of a variety of the goods and services relied upon. This information largely refers to 'ecs' solus, and not the full company name 'Elmeridge Cable Services Limited'. This information dates from 5 March 2016; 15 May 2017; 4 February 2018; 15 February 2019 and 13 March 2020. These pages all appear to display the same information and pictures, i.e. the recruitment of a 'Dan Chessher' to ECSL in February 2016 and refer to the services and goods 'ecs' provides. However, other than a single use of the full name in the following manner: 'Elmeridge Cable Services Limited (**ecs**)' at the head of each extract, the company is consistently presented as 'ecs'. The emboldening of the acronym 'ecs' in the manner shown above is of note.

39. Exhibit JRA5 comprises copies of advertising and promotional materials which, Mr Attwood states, were used between 2016 and 2020 and all of which he asserts, show use of “Elmeridge Cable Services” in relation to the range of goods and services set out in the ECSL application.
40. Exhibit JRA5 is numbered from page 30 to page 147 and comprises promotional brochures and advertising materials. There are almost no indications at all of any dates within this exhibit.
41. The ‘ecs’ stylised logo is prominently displayed, and this information refers to the company as ‘ecs’ to a significant degree, however ‘Elmeridge Cable Services Ltd/Limited’ is on show to a much lesser degree and the website address ‘elmeridgecableservices.com’ is shown. The name ‘ecs’ is highlighted in purple in the first document provided and a number of the products that are displayed are named as e.g. ‘ecs End Cap’, ‘ecs Pressure Feed Tanks’ or ‘ecs Shepherd’s Crook’. The first document within JRA5 appears to be undated. The second document starting on page 42 of 147 is headed ‘ECS RENEWABLE ENERGY’. There is use throughout JRA5 of the website address ‘elmeridgecableservices.com’, however almost all reference or link to ECSL is by way of the acronym ‘ecs’ or the ‘ecs’ logo mark. On page 48 of 147 there is an image of a ‘test report’ which has a date of March 2018 however this is an example document and may be entirely fictional. The date cannot therefore be accepted as an indication of when this document was being used. Page 58 of 147 provides an example of clearer use of the expression ‘elmeridge cable services limited’ as the name of the company, however this is in conjunction with the ‘ecs’ logo. This document refers to ‘total cabling solutions for onshore and offshore applications’ and also appears to be undated.
42. Page 60 of 147 is headed “ecs is all about attention to detail” and then goes on to state “Elmeridge Cable Services Limited, known as ecs, is a UK registered company established in 1999”.
43. Page 65 of 147 comprises evidence of UK and overseas customers and networks. This page also provides “the ecs vision” and “the ecs mission statement” along with “a summary of services that ecs supply”.

44. Page 67 of 147 comprises the 'ecs corporate guidelines 2014' this predates the management buy-out of ECSL from ECL in 2016. Page 68 of 147 refers to ECS logos; ECS email signoffs; ECS stationery; ECS PowerPoint and ECS MSWord templates. There is no reference to 'Elmeridge'.
45. There is an example of use of the full name 'Elmeridge Cable Services' on page 83 of 147, on an ID card and on a 'vision and mission statement' card. There is also use of the full name shown on page 88 of 147 and use shown on the back of ECSL company vans, although the logo is the far bigger design element on the van signage and is clearly the dominant element. There are many pages devoted to the design and layout of the 'ecs' logo as it appears on clothing, business cards, invoices, stationery and company vehicles. The 'ecs' logo is clearly the main focus of the ECSL branding of its company. The 'ecs' logo is displayed prominently on company vehicles (e.g. page 127 of 147). The full 'Elmeridge Cable Services Limited' name is not shown on the corporate clothing presented on page 90 of 147. The example company invoices on pages 101 and 103 of 147 show use of 'ECS' as the company name in a stylised manner, with no indication of either the full name ELMERIDGE CABLE SERVICES or the word ELMERIDGE alone. The full name does appear on some of the stationery examples provided and on signage presented on page 126 of 147, but this is in combination with the 'ecs' logo which is presented in a fairly dominant manner.
46. Other than the 'ecs 2014 corporate guidelines' document and the 'test report' dated 2018, none of the information provided under JRA5 appears to be dated.
47. In summary, whilst ECSL have shown that they use the full name 'Elmeridge Cable Services Limited/Ltd' and the website address 'elmeridgecableservices.com', the vast majority of the evidence provided shows that ECSL trade predominantly under the 'ECS' name and logo.
48. That concludes my assessment of the initial evidence provided by ECSL, as far as I deem it necessary.

## **Evidence in reply from ECL**

49. The evidence of ECL comprises a witness statement of Desmond Colin Smith dated 3 August 2020 and accompanying exhibit DS1.
50. Mr Smith is a Director of ECL. In his witness statement, Mr Smith sets out a history of his company Elmeridge Cables Limited (ECL) and the connection with ECSL. ECL was created in May 1987. Initially called Elmeridge Limited the company name was changed temporarily to Lynen Cables in May 1988 and then to Elmeridge Cables Limited (ECL) in June 1988. The company has remained registered as Elmeridge Cables Limited since then but has traded and been known in the industry as “Elmeridge”.
51. Pages 5 – 19 of DS1 show stationery and company documentation used by ECL since 1987, demonstrating how the company brand has developed with the name ‘Elmeridge’ as the focal point of its logo and trading name. Mr Smith states that ECL is an international business and has registered and used the domain name ‘elmeridge.com’ since 1990.
52. Mr Smith establishes the relationship between ECL and ECSL as follows:
53. In June 1990, on advice from the company accountants, Mr Smith and his partner Mr Rycroft, incorporated a new company to run alongside Elmeridge Cables Limited. This company was named ECL Manufacturers & Brokers Limited (ECLM&B) and was incorporated on 22 June 1990. The sole shareholders of the new company were Mr Smith and Mr Rycroft.
54. ECLM&B was initially dormant and did not start trading until after the year 2000 (Mr Attwood claims that it was actually 1999). Between its incorporation on 22 June 1990 and the time the company started trading, its name was changed twice, firstly from ELC Manufacturers & Brokers Limited to Elmeridge Limited on 14 October 1996 and secondly from Elmeridge Limited to Elmeridge Cable Services Limited on 24 December 1999.
55. Mr Smith asserts that throughout its trading history ECSL has used the abbreviation ‘ECS’ as its trading name and logo and has never traded as or been

known by the name 'Elmeridge', despite that name being used as part of its registered title with Companies House. Mr Smith refers to a number of documents and screenshots dated prior to the management buy-out of ECSL, which he states confirm that the logo and trading name currently used by ECSL has not materially altered throughout its trading history.<sup>1</sup>

56. Pages 60-203 of Exhibit DS1 provide extracts from ECL financial accounts dated between 2011 and 2019 which are intended to demonstrate the value of the trading name to the business. Each page is headed ELMERIDGE CABLES LTD and provides profit and loss accounts; schedules of administrative expenses; financial statements; balance sheets; Directors' reports and Chartered Accountants' reports across the period. This information shows that ECL was a going concern between 2011 and 2019 and referred to itself consistently as 'Elmeridge Cables Ltd'. From these documents it can be seen that ECL had a turnover of £486,613 in 2010; £982,131 in 2011; £892,035 in 2012; £534,699 in 2013; £314,096 in 2014; £433,728 in 2015; £252,303 in 2016; £296,906 in 2017; £525,169 in 2018 and £580,710 in 2019.

57. Mr Smith states that work began in 2013 to facilitate the separation of the two businesses and on 11 November 2016 ECSL was sold as part of an agreed management team buy-out. Mr Smith states that the sale of ECSL included the shares, trading history and goodwill created under the 'ECS' brand since it began trading in 1999. No contracts or transfers were agreed to, or signed, that related to the assignment of any IP rights, as far as Mr Smith is aware. Mr Smith also states that neither he, nor any of the directors of ECL ever signed or granted any transfer or assignment of any IP rights in the name 'Elmeridge' to ECSL or any other legal entity.

58. Mr Smith states that at the time that he and his partner Mr Rycroft changed the registered name of ECSL in 1996 and 1999 to include the name 'Elmeridge', no thought was given to any IP issues that might arise later. The name 'Elmeridge' had been in existence and used as the trading name of ECL for more than 10 years at the time and, at that time, both companies were owned and controlled by Mr Smith and Mr Rycroft. Mr Smith claims that he and Mr Rycroft purposefully

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<sup>1</sup> DS1 pages 57-59

conducted ECSL business using the abbreviation 'ECS' so as to keep the two businesses separate and to avoid confusion.

59. Mr Smith states that at the time of the management buy-out in November 2016, he did not consider the issue of ECSL using the name 'Elmeridge' in its registered name, as the company had always traded as 'ECS' and was only known by this abbreviation in the marketplace. Mr Smith then became aware in or about October 2018 that ECSL had incorporated a new company with the name Elmeridge Cable Engineering Limited without his knowledge or approval. Mr Smith claims that whilst he was content that ECSL retain the name 'Elmeridge' within its registered title, he was not content for ECSL to use the name 'Elmeridge' in any other way or to trade as 'Elmeridge' at all. Mr Smith accepts that as part of the 2016 management buy-out, ECSL should have agreed to change its registered name with Companies House and remove the name 'Elmeridge' from its name entirely.

60. Therefore, in order to protect the IP rights in the name 'Elmeridge', ECL applied to register the name as trade mark on 19 December 2018. That application was granted on 15 March 2019 under No. 3362050. In May 2019 Mr Smith was notified by the UK Intellectual Property Office (IPO) that ECSL had applied for the trade mark 'ELMERIDGE CABLE' (UK 3394682) on 25 April 2019. Mr Smith informed his solicitors who filed a notice of threatened opposition against ECSL's application on 19 June 2019.

61. Mr Smith goes on to claim that whilst historically there has been no issue with ECSL using the name 'Elmeridge' in its registered name at Companies House, this was due to the fact that ECSL had always traded as the abbreviation 'ECS'. It was clear however that ECSL were now using the name ELMERIDGE for business purposes. Mr Smith claims that ECSL has no right to do this.

62. Finally, Mr Smith refers to several instances of actual confusion in the marketplace, that have occurred in the last 12 months, by customers and suppliers. He adds that by using the name 'Elmeridge' for business purposes, ECSL is attempting to benefit from the goodwill and reputation that ECL has built

up over the last 30 years and is trying to obtain an unfair advantage by changing its trading style to include the name 'Elmeridge'.

### **Further evidence of ECSL – second witness statement of Mr Attwood**

63. Mr Attwood's second witness statement was submitted in reply to the witness statement of Mr Smith and the evidence provided in exhibit DS1. Mr Attwood disputes many of the claims made by Mr Smith.

64. Mr Attwood refers to a number of ECSL's trading partners that are based in countries such as China, Russia, Turkey and South Africa, in response to Mr Smith's assertions that ECSL has largely been trading as ECS rather than under the name ELMERIDGE CABLE SERVICES. None of the information Mr Attwood provides serves to prove otherwise unfortunately, as that evidence does not show any use of either ECS or ELMERIDGE CABLE SERVICES. Mr Attwood claims that in his witness statement Mr Smith has made it clear that he should have taken action to prevent ECSL from using the Elmeridge name at the time of the management buy-out in 2016. He states that the fact Mr Smith recognises this and accepts that it was something that was not dealt with at that time suggests that it is too late to take action now, some years later.

65. Mr Attwood's second witness statement is accompanied by exhibits JRA6 and JRA7. JRA6 provides extracts from the ECL website showing that ECL often refers to itself as 'ECL' rather than Elmeridge Cables Ltd. Mr Attwood asserts that this supports his position regarding ECSL's use of 'ECS' as a shortening of Elmeridge Cable Services. I note however that every page of evidence in JRA6 also shows use of ECL's green 'cable logo' incorporating the word 'elmeridge' that ECL use consistently. Each page also displays the website name 'elmeridge.com'. It is true that in many instances the acronym ECL is also used as an indicator of the company. This does not however, detract from the regular and consistent use of both the Elmeridge green cable logo and the web address 'elmeridge.com' on all of the pages in JRA6. Exhibit JRA7 comprises correspondence between ECL and ECSL and subsequently between ECL's representative at the time (Dehns) and ECSL. This information merely serves to show that ECL had made it clear to ECSL that it was concerned with the use

ECSL was making of the Elmeridge name. JRA7 does not assist any further than this.

## **Legislation**

66. In respect of invalidation proceedings, grounds based upon section 5(4)(a) of the Act are relevant because of the provisions set out in section 47 of the Act, the relevant parts being as follows:

47. (1)

[...]

(2) Subject to subsections (2A) and (2G), the registration of a trade mark may be declared invalid on the ground-

(a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or

(b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

[...]

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made. Provided that this shall not affect transactions past and closed."

## **Section 5(4)(a) ground of cancellation**

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

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

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, where the condition in subsection (4A) is met,

(aa) .....

(b) .....

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

68. Subsection (4A) of Section 5 states:

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

69. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Trade Marks Act relied on in these proceedings are derived from an EU Directive. This is why this decision continues to make reference to EU trade mark law.

70. In *Discount Outlet v Feel Good UK*, [2017] EWHC 1400 IPEC, Her Honour Judge Melissa Clarke, sitting as a deputy Judge of the High Court, conveniently summarised the essential requirements of the law of passing off as follows:

“55. The elements necessary to reach a finding of passing off are the ‘classical trinity’ of that tort as described by Lord Oliver in the *Jif Lemon* case (*Reckitt & Colman Product v Borden* [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

56. In relation to deception, the court must assess whether "*a substantial number*" of the Claimants' customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21)."

71. Halsbury's Laws of England Vol. 97A (2012 reissue) provides further guidance with regard to establishing the likelihood of deception. In paragraph 309 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.”

### **Relevant Date**

72. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC, as the Appointed Person, endorsed the registrar’s assessment of the relevant date for the purposes of section 5(4)(a) of the Act, as follows:

“43. In *SWORDERS TM O-212-06* Mr Allan 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.’”

73. The filing date of ECL’s contested registration is 19 December 2018, however ECL has claimed use of its mark since 1987.

74. In the *Advanced Perimeter Systems* decision, Mr Alexander also considered the relevant date for the purposes of s.5(4)(a) of the Act, where one or both of the

parties have used the mark at issue prior to the date of the application to register the contested mark. He explained that:

“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.”

75. In *Smart Planet Technologies, Inc. v Rajinda Sharm* [BL O/304/20], Mr Thomas Mitcheson QC, as the Appointed Person, pointed out that “the start of the behaviour complained about” is not the same as the date that the user of the applied-for mark acquired the right to protect it under the law of passing off. Rather, it is the date that the user of that mark committed the first external act about which the other party could have complained (if it knew about it) as an act of actual or threatened passing off. Typically, this will be the date when first offer was made to market relevant goods or services under the mark. However, it could also be the date the first public-facing indication was made that sales were proposed to be made under the mark in future. If the user of the applied-for mark

was not passing off at the time such use commenced (usually because no one else had acquired a protectable goodwill under a conflicting mark at that time), he or she will not normally be passing off by continuing to use the mark.

76. During the hearing Mr McLeod stated that his client ECSL had a turnover which by the end of June 2020 was over £9 million and was supported by promotional expenditure of about £6,000 to £7,000 per year. This he claimed, gave ECSL independent goodwill in relation to the mark Elmeridge Cable Services. He stated that the evidence provided within exhibits JRA4 and JRA5 showed that ECSL had acquired that independent goodwill from as early as 5 March 2016. He added: "I do not think we deny that 'ECSL' uses ECS and the ECS logo in addition to ELMERIDGE CABLE SERVICES, but there is no doubt that there is consistent use of ELMERIDGE CABLE SERVICES as a classic badge of origin in these Wayback Machine extracts".

77. Mr Ivison responded to the submissions of Mr McLeod and told me that, in respect of the management buy-out of ECSL in 2016: "ECL the company, was not a party to this agreement, it is the individual shareholders and directors who are selling their shares; that is the first point. The second point is that unsurprisingly, given that the company is not a party, there are no terms in this share purchase agreement which deal with trading names or IP or matters of that kind".

78. Mr Ivison also stated that: "Services' (ECSL's) approach throughout these proceedings has been to say, first, that I can establish that I have used the sign Elmeridge Cable Services since 2016. Second, ECL's mark was filed in 2019; that is after 2016. ECL's mark is sufficiently similar to Elmeridge Cable Services, that using it would amount to passing off and therefore UK 3362050 is invalidly registered. In my submission, the problem with that is that it totally ignores the undisputed and admitted fact that ECL has been using the sign ELMERIDGE in relation to the goods for which it is registered since before 'ECSL' even existed".

79. He added: "In a passing off claim the court is not interested in whether the Claimant has the necessary goodwill to sustain a passing off claim now and it is not interested in whether it had the necessary goodwill to sustain a passing off

claim when it issued the claim against the Defendant. What it is interested in is whether the Claimant had the necessary goodwill when the Defendant started to do the thing that the Claimant is complaining about”.

80. It is therefore relevant in this case to consider the position at the date that ECL started using the name ELMERIDGE in relation to cables and wires. The evidence of Mr Smith has established that the date his company began using the name ELMERIDGE was in May 1987. In evidence and submissions, it is clear that ECSL do not dispute this, and it is the case that ECSL did not exist at that time. ECSL came into being in 1990 and remained a dormant company until 1999, as has been shown in evidence.

81. In reply to Mr Ivison, Mr McLeod stated that: “Our primary submission here is that our client is not seeking to restrain the other party from use of the mark and certainly my understanding is that the 5(4)(a) test within the remit of the tribunal is effectively lower than that in the High Court. I do not think we deny that the other party has goodwill in relation to the Elmeridge trade mark or the date from which that goodwill began to exist. What we say is in the absence of any documentary evidence referring to a purported licence or indeed any objection from the other party regarding our use other than that we have put in in evidence, our client has legitimately generated its own goodwill which predates the registration, so we say we have independent goodwill in Elmeridge Cable Services.”

82. Having considered all of the submissions from both parties and analysed the evidence and witness statements of Mr Smith and Mr Attwood, it is clear to me that goodwill in the name ELMERIDGE lies with ECL and has done so since 1987, some twelve years prior to the time that ECSL began trading. Mr Attwood’s comments regarding the lack of action taken by ECL at the time of the ECSL management buy-out in 2016, suggests, perhaps, a claim of acquiescence on the part of ECL. If that is the case, I reject it on the basis that Mr Smith made clear in his evidence that he and his partner had conducted business under ECSL between 1999 and 2016, by using the acronym ECS, specifically to avoid any confusion between ECL who had been trading as Elmeridge for several years, and ECS which was an economically linked, albeit separate, entity. It is also clear that only a small period of time had elapsed between the 2016 management buy-

out of ECSL, and ECL applying for its trade mark after becoming aware of ECSL's use of the name Elmeridge. It seems clear to me therefore, that there has been no acquiescence on the part of ECL and I conclude that ECSL cannot apply the use they have made of that name since 2016 as a basis to invalidate ECL's registration under s.5(4)(a) and passing off.

83. In conclusion, cancellation application **502987** by ECSL to invalidate ECL's UK registration 3362050 under section 5(4)(a) has failed.

84. I now move on to consider the application made by ECL to invalidate ECSL's UK registration on the grounds of section 5(2)(b) and section 5(3).

### **Cancellation Application No. 502847**

#### **Legislation**

#### **Section 5(2)(b) ground of cancellation**

85. Section 5(2)(b) of the Act states that:

“5 (2) A trade mark shall not be registered if because –

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected, there exists a likelihood of confusion on the part of the public, which includes the likelihood of confusion with the earlier trade mark.”

86. Section 47 states:

“(1) [...]

(2) The registration of a trade mark may be declared invalid on the ground –

(a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (2) obtain, or

(b) that there is an earlier right in relation to which the condition set out

in section 5(4) is satisfied, unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.”

### **The principles**

87. The following principles are gleaned from the judgments of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V*, Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C3/03, *Medion AG v Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L.Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P:

- (a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors;
- (b) The matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;
- (c) The average consumer normally perceives the mark as a whole and does not proceed to analyse its various details;
- (d) The visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;
- (e) Nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;

- (f) However, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;
- (g) A lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;
- (h) There is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;
- (i) Mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;
- (j) The reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;
- (k) If the association between the marks creates a risk that the public will wrongly believe that the respective goods or services come from the same or economically linked undertakings, there is a likelihood of confusion.

### **Comparison of goods and services**

88. In the judgment of the Court of Justice of the European Union (“CJEU”) in *Canon*, Case C-39/97, the court stated at paragraph 23 of its judgment that:

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary”.

89. The relevant factors identified by Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, for assessing similarity were:

- (a) The respective uses of the respective goods or services;

- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or acts of service;
- (d) The respective trade channels through which the goods or services reach the market;
- (e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be, found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
- (f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

90. In *Boston Scientific*<sup>2</sup>, the General Court (“GC”) described goods/services as “complementary” in circumstances where “... *there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking*”. I also take note that in *Kurt Hesse v OHIM*<sup>3</sup>, the CJEU stated that complementarity is an autonomous criterion capable of being the sole basis for the existence of similarity between goods.

91. In *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T-133/05, the General Court stated that:

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

92. The parties’ respective specifications are:

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<sup>2</sup> *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-325/06

<sup>3</sup> Case C-50/15 P

ECL goods	ECSL goods and services
<p><b>Class 09:</b> Cables and wires; Electric cables and wires.</p>	<p><b>Class 9:</b> Apparatus and instruments for transmitting electricity; electrical and electronic components; electric cables; electronic cables; optical cables; fibre optic cables; power cables; underwater power cables; oil filled cable systems; gas filled cable systems; cable tubing; cable connectors; cable joints; electrical terminators; distribution boxes for electrical power; junction boxes for electrical connections; connector boxes for electrical connections; parts and fittings for all of the aforesaid goods.</p> <p><b>Class 37:</b> Installation, maintenance and repair services relating to cables; installation, maintenance and repair of high voltage power systems; advisory services relating to cable installations; identification and repair of faults in cable systems; laying of power cables; installation of telecommunications cable networks, power cable networks and business communication systems; on site building project management, including in connection with the installation and laying of cables; consultancy services relating to the installation, maintenance and repair of electrical and power cables.</p> <p><b>Class 41:</b> Educational services; teaching</p>

	<p>services; training services.</p> <p><b>Class 42:</b> Provision of technical information and advice relating to high voltage power systems and the laying of power cables; engineering services; development and design of cabling solutions; custom design and development of high voltage power systems.</p>
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93. The goods covered under ECL's earlier registration are 'cables and wires; electric cables and wires' all of which fall in class 09.

94. The contested 'electric cables; electronic cables; optical cables; fibre optic cables; power cables; underwater power cables; oil filled cable systems; gas filled cable systems', are all cables or cable systems and as such, applying the principle set out in *Meric*, these goods are identical.

95. The contested 'cable tubing; cable connectors; cable joints' are goods which are used with cables and cabling to protect cables or assist in the connection and use of such goods. They are complementary in nature, being important in the use of the other and likely to be provided by the same undertakings. The user of such goods will be the same, i.e. a party involved in the installation of cables, cabling and cable systems. These goods are similar to at least a low degree.

96. The contested 'Apparatus and instruments for transmitting electricity; electrical and electronic components; electrical terminators; distribution boxes for electrical power; junction boxes for electrical connections; connector boxes for electrical connections' are goods that may include cables or wiring, e.g. an electric cable may be an electrical or electronic component, or may be goods that incorporate elements such as a cable, wire, electric cable or electric wire. These goods may be said to be complementary in the sense that one is important and indispensable for the use of the other such that consumers may think that the

same undertaking has responsibility for those goods. It is also possible that the purpose or intended use may be similar and the consumer may require a number of these goods in order to complete a piece of work. In his witness statement Mr Attwood for ECSL stated that both parties are in the electricity supply industry. I find therefore that these goods are likely to be used by the same entities, produced by the same manufacturers and acquired via the same channels of trade. The same can be said to be true in respect of the contested 'parts and fittings'. These goods are similar to a medium degree.

97. The contested class 37 services are the following: 'Installation, maintenance and repair services relating to cables; installation, maintenance and repair of high voltage power systems; advisory services relating to cable installations; identification and repair of faults in cable systems; laying of power cables; installation of telecommunications cable networks, power cable networks and business communication systems; on site building project management, including in connection with the installation and laying of cables; consultancy services relating to the installation, maintenance and repair of electrical and power cables'. These services are all involved to one degree or another with the use of cabling e.g. the provision of telecommunications via cable networks; the installation, maintenance and repair of cabling and power systems etc. As Mr Attwood has attested, both parties are engaged in the electricity supply industry and as such ECL's earlier goods will be used in the provision of the contested class 37 services listed here. Therefore, these goods and services can be said to be complementary, being important and indispensable for the use of the other. It is likely that the consumer of these goods and services will expect there to be some connection between the undertakings providing them. It is also quite likely that the manufacturer of e.g. electrical cables and wires will also provide the installation, maintenance and associated ongoing services linked to the use of such goods. I find therefore that these goods and services are similar to at least a low degree.

98. The contested class 41 services are the following: 'Educational services; teaching services; training services'. The nature of these services is fairly clear, however the breadth of the terms in the specification is such that any and all kinds of

education, teaching and training may be protected in theory. Based on the statements of Mr Attwood I find that the class 41 services of ECSL will be intrinsically linked to the electricity supply industry broadly and, more narrowly, will be training, education and teaching services that are specifically focussed on the use of power supply cables and the installation, maintenance and repair of such goods. Therefore, for the reasons that I have set out in paragraph 97 regarding the link between the earlier goods and the contested class 37 services, I find these services to be similar to a low degree to ECL's goods.

99. The contested class 42 services are the following: 'Provision of technical information and advice relating to high voltage power systems and the laying of power cables; engineering services; development and design of cabling solutions; custom design and development of high voltage power systems'. For the same reasons that I have set out above regarding the link between the earlier goods and the contested class 37 and class 41 services, I find these services to be similar to a low degree to ECL's goods.

100. For the sake of completeness, I note that in cancellation application CA502987, ECSL states:

"The respective class 9 goods are identical in part and otherwise similar. The services in relation to which the applicant (ECSL) has used the earlier mark are similar or complementary to the goods for which the (ECL) mark is registered".<sup>4</sup>

101. In conclusion ECSL's contested goods and services are found to be either identical, similar to a medium degree or similar to a low degree, to the earlier goods of ECL.

### **Average consumer and the purchasing act**

102. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's

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<sup>4</sup> TM26(I) of ECSL filed 10 January 2020.

level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer*, Case C-342/97.

103. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

“60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median.”

104. To my mind, the average consumer of the respective goods and services at issue will be a professional consumer involved in the electricity supply industry. It is possible that the goods of both parties may be available to, for example, a member of the general public carrying out a DIY task, who may purchase an electrical component or electric cable; however based on the evidence filed by both sides, I find that the typical consumer will not be a member of the general public. Mr Attwood has stated that both parties are involved in the electricity supply industry and, it appears to me on the face of it, that both parties provide goods or services of a highly technical nature to the industry. I do however accept that notional and fair use of the goods covered under the specifications of both parties also encompasses the possibility of a non-professional consumer. The services of ECSL can be said to be focused on a professional consumer, being highly specialised and technical in nature.

105. I find that the purchasing process will be both a visual and aural process. The goods at issue will be selected to some degree visually, however there will be a discussion between the provider and the consumer to ensure that the goods selected are fit for purpose, being goods that may be dangerous if used incorrectly. The services of ECSL will be selected visually and to some degree aurally via telephone conversation and word of mouth recommendation. These

services are likely to be provided as a follow up or 'after-care' service to consumers who have purchased the goods at issue, as they involve e.g. specialist consultation and advice services; maintenance and installation services; and training and education services, which may be taken up by a professional consumer to ensure that he/she is fully competent in the installation and ongoing use/maintenance/repair of goods such as power cables and gas filled cable systems.

106. I find that the average consumer, being a professional, will pay at least a medium degree of attention when purchasing the services at issue and probably a higher than normal degree of attention when selecting the goods at issue.

107. In the event that a non-professional consumer may purchase the goods of either party or e.g. the training services offered by ECSL, I find that that consumer will also pay at least a medium degree of attention during the selection process due to the technical nature of the goods and services, and the importance of ensuring that the goods selected are the correct ones and are fit for purpose.

### **Comparison of marks**

108. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

“.....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

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

110. The respective trade marks are shown below:

<b>ECL's mark</b>	<b>ECSL's mark</b>
<b>Elmeridge</b>	<b>ELMERIDGE CABLE</b>

111. ECL's mark is comprised solely of the single word 'Elmeridge' in standard font and lettering. The overall impression of the mark lies in its totality.

112. ECSL's mark is comprised of the plain words 'ELMERIDGE' and 'CABLE' presented in standard font and lettering. Given the nature of the goods and services at issue, I find the element 'CABLE' in ECSL's mark to be descriptive and non-distinctive. The element 'ELMERIDGE' being the first part of the mark and the only distinctive aspect of that mark, plays a far greater role than the second word 'CABLE'. I find therefore, that the overall impression in the ECSL mark lies in the word 'ELMERIDGE'.

### **Visual similarity**

113. Visually, the respective marks are similar inasmuch as they share the word ELMERIDGE/Elmeridge. They differ visually only in the word 'CABLE' of ECSL's mark, which forms the final part of that mark and can be said to be non-distinctive. The use of different cases in the marks is irrelevant when considering notional and fair use of the word 'Elmeridge' and therefore does not affect the visual comparison.

114. In this respect I remind myself of the comments of Mr Iain Purvis QC, sitting as the Appointed Person in *Groupement Des Cartes Bancaires v China Construction Bank Corporation* case BL O/281/14 who found that:

“It is well established that a ‘word mark’ protects the word itself, not simply the word presented in the particular font or capitalization which appears in the Register of Trade Marks.....A word may therefore be presented in a different way (for example a different font, capitals as opposed to small letters, or hand-writing as opposed to print) from that which appears in the Register whilst remaining ‘identical’ to the registered mark.”

115. As the beginning of the ECSL mark comprises entirely ECL’s mark, and the only point of difference is a non-distinctive, descriptive term, the marks are considered to be visually similar to a very high degree.

### **Aural similarity**

116. Aurally, the ECL mark will be enunciated as *ELM/RIJ/*. The ECSL mark will be articulated as *ELM/RIJ/KAY/BUL*. The marks share identically the first two syllables ELM and RIJ. They differ in the sound made by the word ‘CABLE’ in the ECSL mark which has no counterpart in the ECL mark. These marks are therefore considered to be aurally similar to a high degree.

### **Conceptual similarity**

117. The word ‘ELMERIDGE’ does not appear to have any particular meaning. In his evidence Mr Smith of ECL claims that this is a term that he coined in 1987 as the name of his company. As such, the ECL mark has no conceptual identity at all.

118. The word ‘CABLE’ is a common English word and will be readily understood by the average member of the UK general public. Although it conveys a conceptual message that is missing in the ECL mark, the word is non-distinctive in the context of the goods and services at issue.

119. The marks at issue are conceptually neutral given the lack of any concept in the shared element.

120. In conclusion, the marks are found to be visually similar to a very high degree, aurally similar to a high degree, and conceptually neutral.

## **Distinctive character of the earlier trade mark**

121. No claim was made by ECL as to an enhanced degree of inherent distinctiveness in its mark. I therefore must consider the earlier mark based solely on my assessment of the inherent nature of the word 'Elmeridge'.

122. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

123. I find that the word 'Elmeridge', having no clear or obvious meaning, will be considered to be an invented word. As such, I find that ECL's earlier mark can be said to enjoy a high level of inherent distinctiveness.

## Likelihood of Confusion

124. The factors assessed so far have a degree of interdependency (*Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*, paragraph 17), a global assessment of them must be made when determining whether there exists a likelihood of confusion (*Sabel BV v. Puma AG*, paragraph 22). However, there is no scientific formula to apply. It is a matter of considering the relevant factors from the viewpoint of the average consumer and determining whether they are likely to be confused.

125. Confusion can be direct (which occurs when the average consumer mistakes one mark for the other) or indirect (where the average consumer realises the marks are not the same but puts the similarity that exists between the marks/services down to the responsible undertakings being the same or related).

126. I have already found that:

- the goods and services at issue have been found to be either identical, similar to a medium degree, similar to at least a low degree or similar to a low degree;
- the marks are visually similar to a very high degree, aurally similar to a high degree, and conceptually neutral;
- the average consumer will mostly likely be a professional who will pay at least a medium degree of attention when purchasing the services at issue and probably a higher than normal degree of attention when selecting the goods at issue; in the event that the consumer is a non-professional, I find that that consumer will also pay at least a medium degree of attention due to the technical nature of the goods and services on offer;
- the purchasing process entail both visual and aural considerations;
- the earlier mark 'Elmeridge' has a high degree of inherent distinctiveness in respect of the goods it covers, due to the invented nature of that word.

127. Taking all of the above into account, I find that the similarities between the marks and the identity or similarities between the goods and services at issue are such that the average consumer would mistake one mark for the other. The word 'Elmeridge' is contained identically in both marks, forming the whole of the earlier

mark and the beginning of the contested mark. The only element of difference between the marks is the word CABLE in the contested mark. Both parties have 'cables' listed within their specification of goods under class 09. As ECSL are a provider of cables, its mark will be likely perceived by the average consumer as simply 'ELMERIDGE' with the element 'CABLE' being given very little weight at all.

128. That being the case, I find that direct confusion will occur, as the average consumer will perceive both marks as 'Elmeridge' marks and will mistake one for the other readily.

129. For a consumer that does perceive the element CABLE in the contested mark as an element that serves to distinguish between that mark and the earlier mark, I find that indirect confusion would occur. The name 'Elmeridge' was coined in 1987 by Mr Smith. I have found that word to be inherently distinctive to a high degree as it has no obvious meaning and therefore no obvious link or association with the goods or services at issue. The average consumer, when faced with the mark 'Elmeridge' having previously been exposed to the 'ELMERIDGE CABLE' mark, or vice-versa, will appreciate that the element 'CABLE' simply describes the nature of the goods and services provided under the 'Elmeridge' brand name. There will be an expectation therefore, that the marks come from the same or an economically linked undertaking.

130. The cancellation action on the ground of section 5(2)(b) is successful.

131. For the sake of completeness, and in the event that I am found to be wrong in my conclusion under section 5(2)(b), I will now consider the claim made by ECL under section 5(3).

### **Section 5(3) ground of cancellation**

#### **Legislation**

132. Section 5(3) states:

“(3) A trade mark which-

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

Section 5(3A) states:

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

133. The relevant case law can be found in the following judgments of the CJEU: *Case C-375/97, General Motors*, *Case 252/07, Intel*, *Case C-408/01, Adidas-Salomon*, *Case C-487/07, L’Oreal v Bellure* and *Case C-323/09, Marks and Spencer v Interflora* and *Case C383/12P, Environmental Manufacturing LLP v OHIM*. The law appears to be as follows.

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

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

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

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the

relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel, paragraph 42*.

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

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

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

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark; *L'Oreal v Bellure NV, paragraph 40*.

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or

similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora*, paragraph 74 and the court's answer to question 1 in *L'Oreal v Bellure*).

134. The conditions of section 5(3) are cumulative. Firstly, the opponent must show that the earlier mark is similar to the applicant's mark. Secondly, that the earlier mark has achieved a level of knowledge/reputation amongst a significant part of the public. Thirdly, it must be established that the level of reputation and the similarities between the marks will cause the public to make a link between them, in the sense of the earlier mark being brought to mind by the later mark. Fourthly, assuming that the first three conditions have been met, section 5(3) requires that one or more of the three types of damage claimed will occur. It is unnecessary for the purposes of section 5(3) that the goods or services be similar, although the relative distance between them is one of the factors which must be assessed in deciding whether the public will make a link between the marks.

135. The first condition of similarity between the marks is satisfied: as found earlier in this decision, the earlier mark is visually similar to the contested mark to a very high degree; aurally similar to a high degree; and conceptually neutral. It is also the case that the parties' goods and services have all been found to be identical or similar.

136. The next condition is reputation. Reliance upon this ground requires evidence of a reputation amongst a significant part of the relevant public. In *General Motors*, the CJEU held that:

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

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

27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.

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

137. In the present case, ECL's use of the earlier mark commenced in 1987. The evidence provided under Exhibit DS1 by Mr Smith has established that ECL was incorporated on 11 May 1987 and can be said to have been in trade ever since. The evidence has shown that ECL has turned over a reasonably significant amount each year between 2011 and 2019, from a high of £982,131 in 2011 to £252,303 in 2016. In 2018 ECL's turnover was £525,169 and in 2019 it was £580,710. These figures, in isolation, are not insubstantial. However, much of the evidence provided by Mr Smith is undated, e.g. the social media information showing engagement on FaceBook, LinkedIn and Twitter. There are a number of sample invoices showing use of the name Elmeridge Cables Limited, however these are also undated. Mr Smith's evidence provides no information as to any marketing or promotional activities undertaken by ECL aside from two pictures on pages 18 and 19 of DS1 which show an exhibition stand displaying the name Elmeridge. However, no context is given, and these images are undated. Mr Smith does not provide any sales invoices to show sales within the relevant territory. Whilst I do not dispute that ECL are trading in the UK based on the turnover figures provided, the lack of sale figures and invoices is unhelpful in establishing the extent of use of the earlier mark. Equally, the lack of information regarding market share enjoyed by ECL in the relevant field of activity does not assist me in my consideration as to the question of reputation.

138. In conclusion, I find the evidence from Mr Smith in his witness statement and exhibit DS1 to be insufficient to establish a reputation for the purposes of section

5(3). The evidence does not prove to me that the earlier mark is known by a significant part of the public concerned by the products covered by that trade mark.

139. As the mark does not have a reputation for the purposes of section 5(3), the section 5(3) ground fails.

### **Conclusion**

140. Cancellation application 502847 has succeeded on the ground of section 5(2)(b). Subject to any successful appeal, ECSL's UK registration 3394682 will be invalidated in full.

### **Costs**

141. ECL has been successful and is entitled to a contribution towards its costs.

142. Mr Ivison stated at the hearing that his client had addressed ECSL very early on in proceedings about the relevant earlier date issue in respect of the s.5(4)(a) claim, and had been essentially ignored, leading to additional work and resource having to be expended which he felt was avoidable. That being the case, Mr Ivison asked me to consider whether off-scale costs might be appropriate in this instance. Having considered this submission, I am of the opinion that nothing ECSL has done during the procedural rounds would warrant costs that are higher than the normal scale. ECSL was entitled to 'ignore' the claims of ECL and put together what it felt to be its best case, and this is what it did. Therefore, my award will fall within the usual scale that is contained in Tribunal Practice Notice ("TPN") 2/2016.

143. I award costs to the ECL as follows:

Application fee for invalidation of a registration	£200
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Preparing the statement of case and considering the counterstatement	£300
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Filing evidence and considering the	
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Evidence of the other side	£750
Preparing for and attending a Hearing	£800
<u>Total</u>	<u>£2050</u>

144. I therefore order Elmeridge Cable Services Limited to pay Elmeridge Cables Ltd the sum of £2050. The above sum should be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.

**Dated this 25th day of May 2021**

**Andrew Feldon  
For the Registrar  
The Comptroller-General**