

O-249-16

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK APPLICATION 3085820
BY CASTROL LIMITED
TO REGISTER THE FOLLOWING TRADE MARK IN CLASSES 1 & 4:**

ILOCUT

AND

**OPPOSITION THERETO (NO. 404266) BY
FUCHS PETROLUB SE**

Background and pleadings

1. The sole ground in these opposition proceedings is under section 5(2)(b) of the Trade Marks Act 1994 (“the Act”). The conflict boils down to whether there is a likelihood of confusion between the following two trade marks:

Applicant’s mark and relevant details	Opponent’s mark ¹ and relevant details
<p>ILOCUT</p> <p>Class 1: Coolants; chemical preparations for inhibiting rust; preparations for treating metal surfaces; anti-corrosive preparations; preservatives against rust; emulsifiers; degreasing preparations for use in industry and manufacturing processes, grinding preparations.</p> <p>Class 4: Fuels in gas, liquid or solid form, oils and greases for industrial use; lubricants; cutting and grinding fluids and oils.</p> <p>Filed on 12 December 2014 and published on 6 March 2015.</p> <p>The applicant is Castrol Limited (“the applicant”).</p>	<p>ECOCUT</p> <p>Class 4: Industrial oils and greases as well as lubricants, all goods exclusively for metalworking.</p> <p>Filed on 6 June 2001, published on 25 March 2002 and registered on 12 September 2002. The registration claims a UK seniority date of 28 March 1989 (no. 1377908).</p> <p>The opponent is Fuchs Petrolub SE (“the opponent”).</p>

¹ European Union Trade Mark (“EUTM”) 2246148

2. The opponent relies on all of its goods to oppose all of the applicant's goods. It should be noted that the opponent's earlier mark was registered more than five years before the date on which the applicant's mark was published, consequently, it is subject to the proof of use provisions contained in section 6A of the Act. The opponent made a statement of use claiming that it has used its mark in relation to all of the goods for which the mark is registered.

3. The applicant filed a counterstatement denying the claims "as the Opponent's trade mark ECOCUT is not similar to the Applicants trade mark ILOCUT and there does not exist a likelihood of confusion". The applicant put the opponent to proof of use.

4. Both sides are legally represented, the applicant by BP Group Trade Marks, the opponent by Haseltine Lake LLP. Both sides filed evidence. Neither side asked to be heard, both opting to file written submissions instead.

The opponent's evidence

5. This comes from Mr Keith Salt, Executive Technical Manager of FUCHS Lubricants (UK) Plc ("FUCHS UK") an operating company which is part of the FUCHS Group, of which the opponent is the parent company. He states that the group was founded in 1931 and ranks number one among the world's independent lubricant providers. It is explained that FUCHS UK is authorised to manufacture and distribute products owned by the opponent.

6. In terms of ECOCUT, this is the brand name given to a range of oils and lubricants used for metal working applications which require a non-water based fluid. Mr Salt explains that these are known as "neat metal working fluids". He adds that ECOCUT can be used for a range of applications, including as a cutting oil, machine tool lubricant and hydraulic oil. ECOCUT has a number of grades, as can be seen in material from the UK version of the FUCHS' website where the following versions of ECOCUT are detailed:

- ECOCUT HFN GB LE, which is recommended for normal to difficult machining operations on steel, cast iron and non-ferrous metals. The print explains that it can also be used as a cutting oil.
- ECOCUT MIKRO PLUS 20, which is specifically formulated for minimum quantity lubrication operations on aluminium and other non-ferrous metals, cast iron, steel and steel alloys. The print also states that it is highly effective at reducing cutting fluid consumption.
- ECOCUT PD-14, which is suitable for use on a wide variety of difficult to machine steels and alloys.
- ECOCUT SD-32, which is suitable for a variety of metal cutting applications, particularly single or multi-spindle automatic machining operations. The print states that it can also be used as a cutting oil.

7. Mr Salt states that ECOCUT has been in use in the UK since as early as 1991. Exhibit KS2 contains a “Metalworking Fluids Guide” which includes a section on ECOCUT. It also contains two case studies. In the first, DaimlerChrysler (in Germany) is identified as using ECOCUT HFN 10 LE which is identified as being recommended for all cutting, grinding and honing applications. The second case study is about Ford Motor Company (in the UK) which uses ECOCUT HFN16LE, described as a low emission, low volatility cutting oil. Mr Salt notes that this case study includes a picture of a certificate issued in 2003 relating to ECOCUT. There is nothing to date the guide itself, or to whom it was issued.

8. Exhibit KS3 contains a brochure said to be from November 2011 which Mr Salt states was distributed to UK customers in the aerospace sector for which, apparently, ECOCUT has a further application. There are a number of references to another of the opponent’s products, ECOCOOL. It is not until the last page of this six page brochure that ECOCUT is mentioned. Exhibit KS4 contains a flyer (said to be from August 2014) issued by FUCHS UK which shows FUCHS’ products which have been approved by certain companies in the aerospace sector. Five of the fourteen

companies list ECOCUT as one of its approved products. More approvals are listed for ECOCOOL.

9. Exhibit KS5 contains a brochure (said to be from May 2013) produced by FUCHS Europe promoting lubricants for use in medical applications such as medical engineering. Page two of the exhibit is entitled “Cutting Fluids for Medical Applications”. The brochure focuses on ECOCUT and ECOCOOL. ECOCUT is identified as a cutting fluid in the body of the brochure.

10. Exhibit KS6 contains sales figures for ECOCUT products in the UK. Between 2010 and 2014 sales have risen from £500k to £1.25 million, with the volume (in litres) increasing from 450k to 1 million. Exhibit KS7 contains (redacted) sample sales invoices to UK customers which include ECOCUT products. The invoices range in date from 2010 to 2014. Exhibit KS8 contains sample invoices to customers in Germany (which is said to be one of the largest markets for ECOCUT) which have been provided by the German part of the FUCHS’ group. These are dated between 2008 and 2014. Exhibit KS9 contains web prints from the French, Spanish and Italian versions of the FUCHS’ website which also make reference to ECOCUT. Mr Salt states that ECOCUT has been sold on a significant scale in these territories over the past five years. There is, though, nothing to date the web prints as falling within the relevant period.

The applicant’s evidence

11. This comes from Mr John McMahon, the applicant’s Global Product Management Team Leader. Mr McMahon states that ILOCUT identifies the applicant’s product family of neat oil fluids used for metal working applications including cutting and grinding. It is sold in different grades and formulations. Exhibit JM1 contains data sheets for various ILOCUT products, the products are differentiated by codifying numbers e.g. ILOCUT 101, ILOCUT 154 etc. Many are described as “neat cutting oil”. Mr McMahon states that ILOCUT has been sold in the UK since 1935. Exhibit JM2 contains a print from the IPO website showing a registration (no. 556837A) of the mark ILOCUT filed on 3 January 1935, albeit in respect of a narrower specification (essentially cutting oils) than the subject application. The mark is still registered today.

12. Exhibit JM3 contains a catalogue said to date from the 1940s issued by a company called Wakefield's. It includes an entry for ILOCUT. Exhibit JM4 is a change of company name certificate showing that the applicant's previous name (it was changed in 1960) was GC Wakefield & Company Limited.

13. Exhibit JM5 contains sales figures for ILOCUT in the UK between 2009 and 2015. Revenue increased from £181k in 2009 to £244k in 2011, but has since dropped to £108k in 2015. Volume (in litres) sold has seen a similar pattern, with 138k litres being sold in 2009 which fell to 109k in 2015. Sample (redacted) invoices issued between 2012 and 2015 are provided in Exhibit JM6 showing sales of ILOCUT products.

14. Mr McMahon states that, to the best of his knowledge, the opponent has been aware of the use of ILOCUT in the UK for a number of years, at least from 2008. In support of this, Mr McMahon provides, in Exhibit JM7, a document produced by FUCHS UK which details competitor products for which there is a FUCHS' alternative. A number of ILOCUT products have an ECOCUT alternative. Mr McMahon states that to the best of his knowledge, there have never been instances where consumers have confused ILOCUT and ECOCUT. He also highlights that in the document in Exhibit JM7 there are a number of marks which use the prefix or suffix CUT. I counted 11.

The proof of use provisions

15. The use conditions are set out in section 6A of the Act as follows:

“(3) The use conditions are met if –

(a) within the period of five years ending with the date of publication of the application 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 [.....]”

(4) For these purposes -

(a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered [.....]

(5) “In relation to a Community trade mark [.....], any reference in subsection (3) [.....] to the United Kingdom shall be construed as a reference to the European Community”.

16. Section 100 is also relevant, which reads:

“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.”

17. In *The London Taxi Corporation Limited v Frazer-Nash Research Limited & Anor*, [2016] EWHC 52 (“*London Taxi*”), Arnold J. summarised the case-law on genuine use of trade marks:

“217. In *Stichting BDO v BDO Unibank Inc* [2013] EWHC 418 (Ch), [2013] FSR 35 I set out at [51] a helpful summary by Anna Carboni sitting as the Appointed Person in *SANT AMBROEUS Trade Mark* [2010] RPC 28 at [42] of the jurisprudence of the CJEU in 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 and Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759 (to which I added references to Case C-416/04 *P Sunrider Corp v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [2006] ECR I-4237). I also referred at [52] to the judgment of the CJEU in Case C-149/11 *Leno Merken BV v Hagelkruis Beheer BV* [EU:C:2012:816], [2013] ETMR 16 on the question of the territorial extent of the use. Since then the CJEU has issued a reasoned Order in 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] and that Order has been persuasively analysed by Professor Ruth Annand sitting as the Appointed Person in *SdS InvestCorp AG v Memory Opticians Ltd* (O/528/15).

[218] ...

219. I would now summarise the principles for the assessment of whether there has been genuine use of a trade mark established by the case law of the Court of Justice, which also includes Case C-442/07 *Verein Radetsky-Order v Bunderversammlung Kamaradschaft 'Feldmarschall Radetsky'* [2008] ECR I-9223 and Case C-609/11 *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR 7, 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].

(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].

(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].

(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].”

18. As the earlier mark is an EUTM, in accordance with section 6A(5) of the Act, the earlier mark must have been put to genuine use in the EU. In its judgment in *Leno Merken BV v Hagelkruis Beheer BV* C-49/11 (“*ONEL*”) the Court of Justice of the European Union (“CJEU”) stated:

“28 The Court has already - in the judgments in *Ansul* and *Sunrider v OHIM* and the order in *La Mer Technology* - interpreted the concept of 'genuine use' in the context of the assessment of whether national trade marks had been put to genuine use, considering it to be an autonomous concept of European Union law which must be given a uniform interpretation.

29 It follows from that line of authority that there is 'genuine use' of a trade mark where the mark is used in accordance with its essential function, which is to guarantee the identity of the origin of the goods or services for which it is registered, in order to create or preserve an outlet for those goods or services; genuine use does not include token use for the sole purpose of preserving the rights conferred by the mark. When assessing whether use of the trade mark is genuine, regard must be had to all the facts and circumstances relevant to establishing whether there is real commercial exploitation of the mark in the course of trade, particularly the usages regarded as warranted in the economic sector concerned as a means of maintaining or creating market share for the goods or services protected by the mark, the nature of those goods or services, the characteristics of the market and the scale and frequency of use of the mark (see *Ansul*, paragraph 43, *Sunrider v OHIM*, paragraph 70, and the order in *La Mer Technology*, paragraph 27).

30 The Court has also stated that the territorial scope of the use is only one of several factors to be taken into account in the determination of whether that use is genuine or not (see *Sunrider v OHIM*, paragraph 76).

31 That interpretation may be applied by analogy to Community trade marks since, in requiring that the trade mark be put to genuine use, Directive 2008/95 and Regulation No 207/2009 pursue the same objective.”

19. Regarding the territorial scope of use, the CJEU went on to state:

“52 Some of the interested persons to have submitted observations to the Court also maintain that, even if the borders of the Member States within the internal market are disregarded, the condition of genuine use of a Community trade

mark requires that the trade mark should be used in a substantial part of the Community, which may correspond to the territory of a Member State. They argue that such a condition follows, by analogy, from Case C-375/97 *General Motors* [1999] ECR I-5421, paragraph 28, Case C-328/06 *Nieto Nuño* [2007] ECR I-10093, paragraph 17, and Case C-301/07 *PAGO International* [2009] ECR I-9429, paragraph 27).

53 That argument cannot be accepted. First, the cases in question concern the interpretation of provisions relating to the extended protection conferred on trade marks that have a reputation or are well known in the Community or in the Member State in which they have been registered. However, the requirement for genuine use, which could result in an opposition being rejected or even in the trade mark being revoked, as provided for in particular in Article 51 of Regulation No 207/2009, pursues a different objective from those provisions.

54 Second, whilst it is reasonable to expect that a Community trade mark should be used in a larger area than a national mark, it is not necessary that the mark should be used in an extensive geographic area for the use to be deemed genuine, since such a qualification will depend on the characteristics of the product or service concerned on the corresponding market (see, by analogy, with regard to the scale of the use, *Ansul*, paragraph 39).

55 Since the assessment of whether the use of the trade mark is genuine is carried out by reference to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark serves to create or maintain market shares for the goods or services for which it was registered, it is impossible to determine a priori, and in the abstract, what territorial scope should be chosen in order to determine whether the use of the mark is genuine or not. A *de minimis* rule, which would not allow the national court to appraise all the circumstances of the dispute before it, cannot therefore be laid down (see, by analogy, the order in *La Mer Technology*, paragraphs 25 and 27, and the judgment in *Sunrider v OHIM*, paragraphs 72 and 77)."

20. I am aware of the decision in *The Sofa Workshop Ltd v Sofaworks Ltd* [2015] EWHC 1773 (IPEC) case where Judge Hacon suggested that in relation to an EUTM, genuine use must extend beyond one Member State. However, I note that in the *London Taxi* case, Arnold J said this about the approach that Judge Hacon had adopted:

“230. In *The Sofa Workshop Ltd v Sofaworks Ltd* [2015] EWHC 1773 (IPEC), [2015] ETMR 37 at [25] His Honour Judge Hacon interpreted *Leno* as establishing that "genuine use in the Community will in general require use in more than one Member State" but "an exception to that general requirement arises where the market for the relevant goods or services is restricted to the territory of a single Member State". On this basis, he went on to hold at [33]-[40] that extensive use of the trade mark in the UK, and one sale in Denmark, was not sufficient to amount to genuine use in the Community. As I understand it, this decision is presently under appeal and it would therefore be inappropriate for me to comment on the merits of the decision. All I will say is that, while I find the thrust of Judge Hacon's analysis of *Leno* persuasive, I would not myself express the applicable principles in terms of a general rule and an exception to that general rule. Rather, I would prefer to say that the assessment is a multi-factorial one which includes the geographical extent of the use.”

21. In *Reber Holding GmbH & Co. KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM), Case T-355/09, the General Court found that the sale of 40-60Kg per annum of specialist chocolate under a mark was insufficient to constitute genuine use of a national trade mark, which was registered in Germany. On further appeal in Case C-141/13 P, the CJEU stated, at paragraph 32 of its judgment, that:

“not every proven commercial use may automatically be deemed to constitute genuine use of the trade mark in question”.

22. The CJEU found that:

“the General Court conducted an overall assessment of that trade mark, taking into account the volume of sales of the goods protected by the trade mark, the nature and characteristics of those goods, the geographical coverage of the use of the trade mark, the advertising on the website of Paul Reber GmbH & Co. KG and the continuity of the trade mark’s use. It thus established a certain degree of interdependence between the factors capable of proving genuine use. The General Court therefore correctly applied the concept of ‘genuine use’ and did not err in law in its assessment of that use” (paragraph 34 of the judgment CJEU).

23. 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 [European Union] market for the goods or services protected by the mark*” is therefore not genuine use.

24. In terms of framing a fair specification where use has been made on just some of the goods in a specification, I note that in *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited*, BL O/345/10, Mr Geoffrey Hobbs QC, as the Appointed Person, summed up the law as being:

“In the present state of the law, fair protection is to be achieved by identifying and defining not the particular examples of goods or services for which there has been genuine use but the particular categories of goods or services they should realistically be taken to exemplify. For that purpose the terminology of the resulting specification should accord with the perceptions of the average consumer of the goods or services concerned.”

25. In *Roger Maier and Another v ASOS*, [2015] EWCA Civ 220, Kitchen L.J. (with whom Underhill L.J. agreed) set out the correct approach for devising a fair specification where the mark has not been used for all the goods for which it is registered. He said:

“63. The task of the court is to arrive, in the end, at a fair specification and this in turn involves ascertaining how the average consumer would describe the

goods or services in relation to which the mark has been used, and considering the purpose and intended use of those goods or services. This I understand to be the approach adopted by this court in the earlier cases of *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2002] EWCA Civ 1828, [2003] RPC 32; and in *West v Fuller Smith & Turner plc* [2003] EWCA Civ 48, [2003] FSR 44. To my mind a very helpful exposition was provided by Jacob J (as he then was) in *ANIMAL Trade Mark* [2003] EWHC 1589 (Ch); [2004] FSR 19. He said at paragraph [20]:

“... I do not think there is anything technical about this: the consumer is not expected to think in a pernicky way because the average consumer does not do so. In coming to a fair description the notional average consumer must, I think, be taken to know the purpose of the description. Otherwise they might choose something too narrow or too wide. ... Thus the "fair description" is one which would be given in the context of trade mark protection. So one must assume that the average consumer is told that the mark will get absolute protection ("the umbra") for use of the identical mark for any goods coming within his description and protection depending on confusability for a similar mark or the same mark on similar goods ("the penumbra"). A lot depends on the nature of the goods – are they specialist or of a more general, everyday nature? Has there been use for just one specific item or for a range of goods? Are the goods on the High Street? And so on. The whole exercise consists in the end of forming a value judgment as to the appropriate specification having regard to the use which has been made.”

64. Importantly, Jacob J there explained and I would respectfully agree that the court must form a value judgment as to the appropriate specification having regard to the use which has been made. But I would add that, in doing so, regard must also be had to the guidance given by the General Court in the later cases to which I have referred. Accordingly I believe the approach to be adopted is, in essence, a relatively simple one. The court must identify the goods or services in relation to which the mark has been used in the relevant

period and consider how the average consumer would fairly describe them. In carrying out that exercise the court must have regard to the categories of goods or services for which the mark is registered and the extent to which those categories are described in general terms. If those categories are described in terms which are sufficiently broad so as to allow the identification within them of various sub-categories which are capable of being viewed independently then proof of use in relation to only one or more of those sub-categories will not constitute use of the mark in relation to all the other sub-categories.

65. It follows that protection must not be cut down to those precise goods or services in relation to which the mark has been used. This would be to strip the proprietor of protection for all goods or services which the average consumer would consider belong to the same group or category as those for which the mark has been used and which are not in substance different from them. But conversely, if the average consumer would consider that the goods or services for which the mark has been used form a series of coherent categories or sub-categories then the registration must be limited accordingly. In my judgment it also follows that a proprietor cannot derive any real assistance from the, at times, broad terminology of the Nice Classification or from the fact that he may have secured a registration for a wide range of goods or services which are described in general terms. To the contrary, the purpose of the provision is to ensure that protection is only afforded to marks which have actually been used or, put another way, that marks are actually used for the goods or services for which they are registered.”

26. The relevant period in which genuine use must be established is 7 March 2010 to 6 March 2015

27. In its written submissions, the applicant said this in relation to proof of use:

“The Applicant believes that the evidence of use filed by the Opponent does not contain objective, unambiguous and concrete information regarding the kind, extent and nature of use.

The Applicant believes that the evidence of use provided by the Opponent is not sufficient to show that the mark has been in use in the five year period before the publication of the Application. Consequently, the Applicant requests that the Opposition is dismissed in its entirety.”

28. The opponent considers the above to constitute an impermissible² request to disbelieve the evidence of Mr Salt, including Mr Salt’s statement that:

“I confirm that the trade mark ECOCUT.....has been used widely in the EU for the goods covered by the registration, including industrial oils and lubricants for metalworking, throughout the five year period ending 5 March 2015.”

29. I do not agree with the opponent’s point. The above statement from Mr Salt is merely an assertion of use. Whether genuine use has been shown must be considered upon the basis of the facts presented in the evidence. There has been no request to disbelieve anything in particular, the applicant’s point is simply that, taken as whole, the evidence is not sufficient to show that genuine use is established. Whether this is so is a matter for me to determine.

30. The opponent’s submissions highlight the various parts of Mr Salt’s evidence which it considers to establish that genuine has been made. I agree with the opponent that the evidence does indeed show that genuine use has been made. It has provided what appears to be not insubstantial sales figures for ECOCUT products in the UK. It has provided sales invoices from within the relevant period to businesses in the UK and Germany which identifies ECOCUT as the product being sold. There is also evidence suggesting that the mark is used in other EU member states, however, I accept that the evidence on this is less objective because it consists merely of undated web prints. Whilst the web prints from the FUCHS UK website are not dated, given that it is clear, as a matter of fact, that sales have been made in the relevant period, this can be taken as further supporting evidence. There are further examples of brochures and flyers showing use. Genuine use is proven.

² Relying on the decision of Mr Arnold QC (as he then was) in *Extreme* BL O/161/07.

31. The specification of the earlier mark reads:

Class 4: Industrial oils and greases as well as lubricants, all goods exclusively for metalworking.

32. Clearly, the goods would be classed as oils or lubricants and such terms represent, in my view, a fair description of the goods sold. The goods are already limited to being exclusively for metal working, no narrower limitation is needed, to do otherwise would be pernickety. However, there is no evidence that the goods sold are greases, nor would they be described as such. Accordingly, I consider a fair specification to base the opposition on to be:

Class 4: Industrial oils as well as lubricants, all goods exclusively for metalworking.

33. In reaching the above conclusion, I have borne in mind the reference by the opponent to a decision (involving, essentially, the same dispute as the subject proceedings) of the EUIPO which was upheld by the First Board of Appeal³ in which genuine use was found not only on oils, but also on greases. However, in the absence of any evidence to show that the products are greases, I must reject the opponent's submission that the full specification can be relied upon.

Section 5(2)(b)

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

³ The decision of the First Board of Appeal is listed under reference Case R 852/2012-1. It should be noted that in terms of likelihood of confusion, the Opposition Division of the EUIPO held that there was a likelihood of confusion from the perspective of non-English speakers and, so, it did not need to consider the matter from the perspective of English speakers. The First Board of Appeal upheld the first instance decision, highlighting that non-English speaking members of the relevant public were part of the assessment. Given all this, and given that the decision before me relates to English speaking average consumers, the outcome of the EUIPO proceedings in relation to the likelihood of confusion at Community level is not pertinent.

“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 association with the earlier trade mark.”

35. 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 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 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 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 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

36. The applied for goods are:

Class 1: Coolants; chemical preparations for inhibiting rust; preparations for treating metal surfaces; anti-corrosive preparations; preservatives against rust;

emulsifiers; degreasing preparations for use in industry and manufacturing processes, grinding preparations.

Class 4: Fuels in gas, liquid or solid form, oils and greases for industrial use; lubricants; cutting and grinding fluids and oils.

37. The goods of the earlier mark are:

Class 4: Industrial oils as well as lubricants, all goods exclusively for metalworking

38. Even if goods are not worded identically, they can still be considered identical if one term falls within the ambit of another, as per the judgment in *Gérard Meric v OHIM*, Case T-133/05. Therefore, the applied for oils for industrial use are identical, even though they are not limited to use for metal working. I propose to pause the analysis there and will consider the opposition on the basis of these identical goods, returning to the other goods to the extent necessary.

Average consumer and the purchasing act

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

40. The applicant submits that the goods sold under the opponent’s ECOCUT mark are sold business to business, with an experienced technician purchasing them for use in the running of expensive machinery. It submits that the goods will need to be approved by the manufacturer of the machinery. However, these submissions reflect too closely the actualities of the opponent’s trade as opposed to a notional consideration of the goods and the average consumer. Nevertheless, because the goods are industrial oils, and whether they are used for metalworking or otherwise, this means that that the average consumer will be a person in industry as opposed to a member of the general public. The goods may be perused on websites, brochures etc, but there is no reason why orders could not be placed over the telephone. It is likely that the goods will need to be considered in order to ensure that they are fit for purpose. Whilst in some settings (such as the example given by the applicant) the selection of goods may be subject to a reasonable level of consideration, there will be some settings, even in industry, where no more than an average level of consideration will be adopted.

Comparison of marks

41. 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.”

42. 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. The marks to be compared are:

ILOCUT v ECOCUT

43. In terms of the overall impression of ECOCUT, the opponent submits that the four letters “-OCUT” dominate the mark (and that the same applies to the applicant’s mark), whereas the applicant submits that it is the initial letters to which more attention will be paid. I see no basis for coming to either of these views. In my view, ECOCUT will clearly be seen as a combination of the words ECO and CUT. As I will come on to say, both words have suggestive/allusive characteristics, but neither the word ECO nor the word CUT dominates the other in the overall impression of the mark.

44. ILOCUT has greater capacity to be seen as a single invented word. However, given that the goods could be used as cutting oils (a point I will come to shortly), it is likely to be broken down as ILO-CUT, but, nevertheless, it will still be seen as an invented whole, with neither ILO nor CUT dominating. I would have come to the same view even if there was no such thing as cutting oils given that the word CUT is a well-known word in the English language.

45. Visually, the marks are of the same length and both end with the letters –OCUT. However, the beginnings IL/EC are very different. I consider there to be a moderate (between low and medium) level of visual similarity. A similar assessment runs through the aural analysis. The marks will most likely be pronounced as EYE-LOW-CUT (or ILL-OW-CUT) against EE-CO-CUT. Both marks are, thus, three syllables long. The end syllable is the same, the middle syllables have some similarity on account of the O

sound at the end of LO and CO, but the beginnings are different. I consider there to be a moderate level of aural similarity.

46. Conceptually, ECOCUT is evocative of something that is ecologically friendly which cuts or has a cutting action. That whole message is not shared with ILOCUT, although the CUT message may still be seen. If there is any conceptual similarity, it is only low.

Distinctive character of the earlier mark

47. The degree of distinctiveness of the earlier mark must be assessed. This is because the more distinctive the earlier mark, based either on inherent qualities or because of use made, the greater the likelihood of confusion (see *Sabel BV v. Puma AG*, paragraph 24). 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).”

48. The applicant states that the word CUT is descriptive of the goods in question, highlighting the opponent’s own evidence (paragraph 5 of Mr Salt’s witness statement) which explains that one application for the opponent’s goods is as a cutting oil. The applicant also highlights the commonality of the word CUT in trade marks in this field, as evidenced by the comparison table I mentioned earlier. The applicant also argues that the word ECO may be seen as a reference to eco-friendliness. It refers to some state of the register evidence of ECO based marks in class 4.

49. The opponent states that there is no evidence to show that either the word ECO or CUT have a direct and specific meaning in relation to the goods at issue and that there is no evidence to show that eco-friendliness is a relevant characteristic for the goods. The opponent submits that the goods in question can be used for purposes beyond being cutting fluids/oils. The opponent considers that the earlier mark has at least an average degree of distinctive character.

50. From an inherent perspective, the earlier mark ECOCUT consists of a word combination which, in my view, and as I alluded to earlier, is suggestive in respect of the goods in question. Even without evidence, I am prepared to accept that ECO is an extremely well-known term indicating ecologically sound products. Whether the goods in question are known for environmental friendliness is not a fatal point because this is how the average consumer will nevertheless see it. CUT will be seen as suggestive of the fact that the goods can be used as a cutting oil. Whilst I accept that the goods may be used for applications beyond cutting oils, the fact remains that they can be used as cutting oils (so this prospect must be considered in the assessment) and, in any event, the average consumer is still likely to be aware of the term cutting oils/fluids and, so, they will still see the suggestive meaning and will understand, perhaps, that one of the applications is as a cutting oil. Even if this is wrong, the word CUT is a common English word with a number of potential meanings. I consider that other suggestive connotations may flow from the use of the word, including that the oils and lubricants will cut through something (but not in the sense of metal cutting). In combination, the words create a whole which is distinctive. In terms of the degree of

distinctiveness, the combination of these two suggestive terms does not place the mark on the bottom rung of potential distinctive character, but I nevertheless consider that there is only a moderate (between low and medium) level of inherent distinctive character. I should flag-up that I have placed little weight on the other CUT based marks as there is no evidence to show the level of use that has been made of them.

51. The distinctiveness of a mark can, though, be enhanced through use. Whilst the opponent's evidence does not specify the size of the relevant market, the evidence nevertheless suggests that the opponent is one of the key players. Although it uses other brands such as ECOCOOL, I am prepared to accept that the moderate level of inherent distinctiveness has been enhanced to a degree, perhaps not to the highest degree, but to a point where its distinctiveness is enhanced to at least an average (or slightly above average) level.

Likelihood of confusion

52. 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. Confusion can be direct (which effectively 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/goods down to the responsible undertakings being the same or related).

53. In terms of direct confusion, I must bear in mind the concept of imperfect recollection given that trade marks are rarely encountered side-by-side. However, I come to the view, even in relation to the identical goods under consideration, and even taking into account the level of distinctiveness of the earlier mark, that the differences between the marks is sufficient to avoid a likelihood of confusion. The applicant states that because the opponent's mark starts with ECO, a term with no distinctiveness, compared to the applicants ILO, means that no confusion will arise. I may not have

put it quite like that myself, but the fact remains that the use of the recognisable word ECO at the start of the opponent's mark means that the competing marks are unlikely to be mis-remembered or mis-recalled as each other. There is no likelihood of direct confusion.

54. Indirect confusion was dealt with by Mr Iain Purvis QC, sitting as the Appointed Person, in *L.A. Sugar Limited v By Back Beat Inc*, Case BL-O/375/10 where he noted that:

“16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: “The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.

17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:

(a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right (“26 RED TESCO” would no doubt be such a case).

(b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as “LITE”, “EXPRESS”, “WORLDWIDE”, “MINI” etc.).

(c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension (“FAT FACE” to “BRAT FACE” for example).”

55. If indirect confusion is to be found then it would need to be based upon the fact that the marks have a similar structure, a structure which shares the same ending. The opponent submits that the average consumer would regard both products as being part of the same range. However, I consider that the average consumer will put such similarities down to a simple co-incidental use of a not particularly distinctive word. This would certainly be the case with regard to average consumers who are aware of cutting oils. Even for average consumers that have no such knowledge, the nature of the common element is not enough to indicate that the goods come from the same stable. None of the example scenarios given by Mr Purvis QC in the above case appear applicable. The common element is not strikingly distinctive of the opponent, nor would the forms of the marks result in one being seen as a sub-brand or a brand extension. The examples of Mr Purvis QC are, of course, non-exhaustive, but I see no other reason for concluding that there is a likelihood of indirect confusion.

56. In coming to this view I have felt it unnecessary to place any weight on the applicant’s submission of confusion free parallel trade.

The other goods of the application

57. I do not consider it necessary to deal with the other goods of the application in any greater detail, for the following reasons:

- i) In my finding that there is no likelihood of confusion, I have already countenanced the possibility that the average consumer will not be aware of cutting oils.
- ii) Whilst it is possible for some of the applied for goods to be used by members of the general public (and even if the level of consideration were slightly lower), this does not materially change the position. I would have come to

the same outcome even if the average consumer had been identified as such.

- iii) Whilst some of the other goods are highly similar (greases for example), others are less similar. If there is no likelihood of confusion for identical goods, I see no prospect (bearing in mind the points made above) for finding that there is a likelihood of confusion for goods which are only similar.

Conclusion

58. The opposition fails. Subject to appeal, the application may proceed.

Costs

59. The applicant has succeeded and is entitled to a contribution towards its costs. My assessment is set out below:

Preparing a statement and considering the other side's statement - £300

Filing and considering evidence - £700

Written submissions - £400

Total - £1400

60. I order Fuchs Petrolub SE to pay Castrol Limited the sum of £1400 to be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 19th day of May 2016

Oliver Morris

For the Registrar

The Comptroller-General