

O/0065/25

TRADE MARKS ACT 1994
IN THE MATTER OF APPLICATION
NO. UK00003903358 BY
SHESTO LIMITED TO REGISTER:

MODELCRAFT

AS A TRADE MARK IN CLASS 8

AND

IN THE MATTER OF OPPOSITION THERETO
UNDER NO 441981
BY CONRAD ELECTRONIC SE

BACKGROUND AND PLEADINGS

1. On 21 April 2023, Shesto Limited (“the applicant”) applied to register the trade mark shown on the cover of this decision (“the application”) in the UK for the following goods:

Class 8: Hand tools and implements, hand-operated, for use in the model making, crafting, precision electronics, engineering, renovation and restoration industries; parts and fittings for all the aforesaid goods.

2. The application was published for opposition purposes on 5 May 2023, and it was opposed by Conrad Electronic SE (“the opponent”) on 17 July 2023. The opposition is based on sections 5(2)(a) and 5(2)(b) of the Trade Marks Act 1994 (“the Act”). The opponent relies on the following mark in relation to both grounds of opposition:



UK904703765¹

Mark Description/Limitation

Colour Claimed: Grey, anthracite, black, red.

Filing date 24 October 2005; date of entry in register 02 February 2007.

Relying on some of its goods, namely:

¹ On 1 January 2021, the UK left the EU after the expiry of the transition period. Under Article 54 of the Withdrawal Agreement, the Registry created comparable UK trade marks for all rights holders with an existing EU trade mark (“EUTM”). As a result of the opponent having an EUTM protected as at the end of the Implementation Period, a comparable UK trade mark was automatically created. The comparable trade mark shown here is now recorded on the UK trade mark register, has the same legal status as if it had been applied for and registered under UK law, and retain its original filing date.

Class 7: machine tools; machine coupling and transmission components for toy models.

Class 28: parts for toy land vehicles.

3. Under its 5(2)(a) ground, the opponent claims that due to the identity between the parties' marks and similarity of the goods at issue, there exists a likelihood of confusion on the part of the relevant public, which includes the likelihood of association.

4. In the alternative, if it is considered that the marks are not identical, under its 5(2)(b) ground, the opponent claims that due to the high visual similarity, conceptual and aural identity between the parties' marks and the identity and/ or similarity of the goods at issue, there exists a likelihood of confusion on the part of the relevant public, which includes the likelihood of association.

5. The applicant filed a counterstatement denying the claims made and putting the opponent to proof of use of the earlier mark for all the goods relied upon.

6. The opponent is represented by Withers & Rogers LLP; the applicant is represented by Trade Mark Direct. Both parties filed evidence in chief. The opponent did not file evidence in reply. No hearing was requested. Both parties filed submissions in lieu of a hearing dated 13 December 2024. The decision is taken following a careful consideration of all of the papers.

7. The provisions of the act relied upon in these proceedings are assimilated law as they are derived from an EU law. Although the UK has left the EU section 6(3)(a) of the European Union (Withdrawal) Act 2018 (as amended by Schedule 2 of the retained EU Law (Revocation and Reform) Act 2023) requires tribunals applying assimilated law to follow assimilated EU case law. That is why this decision refers to decisions of the EU courts which predate the UK's withdrawal from the EU.

EVIDENCE

8. The opponent's evidence came in the form of the witness statement of Mr Otto Damovsky dated 28 March 2024 which is accompanied by 7 exhibits, being OD1 to

OD7. Mr Damovsky is the Head of the Private Label Department of the opponent, a position he has held since 2005. He is, therefore, authorised to make a statement on the opponent's behalf.

9. The applicant's evidence came in the form of the witness statement of Mr Danilo Delic dated 27 August 2024, which is accompanied by 9 exhibits, being exhibits DD1 to DD9. He is a Director at the applicant and is, therefore, authorised to make this statement on the applicant's behalf. The main purpose of the evidence was to adduce honest concurrent use of the marks.

10. I do not intend to summarise the evidence and submissions at this stage but will refer to the evidence and submissions where necessary throughout this decision.

DECISION

Proof of Use

11. Section 6A of the Act is as follows:

“(1) This section applies where-

- (a) an application for registration of a trade mark has been published,
- (b) there is an earlier trade mark of a kind falling within section 6(1)(a), (aa) or (ba) in relation to which the conditions set out in sections 5(1), (2) or (3) obtain, and
- (c) the registration procedure for the earlier trade mark was completed before the start of the relevant period.

(1A) In this section ‘the relevant period’ means the period of 5 years ending with the date of the application for registration mentioned in subsection (1)(a) or (where applicable) the date of the priority claimed for that application.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if-

(a) within the relevant period the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

(b) the earlier trade mark has not been so used, but there are proper reasons for non-use.

(4) For these purposes-

(a) use of a trade mark includes use in a form (the 'variant form') differing in elements which do not alter the distinctive character of the mark in the form in which it was registered (regardless of whether or not the trade mark in the variant form is also registered in the name of the proprietor), and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

[(5) Repealed]

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.

..."

12. Paragraph 7 of Part 1 Schedule 2A of the Act reads as follows:

“(1)Section 6A applies where an earlier trade mark is a comparable trade mark (EU), subject to the modifications set out below.

(2)Where the relevant period referred to in section 6A(3)(a) (the “five-year period”) has expired before IP completion day—

(a)the references in section 6A(3) and (6) to the earlier trade mark are to be treated as references to the corresponding EUTM; and

(b)the references in section 6A(3) and (4) to the United Kingdom include the European Union.

(3)Where IP completion day falls within the five-year period, in respect of that part of the five-year period which falls before IP completion day—

(a)the references in section 6A(3) and (6) to the earlier trade mark are to be treated as references to the corresponding EUTM ; and

(b)the references in section 6A to the United Kingdom include the European Union.”

13. Section 100 of the Act is as follows:

“If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

14. In *EasyGroup Ltd v Nuclei Ltd & Ors* [2023] EWCA Civ 1247, Arnold LJ summarised the law relating to genuine use as follows:

“105. The principles applicable to determining whether there has been genuine use of a trade mark have been considered by the CJEU in a considerable number of cases, the principal decisions being Case C-40/01 Ansul BV v Ajax Brandbeveiliging BV [2003] ECR I-2439, Case C-259/02 La Mer Technology Inc v Laboratories Goemar SA [2004] ECR I-1159, Case C-416/04 P Sunrider Corp v Office for Harmonisation in the Internal Market (Trade Marks and Designs) [2006] ECR I-4237, Case C-442/07 Verein Radetsky-Order v Bundervsvereinigung Kamaradschaft 'Feldmarschall Radetsky'[2008] ECR

I9223, Case C-495/07 Silberquelle GmbH v Maselli-Strickmode GmbH [2009] ECR I-2759, Case C-149/11 Leno Merken BV v Hagelkruis Beheer BV [EU:C:2012:816], Case C-609/11 Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG [EU:C:2013:592], Case C-141/13 P Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs) [EU:C:2014:2089], Case C-689/15 W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse [EU:C:2017:434] and Joined Cases C-720/18 and C-721/18 Ferrari SpA v DU [EU:C:2020:854].

106. Ignoring issues which do not arise in the present case, such as use in relation to spare parts or second-hand goods and use in relation to a subcategory of goods or services, the principles may be summarised as follows:

(1) Genuine use means actual use of the trade mark by the proprietor or by a third party with authority to use the mark: Ansul at [35] and [37].

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: Ansul at [36]; Sunrider at [70]; Verein at [13]; Centrotherm at [71]; Leno at [29]; Ferrari at [32].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: Ansul at [36]; Sunrider at [70]; Verein at [13]; Silberquelle at [17]; Centrotherm at [71]; Leno at [29]; Gözze at [37], [40]; Ferrari at [32].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: Ansul at [37]. Internal use by the proprietor does not suffice: Ansul at [37]; Verein at [14]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: Silberquelle at [20]-[21]. But use by a non-profit making association can constitute genuine use: Verein at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34]; *Leno* at [29]-[30], [56]; *Ferrari* at [33].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32].”

15. Proven use of a mark which fails to establish that “the commercial exploitation of the mark is real” because the use would not be “viewed as warranted in the economic

sector concerned to maintain or create a share in the market for the goods or services protected by the mark” is not, therefore, genuine use.

16. Given its filing date, the opponent’s mark qualifies as an earlier trade mark under section 6 of the Act. The opponent’s mark completed its registration process more than five years before the filing date of the application and, therefore, is subject to proof of use conditions. As above, the applicant has requested that the opponent provide use of its marks and, therefore, the conditions of use apply to the earlier mark. The relevant period for the purposes of the proof of use assessment is the five-year period ending with the date of application for the applicant’s mark. It is therefore 22 April 2018 to 21 April 2023.

17. I am also guided by *Awareness Limited v Plymouth City Council*, Case BL O/236/13, Mr Daniel Alexander Q.C. as the Appointed Person stated that:

“22. The burden lies on the registered proprietor to prove use. [...] However, it is not strictly necessary to exhibit any particular kind of documentation, but if it is likely that such material would exist and little or none is provided, a tribunal will be justified in rejecting the evidence as insufficiently solid. That is all the more so since the nature and extent of use is likely to be particularly well known to the proprietor itself. A tribunal is entitled to be sceptical of a case of use if, notwithstanding the ease with which it could have been convincingly demonstrated, the material actually provided is inconclusive. By the time the tribunal (which in many cases will be the Hearing Officer in the first instance) comes to take its final decision, the evidence must be sufficiently solid and specific to enable the evaluation of the scope of protection to which the proprietor is legitimately entitled to be properly and fairly undertaken, having regard to the interests of the proprietor, the opponent and, it should be said, the public.”

18. I also note Mr Alexander Q.C.’s comments in *Guccio Gucci SpA v Gerry Weber International AG*, Case BL O/424/14. He stated:

“The Registrar says that it is important that a party puts its best case up front – with the emphasis both on “best case” (properly backed up with credible exhibits, invoices, advertisements and so on) and “up front” (that is to say in the first round of evidence). Again, he is right. If a party does not do so, it runs a serious risk of having a potentially valuable trade mark right revoked, even where that mark may well have been widely used, simply as a result of a procedural error. [...] The rule is not just “use it or lose it” but (the less catchy, if more reliable) “use it – and file the best evidence first time round – or lose it”” [original emphasis]

19. In *Dosenbach-Ochsner Ag Schuhe Und Sport v Continental Shelf 128 Ltd*, Case BL 0/404/13, Mr Geoffrey Hobbs Q.C. as the Appointed Person stated that:

“21. The assessment of a witness statement for probative value necessarily focuses upon its sufficiency for the purpose of satisfying the decision taker with regard to whatever it is that falls to be determined, on the balance of probabilities, in the particular context of the case at hand. As Mann J. observed in *Matsushita Electric Industrial Co. v. Comptroller- General of Patents* [2008] EWHC 2071 (Pat); [2008] R.P.C. 35:

[24] As I have said, the act of being satisfied is a matter of judgment. Forming a judgment requires the weighing of evidence and other factors. The evidence required in any particular case where satisfaction is required depends on the nature of the inquiry and the nature and purpose of the decision which is to be made. For example, where a tribunal has to be satisfied as to the age of a person, it may sometimes be sufficient for that person to assert in a form or otherwise what his or her age is, or what their date of birth is; in others, more formal proof in the form of, for example, a birth certificate will be required. It all depends who is asking the question, why they are asking the question, and what is going to be done with the answer when it is given. There can be no universal rule as to what level of evidence has to be provided in order to satisfy a decision-making body about that of which that body has to be satisfied.

20. When it comes to proof of use for the purpose of determining the extent (if any) to which the protection conferred by registration of a trade mark can legitimately be maintained, the decision taker must form a view as to what the evidence does and just as importantly what it does not ‘show’ (per Section 100 of the Act) with regard to the actuality of use in relation to goods or services covered by the registration. The evidence in question can properly be assessed for sufficiency (or the lack of it) by reference to the specificity (or lack of it) with which it addresses the actuality of use.

The opponent’s evidence

21. Mr Damovsky states that ‘Modelcraft’ has been trading since 1979 and has been actively trading throughout the UK, the EU and the world. Further, he submits that there are over 7 million items in their product range and it supplies goods to other brands, in addition to the supply and retail of its own products. Mr Damovsky indicated the breadth of the products that they supply and retail, stating that “the products supplied and retailed by my company include, but are not limited to, car seats, car lights, batteries, computer peripherals, protective gloves, power tools, garden pond fitters, along with parties and accessories related to these items”.²

22. The opponent provided evidence consisting of invoices, screenshots from the company website and its UK subsidiary (Rapid Electronics Limited)³, catalogues, and packaging of its goods. I note the following in regard to the evidence:

- a) Exhibit OD1 consists of undated screenshots of the opponent’s website that indicate the opponent works in a variety of different areas inclusive of a ‘cars, hobbies and household’ section which contains ‘model making’ and ‘model railway and toys’, ‘DIY tools’ that contain ‘hand tools’, and the ‘Active components’ section that included ‘sensors’, ‘semi-conductors’ and ‘components’.

² Witness statement of Mr Damovsky, paragraph 9

³ In his witness statement Mr Damovsky explains that Rapid Electronics Limited is the UK subsidiary of the opponent that has been selling products under the registration.

b) Exhibit OD2 consists of screenshots from the opponent's website displaying 'modelcraft' products and use of the registration. The evidence demonstrates that the mark is used in relation to the following goods:

Balancer Sensor socket assembly kit	Aluminium fork joint internal thread
Balancer sensor plug assembly kit	Brass plastic ball head external thread
Balancer cable extension type chargers	Plastic lever set compatible with futuba
Shaft collar set	Aluminium eye bolt
C-clip compatible with shafts	High-performance gearmotor
Servo cable extension	550 Motor starter compatible with
Shaft collar compatible with shafts	Charging cable
Steel ball head internal	Aluminium square weld
Battery cable	Steel roller chain
Battery plug BEC	Brass toggle latch
Gearmotor 12V	Steel curb chain
Battery adapter cable	Brass ball chain
Steel Ball	Servo tape
Lipo- voltage controller	Channel receiver 2.4 Ghz
Crimper contacts	GT3 pistol grip RC
Chain lock	Precision turnbuckle
cogwheel/ flywheel remover	

c) Exhibit OD3 includes a range of invoices for UK consumers during the relevant period. Not all of the invoices contain the opponent's mark, but the opponent submits that the product codes can be seen on the invoices and align to goods bearing the opponent's mark. I was not able to identify that all the goods listed bore the opponent's mark (from cross referencing the evidence), however, I was able to identify the following:

Date	Goods	Quantity	Total (£)	Individual value (£)
29/5/2019	Shaft collar 4mm with grub screw pack 10	17	£40.12	£2.36

1/1/2021	Shaft collar 4mm with grub screw pack 10	80	£212	£2.65
1/12/2021	Shaft collar 4mm with grub screw pack 10	35	£102.55	£2.93
1/12/2021	Shaft collar 3mm with grub screw pack 10	35	£103.60	£2.96
28/10/2022	Shaft collar 4mm with grub screw pack 10	120	£369.60	£3.08
6/12/2023	Shaft collar 4mm with grub screw pack 10	26	£80.08	£3.08

d) Exhibit OD4 consists of screenshots from Rapid Electronics Limited's website. The opponent stated that *"it has not been possible to find archive or historical web pages from this website proving use of the registration during the relevant period however, I believe that goods bearing the registration were available to purchase online since at least 2013"*. However, the screenshots are dated 20/1/2020, 17/1/2021 and 28/09/2020, within the relevant period and can be taken into consideration. They demonstrate the sale of goods bearing the opponent's mark, specifically: high quality steel spring wire, 3-blade propeller and motor set, plastic gear set, shaft collar 3mm with grub screw pack, brass eye bolt M3, plastic worm gear white, shaft collar 8mm with grub screw pack, band chain, micro servo, plastic wheels, plastic gear JR standard analogue servo, tuning electric motor, shaft collar 2mm with grub screw, shaft collar 4mm with grub screw, servo tape, nickel plated brass eye bolt.

e) Exhibit ODD5 is an undated screenshot from the opponent's website of its delivery list and was provided to demonstrate that delivery options on its websites include the United Kingdom.

f) Exhibit OD6 contains images of packaging of the opponent's goods, clearly showing the opponent's mark on extractor tools for sprocket wheels and drive plates and a gearbox with motor.

g) Exhibit OD7 covers a range of invoices for sales of the opponent's goods dated in the relevant period. The sales are in the name of the opponent and not

their UK subsidiary. After looking at the invoices, I was only able to identify the following goods as being of the opponent's brand:

Date	Goods	Quantity	Total (£)	Location
12/11/2020	Gear motor 12V modelcraft	2	£53.98	St Asaph
15/4/2019	Gearbox motor	1	£25.99	Kirkcaldy
12/2/2021	Gearbox motor	4	£89.97	Crawley
25/3/2022	Gearbox motor	1	£22.50	Winchester

h) The opponent also provided sales figures from 2019 to 2023 including sales from the UK subsidiary (Rapid Electronics Limited) and the opponent itself (in euros). No clear breakdown has been provided to indicate what goods the sales figures relate to. The table appears in the witness statement of Mr Damovsky as follows:

Year	Sales Value (£) (Rapid Electronics)	Sales Value (EUR) (My company)
2019	£8,494.51	€5,911.67 (£5,064.93)
2020	£9,660.40	€6,318.94 (£,413.87)
2021	£9,410.55	€7,449.47 (£6,382.47)
2022	£9,473.52	€3,983.55 (£3,412.88)
2023	£6,295.98	€2,686.87 (2,686.87)
TOTAL	£43,334.98	£26,350.50 (£22,576.07)

Form of the mark

23. Before considering whether the opponent has made sufficient use of the mark and, if so, for what goods, I shall deal with the question of the form of the mark. In all instances throughout the evidence where the opponent has used the mark as registered – this is clearly use upon which the opponent can rely. The opponent's mark can be seen below.



24. Throughout its evidence, the opponent has used its mark as a word only, being 'MODEL CRAFT'. As per the case of *Lactalis*, use of a mark generally encompasses both its independent use and its use as part of another mark taken as a whole or in conjunction with that other mark.⁴ I consider that the mark in merely its word form will not affect the opponent's mark maintaining its role as an independent indication of origin within the example above. I do not consider that this alters the distinctive character of the mark as registered.⁵ As a result, and in accordance with *Colloseum*, I consider the mark shown above to be an example of use of the opponent's mark as registered.

Genuine use of the mark

25. For use to be genuine, it must have been real commercial exploitation of the mark, in the course of trade, sufficient to create or maintain a market for the goods at issue in the relevant territory during the relevant five-year period. In making my assessment, I am required to consider all relevant factors, including:

- the scale and frequency of the use shown;
- the nature of the use shown;
- the goods for which use has been shown;
- the nature of those goods and the market(s) for them; and
- the geographical extent of the use shown.

26. An assessment of genuine use is a global assessment, which includes looking at the evidential picture as a whole, not whether each individual piece of evidence

⁴ *Colloseum Holdings AG v Levi Strauss & Co.*, Case C-12/12

⁵ *Lactalis McLelland Limited v Arla Foods AMBA*, BL O/265/22

shows use by itself.⁶ I note that as the opponent's mark is a comparable mark it is possible for the opponent to rely on evidence of use in the EU up until the end of the transition period as set out in Tribunal Practice Notice 2/2020.⁷ However, I note that the evidence provided by the opponent is of use of the mark in the UK. No evidence provided pertains to use of the mark in the EU. The onus is on the proprietor to provide sufficiently solid evidence to show that the mark has been used within the five-year period.

27. The opponent has provided figures of £43,334.98 (from Rapid Electronics Limited) between 2019 and 2023 and £22,576.07 (from the opponent) during the same period totalling £65,911.05. I do not have evidence or submissions from the parties to assist me on the matter of the size of the UK/EU market for the goods concerned, so it is hard to contextualise the figures. However, in my view, the figures appear low and far from overwhelming. Despite this, the case law cited above states that use of a mark need not always be quantitatively significant for it to be deemed genuine. As indicated by the evidence presented by the opponent, it is clear that the cost per item sold by the opponent is low. Therefore, the evidence implies that the sales are due to a significant number of sales despite the low figures. The sales are not simply attributable to a one-off sale but, instead, the opponent has demonstrated a consistent and repeated pattern of sales throughout the relevant period. Further, I have considered that the market for the goods across the UK is likely to be extremely competitive with a vast number of producers competing with one another.

28. There is a lack of evidence of advertising and marketing, with no figures being provided to demonstrate expenditure on advertising. I note extracts of catalogues have been provided which could be interpreted as demonstrative of promotional material. However, I recognise that no evidence has been provided on the distribution, scale of the audience or reach of any promotional material. This is of some assistance in relation to marketing/advertising but there are some gaps in the evidence.

29. As set out above, the evidence contains a number of invoices. The invoices are for sales to consumers in the United Kingdom located in St Asaph, Kirkcaldy, Crawley and

⁶ *New York SHK Jeans GmbH & Co KG v OHIM*, T-415/09

⁷<https://www.gov.uk/government/publications/tribunal-practice-notice-22020-end-of-transition-period-impact-on-tribunal-proceedings/tribunal-practice-notice-22020-end-of-transition-period-impact-on-tribunal-proceedings> accessed 1/2/2022.

Winchester, being Scotland, Wales and the Southeast of England. The invoices show sales of shaft collar 3mm/4mm with grub screw pack 10, gearmotor 12V, gearbox motors. When cross-referencing the invoices to the screenshots from the opponent's website, in exhibit OD2, it is clear that the products referenced are products bearing the opponent's mark. On this point, whilst the screenshots from the company website are undated, I recognise that it may still reflect the goods that were sold during the relevant period. Despite this, the screenshots from waybackmachine in exhibit OD4, which (contrary to the opponent's submissions) are dated in the relevant period, demonstrate sales of goods bearing the opponent's mark, specifically high quality steel spring wire, 3-blade propeller and motor set, plastic gear set, shaft collar 3mm with grub screw pack, brass eye bolt M3, plastic worm gear white, shaft collar 8mm with grub screw pack, band chain, micro servo, plastic wheels, plastic gear JR standard analogue servo, tuning electric motor, shaft collar 2mm with grub screw, shaft collar 4mm with grub screw, servo tape, nickel plated brass eye bolt.

30. There are some clear deficiencies in the evidence provided by the opponent. There is a lack of evidence in relation to the distribution of marketing and advertising evidence. However, as noted above genuine use requires a global assessment of the evidence as a whole. The evidence has demonstrated sales of the opponent's goods to consumers throughout the UK; the consumers are situated in the Southeast of England, Scotland and Wales. The sales figures are far from overwhelming. Despite this, sales of £65,911.05 constitute a genuine attempt to create a market for its goods under their mark, particularly when I consider this in the light of the invoices and screenshots of websites. The sales are not simply attributable to a one-off sale but, instead, the opponent has demonstrated a consistent and repeated pattern of sales to consumers throughout the relevant period. Taking into consideration the above, I am of the view that the opponent has attempted to create and maintain a market for their goods under their mark. Therefore, I am satisfied that the opponent has demonstrated genuine use of its mark during the relevant period in the UK. I will now go on to assess whether the terms used in the opponent's specification are fair in light of what use has been shown.

Fair specification

31. In *Merck KGaA v Merck Sharp & Dohme Corp & Ors*, [2017] EWCA Civ 1834, Kitchin LJ (as he then was) set out the approach to be followed when considering partial revocation of a trade mark. The same approach is relevant when framing a fair specification. He said:

“244. As I described in *Maier v Asos*, the approach to be adopted is relatively straightforward (although I readily acknowledge that it may on occasion be difficult to apply) and it is in my view consistent with the earlier decisions of the Court of Appeal to which I referred at paragraph [63]. On reflection, I think it can be expressed more clearly as follows.

245. First, it is necessary to identify the goods or services in relation to which the mark has been used during the relevant period.

246. Secondly, the goods or services for which the mark is registered must be considered. If the mark is registered for a category of goods or services which is sufficiently broad that it is possible to identify within it a number of subcategories capable of being viewed independently, use of the mark in relation to one or more of the subcategories will not constitute use of the mark in relation to all of the other categories.

247. Thirdly, it is not possible for a proprietor to use the mark in relation to all possible variations of a product or service. So care must be taken to ensure this exercise does not result in the proprietor being stripped of protection for goods or services which, though not the same as those for which use has been proved, are not in essence different from them and cannot be distinguished from them other than in an arbitrary way.

248. Fourthly, these issues are to be considered having regard to the perception of the average consumer and the purpose and intended use of the

products or services in issue. Ultimately it is the task of the tribunal to arrive at a fair specification of goods or services having regard to the use which has been made of the mark.”

I note that the opponent’s mark is registered for the following goods:

Class 7: machine tools; machine coupling and transmission components for toy models.

Class 28: parts for toy land vehicles.

32. The turnover figures are not specifically broken down into the opponent’s goods, therefore, I must consider the evidence as a whole and compare what is shown within it to the opponent’s specification. It would be unfair for me to simply accept the turnover figures provided are for the goods for which the opponent’s registration is registered. Therefore, any use that I am able to identify will be determined by cross-referencing the turnover figures with the evidence that has been provided.

33. I shall begin with the specification for class 7. I do not consider that any use has been shown for “*machine tools*”. I note that the opponent provided a definition from the Collins online dictionary of machine tools as a “*machine driven by power that shapes for finishes metals or other materials*”.⁸ Whist I recognise that the evidence demonstrates use of tools generally, for example, extractor tools for sprocket wheels and drive plates⁹, those demonstrated are not forms of machine tools. Therefore, applying the opponent’s own definition of the term, I do not consider that use has been shown in relation to these goods.

34. Moving on to “*Machine coupling and transmission components for toy models*”. It is my understanding that machine couplings are used to connect two pieces of rotating equipment together in order to transmit power, in this particular instance they are used for toy models. In relation to transmission components for toys, I consider that this refers to various components used to transmit a rotary motion to a driven device from

⁸ Opponent’s submissions in lieu paragraph 19.

⁹ Exhibit OD6

a power source and includes items such as gears, chains, shafts etc. There is evidence of gear motors, shaft collars with grub screws (of various sizes), servo cable extension, shaft collar compatible with shaft, gearmotor, aluminium joint fork internal thread, brass plastic ball head external thread, high performance gear motor, plastic lever set compatible with futuba, steel roller chain, brass toggle latch, steel curb chain, brass ball chain and precision turnbuckle. All of which I consider fall within and are accurately described as *“machine coupling and transmission components for toy models”*.

35. Finally, in relation to *“parts for toy land vehicles”*, all of the aforementioned goods in paragraph 39 and those demonstrated by the evidence also fall into the category of parts for toy land vehicles. They are all machine coupling and transmission components for toy models that can be used specifically for toy land vehicles. I consider that the evidence demonstrates use of this term.

Section 5(2)(b): legislation and case law

36. Section 5(2)(b) of the Act reads as follows:

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

(a) ...

(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 or association with the earlier trade mark.”

Section 5A of the Act is as follows:

“5A Where grounds for refusal of an application for registration of a trade mark exist in respect of only some of the goods or services in respect of which the trade

mark is applied for, the application is to be refused in relation to those goods and services only.”

37. The following principles are gleaned from the decisions 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 C-3/03, *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 a 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 impression 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 greater 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 to mind the earlier mark, 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 might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

COMPARISON OF THE GOODS

38. The goods to be compared are as follows:

The applicant's goods	The opponent's goods
Class 8: Hand tools and implements, hand-operated, for use in the model making, crafting, precision electronics, engineering, renovation and restoration industries; parts and fittings for all the aforesaid goods.	Class 7: machine coupling and transmission components for toy models. Class 28: parts for toy land vehicles.

39. When making the comparison, all relevant factors relating to the goods in the specifications should be taken into account. 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”.

40. Guidance on this issue has also come from Jacob J. (as he was then) in the *Treat* case, [1996] R.P.C. 281, where he identified the factors for assessing similarity as:

(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.”

41. In *Boston Scientific Ltd v OHIM*, Case T-325/06, the General Court stated that “complementary” means:

“... 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 the responsibility for those goods lies with the same undertaking.”

42. I note that the opponent submits that the parties’ goods are similar on the basis that the goods share the same industry (being model making and craft), trade channel, nature, purpose, user and be complementary. Whereas the applicant denies similarity between the goods.

43. I consider that “*Hand tools and implements, hand-operated, for use in the model making [...]*” in the applicant’s specification is similar to “*machine coupling and transmission components for toy models*” (in class 7) and “*parts for toy land vehicles*” (in class 28) in the opponent’s specification. I consider that the goods will differ in purpose and nature, as the applicant’s goods will be the manual tool used to install parts or repair various items, whereas the opponent’s goods are the parts that will be installed or repaired. Further, the method of use of the marks will differ. However, the users of the goods may overlap as individuals selecting parts to repair model vehicles, for example, may also wish to purchase tools to enable them to install or repair the parts. They will share the same trade channels, which is demonstrated by the opponent’s evidence, where the opponent sells both the parts and tools such as extractor tools for sprocket wheels and drive plates.¹⁰ Even if the evidence was not filed, I would still find this to be the case. I consider that it is quite clear that these goods would be produced by the same companies and will also likely be sold via the same distribution channels. The goods are not in competition, as the consumer will not select a tool if they wish for a part to repair/install and vice versa. However, there may be a level of complementarity between the goods. In relation to small size model vehicles

¹⁰ Exhibit OD6

being repaired, for example, the use of a hand tool made specifically to suit the size of a model part, may be important/indispensable to one another. Further, it is my view that the average consumer will consider that the responsibility for those goods will lie with the same undertaking. Taking the above into account, I consider the goods to be similar to a medium degree.

44. However, in relation to *“hand tools and implements, hand-operated, for use in the [...] crafting, precision electronics, engineering, renovation and restoration industries”* I do not consider the above reasoning applies. The *Treat* factors that I find to not overlap, will also not overlap here, I will discuss further the factors that I found to be similar above. When comparing the goods against the opponent’s, listed above, I do not consider that the users of the goods will overlap. For example, a consumer selecting a part for a toy land vehicle or coupling or installation component for a model vehicle will not be the same consumer as someone selecting a tool for crafting, precision electronics, engineering, renovation and restoration industries. Whilst it could be argued that tools for electronics may be used on model cars as the model cars may be electric cars, in the absence of any evidence or submissions to the contrary, I do not consider that the users would seek to fix the electronics of a model themselves. Similarly, it may be argued that the users of the applicant’s goods may renovate or restore a toy vehicle. In the absence of any evidence or submissions to the contrary, I consider that this is unlikely. Therefore, I maintain that there will not be an overlap in users as I do not consider that the average consumer would have use for such a tool to install or repair one of the opponent’s goods. Whilst the opponent’s evidence in exhibit 1 indicates that they cater to different industries and provide hand tools, the opponent’s focus appears to be in model toys. Further, no breakdown has been provided of the hand tool section to demonstrate that they provide hand tools for various uses such as precision electronics as well as model toys. In the absence of such evidence, I consider that the trade channels will not be shared, as it is my view that the provider of the opponent’s goods will be more specialist and they would not have an overlap with the hand tools in the applicant’s specification. In addition, I do not consider that there is any complementarity between the goods. Therefore, I consider that these goods are dissimilar.

45. In relation to “*parts and fittings for all the aforesaid goods*”, I consider that there is similarity between the parts and fittings for the goods that I have found to be similar above. This is on the basis that, in my view, there will be an overlap between users and trade channels. Consequently, I consider, for the goods I have found to be similar, their parts and fittings will be similar to a low degree.

46. As some degree of similarity between the goods is necessary to engage the test for likelihood of confusion,¹¹ the opposition must fail in respect of the following goods the applicant’s specification that I have found to be dissimilar to the opponent’s goods:

Class 8: *Hand tools and implements, hand-operated, for use in the [...] crafting, precision electronics, engineering, renovation and restoration industries.*

THE AVERAGE CONSUMER AND THE PURCHASING PROCESS

47. As the law above indicates, it is necessary for me to determine who the average consumer is for the parties’ goods. I must then determine the manner in which the goods are likely to be selected by the average consumer. 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 (as he then was) 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.”

48. The average consumer for the goods at issue is a member of the general public and professionals. The goods at issue will typically be offered by specialist suppliers

¹¹ eSure Insurance v Direct Line Insurance [2008] ETMR 77 CA

(such as hobby suppliers) either in a retail premises or from a website or catalogue. Consequently, I consider that visual considerations will dominate the selection process. However, I do not discount that there may be an aural element to the purchasing process, as advice may be sought from sales representatives.

49. Depending on the goods, I consider that they will be purchased at various levels of frequency, depending on the goods, with items such as components for model vehicles being purchased frequently and tools being purchased infrequently. I consider that the goods will be low to moderately priced (as indicated by the opponent's evidence). Lower- priced goods may be purchased more frequently. When selecting the goods, I consider that the average consumer will consider factors such as whether they are fit for purpose, materials used, quality and ergonomics. Accordingly, I consider that the general public will pay a medium level of attention to the purchasing process of the goods. However, I consider that the degree of attention paid by professionals may be higher than medium (not the highest), as they will ensure that the goods are fit for purpose and with a higher quality/durability.

COMPARISON OF THE MARKS

Identity of the marks

50. It is a pre-requisite of section 5(2)(a) of the Act that the trade marks at issue are identical. I do not consider that the marks are identical because they differ in the presence of the stylisation, contrived colour split and background in the opponent's mark. In my view, these differences are not so insignificant that they will be considered identical by the average consumer. As such, the marks are not to be considered identical. The opposition in respect of the section 5(2)(a) ground against the applicant's mark, therefore, fails. However, it will still proceed in respect of section 5(2)(b).

51. The marks to be compared are as follows:

The applicant's mark	The opponent's mark
-----------------------------	----------------------------

MODEL CRAFT	
-------------	--

52. It is clear from *Sabel BV v Puma AG* (particularly paragraph 23) that the average consumer normally perceives a trade 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 trade marks must be assessed by reference to all the overall impressions created by the trade 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.”

53. It would be wrong, therefore, to artificially dissect the trade marks, 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.

54. Under its 5(2)(a) ground the applicant submits that the marks are phonetically and conceptually identical. However, in the alternative, if it was found that the marks are not identical, under its 5(2)(b) ground, the opponent submits that the marks are phonetically/conceptually identical and highly similar visually. On the other hand, the applicant admits that the marks have some similarity, but does not comment on the specifics.

55. The applicant's mark is the word 'MODELCRAFT'. There are no other elements that contribute to the overall impression of the mark, which lies in the word itself.

56. The opponent's mark is a figurative mark consisting of the word 'MODELCRAFT', the letters M-D-E-L-C-R-A-F-T' appear in stylised black text. The letter 'O' is presented in orange stylised text. The words are presented on a grey rectangular background. The word 'MODELCRAFT' plays a greater role in the overall impression of the mark, with the stylisation, colour and background all playing lesser roles.

57. Visually, the marks coincide with the word 'MODELCRAFT' which is the totality of the applicant's mark. However, I appreciate that notional and fair use of the applicant's mark would allow the applicant's mark to be presented in different fonts, stylisation and colour, the applicant's mark may not be presented in the same typeface or colour combination. The marks differ in the presence of the stylisation, colour and background in the opponent's mark. Whilst I have found these elements play a lesser role, they are still points of difference. Therefore, I consider that the marks are highly similar.

58. Aurally, the stylisation, colour and background in the opponent's mark will not be pronounced. I agree with the opponent that the marks will be pronounced identically and, therefore, are aurally identical.

59. Conceptually, I do not consider that the stylisation, colour and background of the opponent's mark will convey any conceptual message to the average consumer. Instead, they will be seen as decorative elements only. This leaves the conceptual comparison as being between the word elements of both marks.

60. The marks are conceptually identical inasmuch as they share the word 'MODELCRAFT'. I consider that the mark will be perceived as a combination of two dictionary words, being 'MODEL' and 'CRAFT'. When used in combination, it may be perceived that the goods are for the specific craft activity pertaining to models e.g. RC models. Taking the above into account, I consider the marks to be conceptually identical.

DISTINCTIVE CHARACTER OF THE EARLIER MARK

61. 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 C108/97 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).”

62. Registered trade marks possess various degrees of inherent distinctive character, ranging from the very low, because they are suggestive or allusive of a characteristic of the goods or services, to those with high inherent distinctive character, such as invented words which have no allusive qualities. The distinctiveness of a mark can be enhanced by virtue of the use made of it. The opponent has not pleaded that

the mark has acquired enhanced distinctive character through use. However, enhanced distinctive character does not need to be pleaded to be present. In light of this, I have considered the evidence in support of a claim of enhanced distinctiveness and do not consider the evidence is sufficient to demonstrate such a claim in regard to the opponent's mark in the UK. While my findings on genuine use are noted, I remind myself that the requirement for a finding of an enhanced distinctive character is considerably more onerous than that of genuine use. I say this on the basis that use need not be quantitatively significant in order for it to be genuine. On the contrary, a finding of an enhanced degree of distinctive character requires use at such a level that is capable of pointing to the fact that a proportion of consumers would identify the goods as originating from a particular undertaking. I have, therefore, only the inherent position to consider.

63. The opponent submits that *"the earlier mark comprises of the distinctive word MODEL CRAFT which is a distinctive, dominant and non-descriptive term with no meaning to the relevant public. The degree of distinctiveness is high and therefore there is a greater likelihood of confusion."*¹²

64. I accept that 'MODEL CRAFT' is not an ordinary dictionary word and invented words usually have the highest degree of inherent distinctive character. However, I do not consider that the average consumer will see it as an invented word, but as two words, being 'MODEL' and 'CRAFT'. In my view, the words 'MODEL' and 'CRAFT' are allusive of the opponent's goods at issue, particularly machine coupling and transmission components for toy models and parts for toy land vehicles. As they are goods involved in models and model vehicles etc are a form of activity involving skill in making things by hand, also known as a craft. Consequently, I find the mark to have a degree of inherent distinctive character that is lower than medium but not low.

LIKELIHOOD OF CONFUSION

¹² Opponent's submissions in lieu

65. Confusion can be direct or indirect. Direct confusion involves the average consumer mistaking one mark for the other, while indirect confusion is where the average consumer realises the marks are not the same but puts the similarity that exists between the marks and the services down to the responsible undertakings being the same or related. There is no scientific formula to apply in determining whether there is a likelihood of confusion; rather, it is a global assessment where a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods and vice versa. As I mentioned above, it is necessary for me to keep in mind the distinctive character of the opponent's trade mark, the average consumer of the goods and the nature of the purchasing process. In doing so, I must be alive to the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them that he has retained in his mind.

66. I have found the marks to be visually similar to a high degree and conceptually/aurally identical. I have found the opponent's mark to have a degree of inherent distinctive character that is not low, but lower than medium. I have found the average consumer to be the general public and professionals. I have found the goods are likely to be selected visually, although I do not discount an aural component. I have concluded that the degree of attention paid during the purchasing process for the goods will vary between medium (general public) to higher than medium (but not the highest). For the goods that I have found to be similar, they are similar to a medium degree.

67. Taking all of the factors into account and particularly bearing in mind the principle of imperfect recollection, I consider that the parties' marks will be misremembered or inaccurately recalled for one another. I consider that the average consumer will overlook the stylisation, colour and background on the opponent's mark, which I have found play lesser roles in the overall impression of the mark. Other than these differences, the word elements of the marks are identical being 'MODELCRAFT'. When seeking to recall the marks, the consumer will likely seek to recall the word element, given that this is for the same word in these marks, clearly, they will misremember them for one another. I consider that the differences between the marks

will be overlooked or misremembered, and the conceptual and aural identity and high degree of visual similarity of the marks will add to this. Therefore, I consider that there is a likelihood of direct confusion between the marks. This finding extends to all of the goods for which I have found to be similar and in circumstances wherein the consumer pays a higher than medium degree of attention.

Honest concurrent use

68. The applicant seeks to rely upon honest concurrent use of the marks.¹³ I note that in the case of *Match Group, LLC & Ors v Muzmatch Ltd & Anor* [2023] EWCA Civ 454, Arnold LJ held that honest concurrent use is not a separate defence in a trade mark case, but a factor which can be taken into account in deciding whether use of the later mark will affect the functions of the earlier mark. A use which was initially infringing could eventually cease to be infringing if the trade mark proprietor took no action, there was substantial parallel trade for a long period, and as a result, the trade marks came to be understood by the relevant class of consumers as denoting the goods/services of more than one trader. In that scenario there would no longer be a likelihood of confusion. Further, I note that Arnold LJ said that once the claimant has established a *prima facie* case of infringement, the burden shifts to the defendant to establish that, by virtue of its honest concurrent use, there is no longer an adverse effect on any of the functions of the earlier trade mark.

69. The *Budejovicky Budvar NP v Anheuser-Busch Inc*, Case C-482/09, EU:C:2011:605,¹⁴ case shows that honest concurrent use may also be relevant in trade mark opposition and cancellation proceedings. Consequently, the above guidance also applies to proceedings of this kind.

70. I will take the points established within the above case in turn. Firstly, is that the use that could be initially infringing could cease to be if the trade mark proprietor took no action. I am also reminded of *Aceites del Sur-Coosur SA v OHIM*, Case C-498/07 P, where the CJEU found that:

¹³In an official letter dated 5 November 2024, the registry asked the applicant to clarify its TM8 and counterstatement, as it was unclear if and what counterclaim/defence the applicant was pleaded. The applicant responded in an email dated 6 November 2024 the applicant clarified that it “considers there to have been honest concurrent use”.

¹⁴ *Budejovicky Budvar NP v Anheuser-Busch Inc*, Case C-482/09, EU:C:2011:605

“82. First, although the possibility cannot be ruled out that the coexistence of two marks on a particular market might, together with other elements, contribute to diminishing the likelihood of confusion between those marks on the part of the relevant public, certain conditions must be met. Thus, as the Advocate General suggests at points 28 and 29 of his Opinion, the absence of a likelihood of confusion may, in particular, be inferred from the ‘peaceful’ nature of the coexistence of the marks at issue on the market concerned.

83. It is apparent from the file, however, that in this case the coexistence of the La Española and Carbonell marks has by no means been ‘peaceful’ and the matter of the similarity of those marks has been at issue between the two undertakings concerned before the national courts for a number of years.”

71. I note that these proceedings are the first (that I am aware of) between the parties regarding the marks relating to the term ‘MODELCRAFT’ and no reference has been made to previous proceedings.

72. Secondly, there must be a substantial parallel trade for a long period of time. In this instance, the applicant submits that it has used its mark for more than 20 years. Similarly, the opponent submits that the mark ‘Modelcraft’ has been trading since 1979 and has been actively trading throughout the UK, the EU and the world. The evidence shows that goods bearing the applicant’s mark has been listed on Amazon since 2008.¹⁵ The applicant submits that it has been used for over 20 years, however, the catalogue provided is dated in 2023. In addition, whilst screenshots have been provided of the Hobbycraft website, where the applicant submits its goods have been sold for more than 20 years, limited supporting evidence of this has not been provided. In exhibit DD8 a screenshot dated 2 January 2006 from the Wayback machine displays the applicant’s website with various marks including ‘MODELCRAFT’, however, from the website itself no supporting images are provided and there is no indication which (if any) of the goods provided by the company listed being, *“jewellers tools, model & hobby and Beauty”*, are provided under the ‘MODELCRAFT’ mark.

¹⁵ Exhibit DD7

73. However, Exhibit DD9 provided by the opponent, the opponent submits is a reproduction from a file dated 16 January 2003, shows the use of the mark on a range of products, including use on hammers, squares, pliers and cutters etc. Despite this, it appears to be an internal document and no indication has been provided of the scale of distribution, reach of consumers or the like associated with this document. The images of the applicant's attendance at the Nuremburg toy fair are undated. I have been provided with turnover figures regarding their goods amounting to “£5,777,860 for 2.2 million stock keeping units” for a 5 year period of accumulated sales from January 2019 to August 2024.¹⁶ Whilst this may not necessarily be a short period of time, the case law of *Budvar* cited above, covers circumstances where the marks are used alongside each other for a more prolonged period of time. The circumstances demonstrated here can be distinguished from those intended in the case of *Budvar*. In addition, the following sales tables has been provided by the opponent:¹⁷

“Modelcraft sales for top 3 customers (£000’s)

Shesto Financial year Jan-Dec					Jan-Jul
2019	2020	2021	2022	2023	2024 to date

Hobbycraft (125 stores)	492	377	332	576	550	293
Amazon	374	556	410	173	169	65
Farnell/CPC	38	29	22	34	39	18

(Premeir Farnell listed on Stock Exchange)

NB. The above three groups account for 80% of the Modlecraft Turnover”

74. I cannot say there has been significant parallel trade by the parties, as the sales have not been demonstrated over a prolonged period of time (as submitted) and there

¹⁶ Exhibit DD4

¹⁷ Exhibit DD5

is nothing to show the marks appearing side by side in comparable market environments.¹⁸ Further, there is nothing to indicate that the consumers are accustomed to identifying the fact that they have different commercial origins. Therefore, it also does not follow that consumers have been conditioned to understand that the goods are on offer are from two different undertakings. Consequently, I do not therefore find that the defence of honest concurrent use has been made out.

CONCLUSION

75. The opposition partially succeeds, and the applicant's mark is, subject to any successful appeal of my decision, refused registration for the following goods:

Class 8: Hand tools and implements, hand-operated, for use in the model making [...] industries; parts and fittings for all the aforesaid goods.

76. However, again subject to any successful appeal of my decision, the following goods will proceed to registration:

Class 8: Hand tools and implements, hand-operated, for use crafting, precision electronics, engineering, renovation and restoration industries.

COSTS

77. In my view, both parties have enjoyed an approximately equal degree of success in these proceedings. As a result, I do not consider it appropriate to make an award of costs in the favour of either party.

Dated this 24th day of January 2025

A KLASS

FOR THE REGISTRAR

¹⁸ *Compass publishing BV v Compass Logistics Ltd* [2004] RPC 41.