

IN THE MATTER OF THE TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK NUMBER 3,354,360 IN THE NAME OF SENSO-REX LTD

AND IN THE MATTER OF AN APPLICATION FOR A DECLARATION OF INVALIDITY UNDER NO. 502,497 BY GRAVITY PRODUCTS LLC

AND IN THE MATTER OF AN APPEAL FROM THE DECISION OF STEPHANIE WILSON (O/474/20) DATED 25 SEPTEMBER 2020 AND HER SUPPLEMENTARY DECISION (O/12/21) DATED 7 JANUARY 2021

DECISION

Introduction

1. This is an appeal from the decision of Ms Stephanie Wilson, for the Registrar, dated 25 September 2020 (O/474/20) and her supplementary decision dated 7 January 2021 (O/12/21). In those decisions she declared Senso-Rex Ltd's trade mark (No 3,354,360) invalid in its entirety on the grounds set out in section 5(2)(a) and (b) of the Trade Marks Act 1994 based on the earlier marks of Gravity Products LLC. Senso-Rex appeals.
2. Senso-Rex is the registered proprietor of the word mark GRAVITY, which relates to the following goods only:
Class 10: Therapeutic weighted blankets; Blankets for medical purposes.
3. The invalidity application was based on two earlier international trade marks (EC). The first earlier mark was the word mark GRAVITY (No 1,410,443) and the second earlier mark was the following:

GRAVITY

4. Both of these earlier marks are protected in Class 24 for "Bed blankets" only.

Standard of review

5. The standard of appeal is by way of review. Neither surprise at a Hearing Officer's conclusion nor a belief that he or she has reached the wrong decision will suffice to justify interference in this sort of appeal. Before that is warranted, it is necessary for me to be satisfied that there was a distinct and material error of principle in the decision in question or that the Hearing Officer was wrong. The relevant principles were set out in *TT Education Ltd v Pie Corbett Consultancy* [2017] RPC 17 by Daniel Alexander QC and more recently by the Supreme Court in *Actavis Group PTC EHF v ICOS Corporation* [2019] UKSC 15, [2019] RPC 9.

6. When considering this appeal, and applying these principles, it is important to remember the high bar set.

Grounds of appeal

7. The Appellant raised two grounds of appeal. The first ground was that a declaration of invalidity cannot be based on an international mark (EC) when the decision was given after the United Kingdom had left the European Union. The second ground of appeal was that the Hearing Officer erred in holding that the goods covered by the earlier mark were similar to those covered by the proprietor's mark.

Ground 1: The status of an international trade mark (EC) as an earlier mark from 1 January 2021

8. The two earlier trade marks which were the basis of the declaration of invalidity are international trade marks (EC). The Appellant's position was that all international trade marks (EC) had ceased to have effect in the United Kingdom by the time the Hearing Officer's decision was finalised on 7 January 2021 and so they could not form the basis of any application for invalidity.
9. The registry requires oppositions and declarations of invalidity to be based on EU trade marks and international trade marks (EC) (and not their replacements) where the proceedings under the Trade Marks Act 1994 were started before IP completion day. IP completion day is 31 December 2020 at 11.00 p.m: see European Union (Withdrawal) Act 2018, s 1A(6) and European Union (Withdrawal Agreement) Act 2020, s 39(1).
10. In this case, the Hearing Officer gave her preliminary decision on 25 September 2020. The decision was provisional as the earlier trade marks were international trade marks (EC) and were not yet entitled to protection in the EU under the Madrid Protocol. The registrar was notified on 14 December 2020 that protection would be granted to the international marks in accordance with Chapter XIII of Regulation (EU) 2017/1001 on the European Union trade mark. The Hearing Officer then gave a supplementary decision, essentially confirming her preliminary decision, on 7 January 2021.

The Withdrawal Agreement

11. In accordance with the Agreement on the Withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community (2020 CP 219) (the Withdrawal Agreement), EU trade marks and international trade marks (EU) *become* a comparable registered trade mark in the United Kingdom. The relevant provisions are:

Article 54

Continued protection in the United Kingdom of registered or granted rights

1. The holder of any of the following intellectual property rights which have been registered or granted before the end of the transition period shall, without any re-examination, become the holder of a comparable registered and enforceable intellectual property right in the United Kingdom under the law of the United Kingdom:

- (a) the holder of a European Union trade mark registered in accordance with Regulation (EU) 2017/1001 of the European Parliament and of the Council (33) shall become the holder of a trade mark in the United Kingdom, consisting of the same sign, for the same goods or services;

...

Article 56

Continued protection in the United Kingdom of international registrations designating the Union

The United Kingdom shall take measures to ensure that natural or legal persons who have obtained protection before the end of the transition period for internationally registered trade marks or designs designating the Union pursuant to the Madrid system for the international registration of marks, or pursuant to the Hague system for the international deposit of industrial designs, enjoy protection in the United Kingdom for their trade marks or industrial designs in respect of those international registrations.

- 12. Article 56 has been implemented by section 54A and by paragraph 1 of Schedule 2B to the Trade Marks Act 1994 (as inserted by the Designs and International Trade Marks (Amendment etc.) (EU Exit) Regulations 2019 (SI 2019/638) (the “International Marks Exit Regulations”)).

1.—(1) A trade mark which, immediately before exit day, is an international trade mark which is protected in the European Union in accordance with Article 189(2) of the European Union Trade Mark Regulation (an “existing IR(EU)”) is to be treated on and after exit day as if an application had been made, and the trade mark had been registered, under this Act in respect of the same goods or services in respect of which the international trade mark is protected in the European Union.

...

(4) A registered trade mark which comes into being by virtue of sub-paragraph (1) is referred to in this Act as a comparable trade mark (IR).

(5) This Act applies to a comparable trade mark (IR) as it applies to other registered trade marks except as otherwise provided in this Schedule.

- 13. Furthermore, in relation to European trade marks largely similar provision is made by section 52A and by paragraph 1 of Schedule 2A to the Trade Marks Act 1994 (as inserted by regulation 4 of the Trade Marks (Amendment etc.) (EU Exit) Regulations 2019 (SI 2019/269) (the “Trade Marks Exit Regulations”)).
- 14. The remainder of these Schedules sets out some other modifications which apply in relation to comparable trade marks (EU) and (IR).
- 15. Furthermore, if the changes made to the Trade Marks Act 1994 do not properly implement the Withdrawal Agreement there is a “general implementation” of that Agreement provided by section 7A of the European Union (Withdrawal) Act 2018.
- 16. It might appear at first blush, therefore, that the Hearing Officer should have based her decision on the comparable trade marks (IR) and not the international trade mark (EC). However, as will become clear, this is not in fact the case.
- 17. The relevant part of the definition of an “earlier trade mark” in section 6 of the Trade Marks Act 1994 (as it read before IP completion day) is as follows:

6 Meaning of “earlier trade mark”

(1) In this Act an “earlier trade mark” means—

...

(b)a European Union trade mark or international trade mark (EC) which has a valid claim to seniority from an earlier registered trade mark or international trade mark (UK) even where the earlier trade mark has been surrendered or its registration has expired,

18. The definition of “international trade mark (EC)” was found in section 53 of the Act.
19. Section 6(1)(b) was repealed by paragraph 4(4) of Schedule 3 to the Trade Marks Exit Regulations and the definition of “international trade mark (EC)” was repealed by paragraph 18 of Schedule 8 to the International Marks Exit Regulations. These repeals took effect on IP completion day. Accordingly, neither provision was in force on 7 January 2021.
20. However, this ignores the transitional provisions which limit the effects of these amendments to the Trade Marks Act 1994. Paragraph 7(1) of Schedule 5 to the Trade Marks Exit Regulations provides:

Transitional and Saving Provisions

7.—(1) Any application or proceeding under the 1994 Act which was made or commenced before the coming into force of these Regulations shall be dealt with under the 1994 Act as it had effect before regulation 4 came into force.

21. And regulation 10 of the International Marks Exit Regulations provides:

Other amendments to legislation

10(1) Schedule 8, which contains other amendments to legislation, has effect.

(2) Any application or proceeding under the 1994 Act which was made or commenced before the coming into force of these Regulations shall be dealt with under the 1994 Act as it had effect before paragraph (1) comes into force.

22. Even if it might be argued that there is a lacuna between these two provisions, as section 6(1)(b) was repealed by one set of regulations and section 53 was repealed by another set and so cases such as this “slip through” the transitional provisions (and I am not sure there is such a lacuna), it still would not make any material difference. Section 16(1)(e) of the Interpretation Act 1978 (as applied to subordinate legislation by section 23(1) of the 1978 Act) would (absent a contrary intention) have saved section 6(1)(b) and the definition in relation to any pending legal proceedings such as these.
23. Furthermore, it may be arguable that when Regulation (EU) 2017/1001 on the European Union trade mark was repealed by the Trade Marks Exit Regulations it meant that as a matter of law the Regulation is deemed to have never existed (as I mentioned in the hearing, this was an argument I made in an article: Phillip Johnson “*Ratione temporis*, European law and the repeal of EU instruments” [2015] Public Law 258). But this does not affect the current proceedings. The version of section 6(1)(b) and the definition in section 53 of the 1994 Act remain through the transitional provisions and the general

saving provision in the Interpretation Act 1978. Even if Regulation (EU) 2017/1001 is deemed never to have existed, the factual statement regarding the existence of an international mark (EC) still stands: *Tulane Education Fund's SPC* [2013] EWCA Civ 890, [2014] RPC 10 at [61]. This is the case even if the instrument creating those rights no longer has effect in the United Kingdom (or may in law be deemed never to have had effect).

24. In simple terms, section 6(1)(b) and section 53 remain in effect during the currency of these proceedings and so the Hearing Officer was right to base her decision on the international marks (EC). Clearly, had the application for a declaration been made after IP completion day it would have had to rely on the comparable trade marks (IR), but this does not affect the existing proceedings.

Ground 2: Similarity of goods

25. The Appellant's second argument was that the Hearing Officer should have found the goods covered by the proprietor's mark to be dissimilar to those covered by the earlier trade marks, rather than finding that they possessed a medium degree of similarity.
26. The Appellant's written submissions on why the goods were dissimilar were lengthy as they outlined the physiological and psychological advantages that can arise from using a weighted blanket. It was not in dispute that weighted blankets can have a medicinal purpose. This means it is possible to distil those submissions into two points: (a) the goods are in different classes (Class 10 and Class 24); (b) weighted blankets are used for medical purposes whereas bed blankets are not; and so there are different trade channels and respective users of the goods, and so forth.

Different classes

27. The Respondent relied on section 60A(1) of the 1994 Act as to why the first challenge should be rejected:

60A Similarity of goods and services

(1) For the purposes of this Act goods and services—

- (a) are not to be regarded as being similar to each other on the ground that they appear in the same class under the Nice Classification;
- (b) are not to be regarded as being dissimilar from each other on the ground that they appear in different classes under the Nice Classification.

28. This section means that simply because a good is in the same class as another does not make those goods similar and likewise being in a different class does not mean those goods are dissimilar. Accordingly, in this case the fact that the proprietor's goods are in Class 10 and those of the earlier mark are in Class 24 does not mean in itself that the goods are dissimilar. However, it is also apparent that the classification of a good (or service) can be used to help the tribunal construe the meaning of the words in the specification and this may be material to the assessment of similarity.

29. In *Pathway IP Sarl v Easygroup Ltd* [2018] EWHC 3608 (Ch) at [104], after reviewing the authorities, Henry Carr J concluded that where the goods or services could be registered in multiple classes, the class number must be relevant to resolving any ambiguity in the meaning of a term used in the specification. In *Multi-Access Ltd v Guangzhou Wong Lo Kat Great Health Business Development Co Ltd* [2019] EWHC 3357 (Ch), [84(g)], David Stone, sitting as a High Court judge, took this further when he said:

...An easier approach would be to look at the Nice Classification in every case, and work from there. For some goods and services, the meaning of the words will be the same, whether assessed by the ordinary consumer or by the tribunal reviewing the Nice Classification. But for many goods and services, it is only by knowing the Class in which the application was filed that it is possible to determine a clear and precise meaning for the words used in the specification.

30. I agree with this comment, but in the context of this case the fact that Class 10 relates largely to medical apparatus and the like probably adds little to the words “therapeutic” and “for medical purposes” in the specification of the goods themselves. The question before the Hearing Officer was therefore whether a therapeutic blanket was similar to straightforward bedding used to cover a bed and keep a person warm.

The Hearing Officer’s assessment

31. After setting out the relevant law, the Hearing Officer concluded the following on the question of the similarity of goods in paragraph 61 (footnote omitted):

61. The uses of the goods overlap to the extent that they are both used as a covering. However, their specific uses differ to the extent that the proprietor’s goods are used for therapeutic or medical purposes, whereas the applicant’s goods are used to cover a bed. The users of the goods are likely to overlap, in that both could be used by members of the general public. However, the proprietor’s goods will also be used by medical professionals. The physical nature of the goods is likely to be very similar, although the proprietor’s goods may have some additional properties that make them suitable for their purpose (such as being made of particular materials). There may also be overlap in method of use. I do not consider it likely that there will be overlap in trade channels. Given the different specific purposes of the goods, I do not consider it likely that they will be in competition, nor do I consider them to be complementary. Overall, I consider this to amount to between a medium degree of similarity.

32. The Hearing Officer highlighted the different purposes to which the two goods will be put (therapeutic rather than bed covering) and the fact that the therapeutic blankets might have additional properties and be made of different materials. She also held that there would be different trade channels. These conclusions all seem entirely logical and proper and each would suggest away from similarity.

33. She also concluded that the users of the goods are likely to overlap, in that both types of blankets could be used by members of the general public, a factor which suggests in favour of similarity.

34. The Hearing Officer went on to suggest that the products are not in competition or complimentary to each other. This would, once more, suggest against similarity. However, in this respect I think the Hearing Officer may have gone too far. A “conventional” blanket might never be a substitute for a weighted blanket. But where a weighted blanket is used it would be used instead of a conventional bed covering. Even

if a weighted blanket is used in combination with a conventional blanket there would still be fewer conventional blankets overall. Put simply, if a weighted blanket were added to an existing blanket arrangement at least one of the conventional blankets would be removed; that is, it would be replaced by the weighted blanket. Accordingly, there is some competition between the products even if it is limited and only going one way. This means in respect of this factor, in my view, the similarity would have been slightly greater between the goods than suggested by the Hearing Officer.

35. The Hearing Officer concluded after considering all these factors that there was a medium degree of similarity. It must be remembered that this is not a counting exercise. So just because numerous factors point against similarity does not preclude this being more than counterbalanced by one factor pointing strongly towards the goods being similar.
36. Overall, it is clear that the Hearing Officer considered the right factors and her factual assessments were sound. Indeed, she took on board the distinctions made by the Appellant in relation to the differences between the goods. Therefore, she was entitled to reach the conclusion she did. I am reinforced in my conclusion by my view that the Hearing Officer could also have found a degree of one-way competition between the goods which would have suggested greater similarity.
37. The Appellant also commented on the Hearing Officer's findings in relation to the distinctiveness of the earlier marks; namely, that the word mark GRAVITY is distinctive to a medium degree and that the figurative version of the word is distinctive to a slightly higher degree (Decision, [68]). The written arguments did little other than criticise this finding. I see nothing wrong with them.
38. Accordingly, I uphold the Hearing Officer's decision on the similarity of the goods and therefore her decision on the likelihood of confusion stands. The second ground of appeal is therefore dismissed.

Conclusion

39. As I have dismissed the appeal in its entirety, the Respondent is entitled to a contribution towards its costs. I award £800. This is addition to £1,200 awarded by the Hearing Officer. Accordingly, I order the Appellant to pay a total of £2,000 to the Respondent within 21 days of the date of this decision.

PHILLIP JOHNSON
THE APPOINTED PERSON
22 JULY 2021

Appellant provided written submissions only
Respondent: Iain Stewart of Kilburn & Strode LLP